



Module 4 Lesson 3

Your Instant Assessment



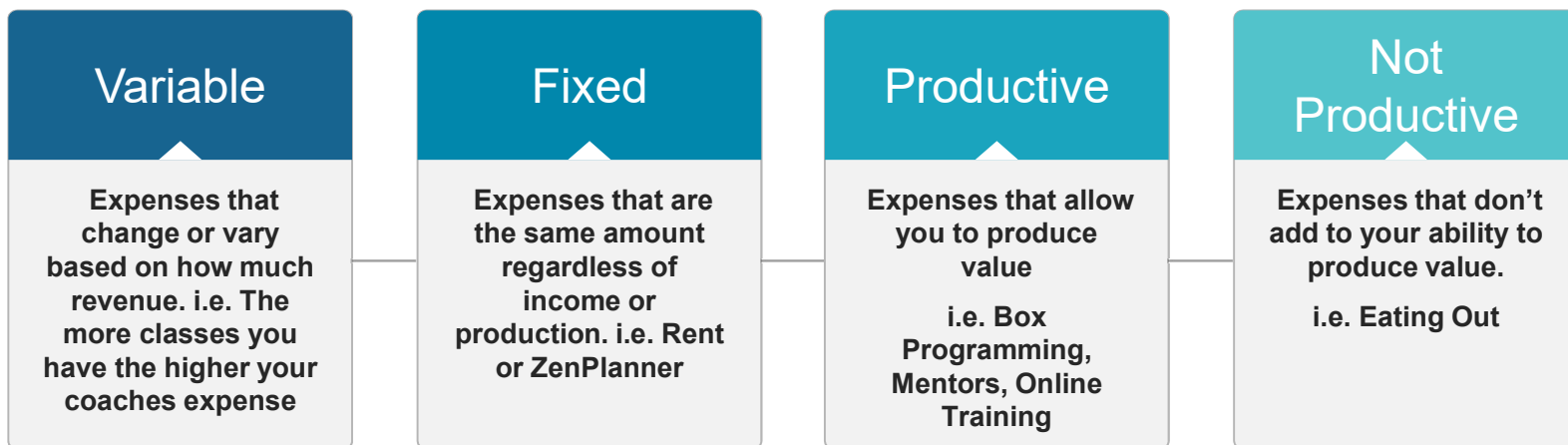
Instant Assessment						
	Actual	Actual %	PF%	PF\$	(Bleed)	(Fix)
Top Line Revenue	\$548,303					
Materials & Subcontractors	\$147,545					
Real Revenue	\$400,758	100%	100%			
Profit	\$0	0%	10%	\$40,076	-\$40,076	INCREASE
Owner's Pay	\$133,799	33%	35%	\$140,265	-\$6,466	INCREASE
Tax	\$0	0%	15%	\$60,114	-\$60,114	INCREASE
Operating Expenses	\$263,894	66%	40%	\$160,303	\$103,591	DECREASE

More than 80% have this action item

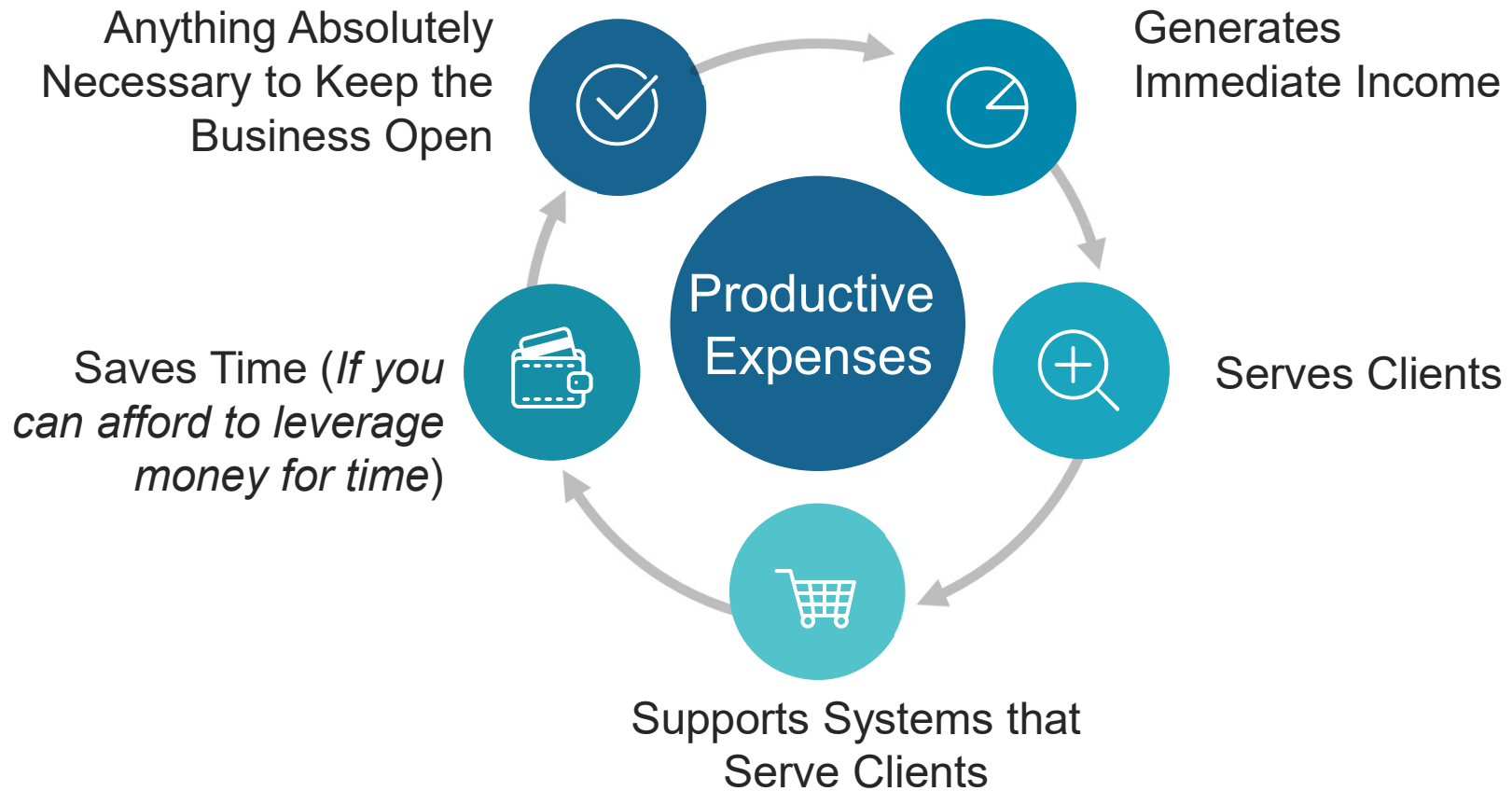


Two Types of Expenses

Just like not all debt is created equal, not all expenses are created equal.

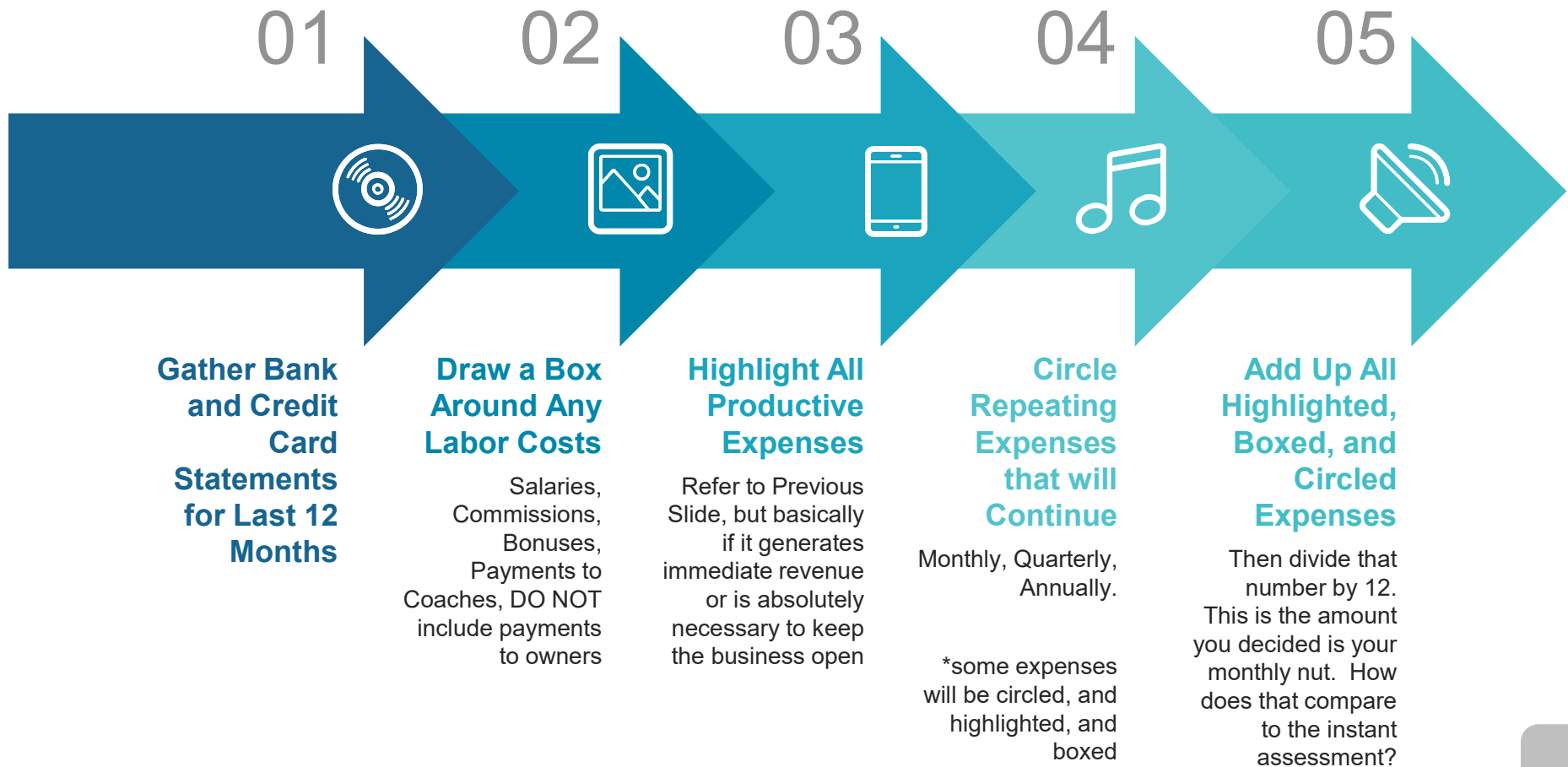


Productive Expenses

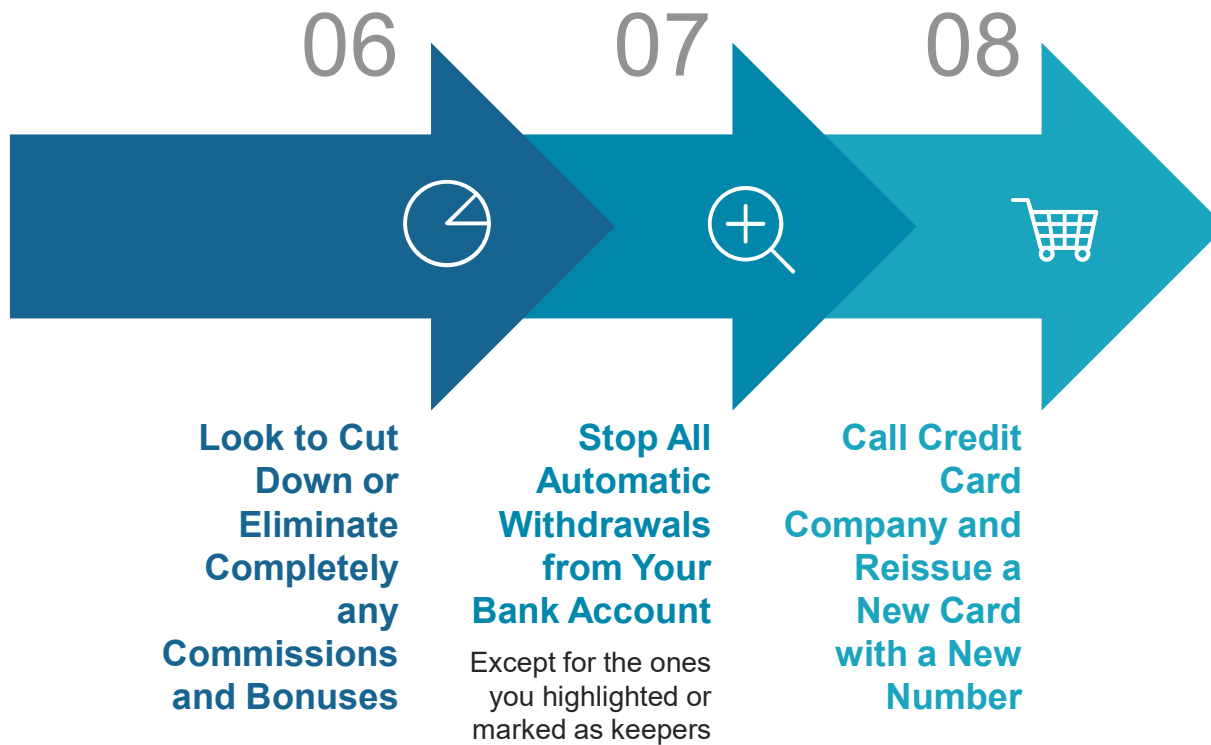


Analyze Expenses

The Magic Process



Still Analyzing Expenses



Analyzing Labor Expenses

7 Steps to Reduce Labor Costs

01

Identify any that aren't "A" players

If you have to cut expenses, you can't afford to have any team members that aren't "A" players.

02

Re-evaluate Your Involvement

If you are overstaffed, then means you are the most underused employee

03

Evaluate each Role

Is each role mandatory for operations to continue (not the person, but the role)

04

In-house or Outsource

Which roles must stay in house no matter what, which roles could be outsourced, and which ones can your box survive without



Still Analyzing Labor Expenses

05

Be Involved

What roles can and should you take on

06

Place “A” Players

Starting with your best team members, which remaining roles can they cover

07

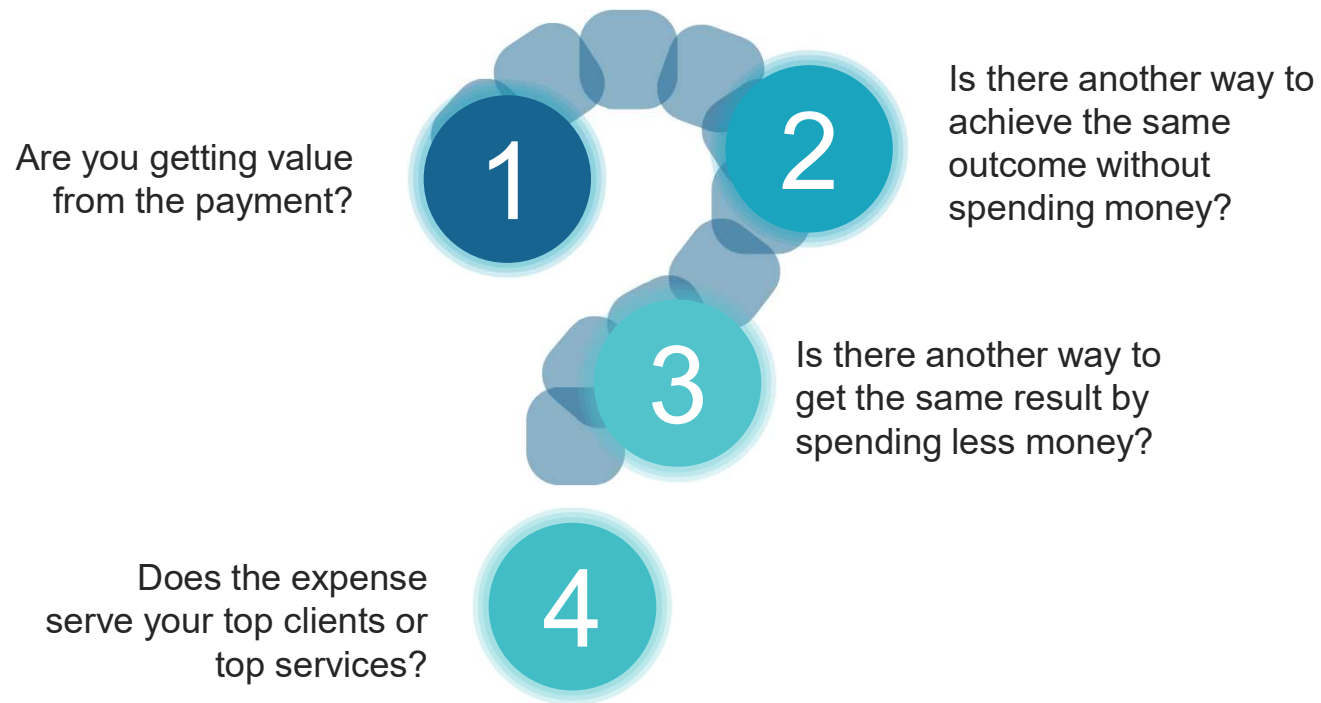
Plan the Layoffs

Don't do pay cuts. Layoffs are better. Then tell the remaining team what you have done and why

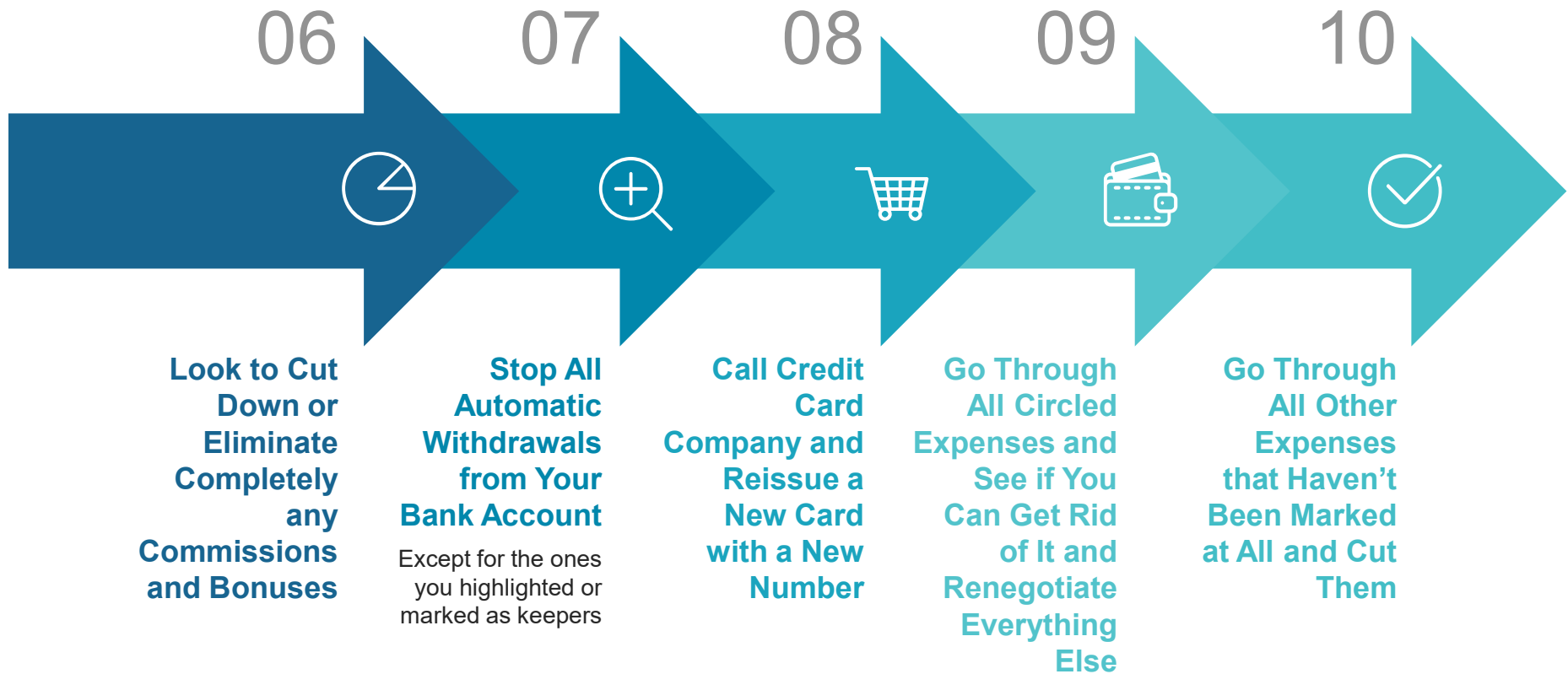


Cutting Expenses

Simple Questions that Need to Be Asked



Still Analyzing Expenses



*Start with Smallest