

# Is Time Costing You Money?



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## Can a Better Use of Your Time, Make You More Money?

I decided to start this report with a hard reality question. Can a better use of your time, make you more money?

The answer is an obvious “YES!”

The truth is profit hours are far more valuable to you than your urgent hours. And, the one element that escapes most in their calculations is their insane amount of urgent hours that they disperse in a day!



Urgent hours sneak up on you, and they eat away at your ability to make money with your profit hours. They are usually a result of you **wearing too many hats** and trying to do too much on your own company. The result is your time sucking leeches get to eat up your available profit hours.

Profit hours are valuable because it is here where your unique talent as the business owner makes your company profitable. The more of these hours you have available to you, the more you can earn.

### Case Study: Almore Construction.



John was a young contractor in his early forties. He had a remodeling business that employed around 30 people at any given time. John was an excellent salesman, but a poor business manager. His business lack an organization structure, control systems and standard operating procedures. The result meant John was constantly putting out fires in his own organization.

However, John was an excellent salesman. When he could get in front of the customer, he could sell 9 out of 10 jobs. All without having to drop his pricing. Unfortunately, he felt his time was best used keeping his organization on the right track and hired salesmen to get his sales. Needless to say, sales declined dramatically. John turned to us.

We immediately uncovered John's valuable profit times in his own business. John himself even admitted that his true passion was in selling. However, until we could install good operating systems with structure, John had to keep trying to steer his company in the right direction.

Once we were fully able to develop and implement the required changes to his company, John was happily selling, increasing sales and profits while his newly organized company could perform their functions without requiring his input.

This problem is all too common, and it is the direct result of an inadequate understanding of organizational structure, time distribution, control systems, and a complete standard or operation's procedures. The good news is that it is all fixable.

### How Profit Time Makes You Money



If you listen to any guru or seminar information, you'll quickly understand that they are using an eight-hour day in order to establish the workday. For most contractors, they only wish they could have an eight-hour day! Unfortunately, this doesn't even come close to contractors. Profit hours are those hours that you are deliberately doing activities that generate profit for your business. This is what moves you and your organization closer to reaching its financial goals. And in business, you are in business to make money. Need I say more?

From our studies, the average contractor is working 10 to 14-hour days. We'll use 12 hours as our average.

Let's do the math. Say you want to make a \$100,000 per annum. If you went to a normal time management seminar, that would calculate to approximately \$56 per hour, based on working 220 days at eight hours per day ( $\$100,000 / 8 \times 220$ ).

However, this is misleading because of the number of hours you gave away to what appeared as urgent hours. According to most studies, the number of hours of real productivity is just  $\frac{1}{4}$  to  $\frac{1}{3}$  of the time you work. Which means, in an eight-hour day, even on  $\frac{1}{3}$  being profit hours, you are utilizing merely 2.6 hours for making money. The new calculation would be  $\$100,000 / 2.6 \times 220 = \$174.82!$  **Big difference**, wouldn't you say?

Think about this, how many hours a day do you spend putting out fires like a crazed fireman in your own business? These are hours that directly take you away from your primary obligation of **making money!**



Do you understand how your time sucking leeches are robbing you blind?

## Getting Started

First, please understand that this is a complex problem. I am not offering a quick-fix or magic button that will cure your time management ills. What I hope to do is help you to recognize and come to terms with where your hours are going. If that works, you might consider working with us to help you fix the entire problem.

With that thought in mind, let's get started.

To get started, you need to pinpoint exactly where your efforts contribute straight to the bottom-line. Note: I said "straight."

Not everything you do throughout your day, contributes to your bottom-line. That is why they call it "putting out fires." You need to distinguish between what is "**URGENT**" and what is "**PROFIT**." Many owners of contracting business approach this with their ego in full bloom, thinking they are the only reason they make money. This is not true. Read this case study.

## Case Study: High View Roofing



Mark was proud of his business. He started it at a young age and through long, hard hours provided him and his family a good living. Unfortunately, Mark felt he had to do everything himself in order to get things done, including doing the work on the roof. Over time, this was his Achilles Heel.

Since Mark counted himself as one of the crews, he put in long days. He had to do the physical work on the roof during the day, his sales calls at night, go home

estimate the projects and then turn his attentions to paying bills. Over time, this caught up with Mark.

One day a tragic accident occurred. Mark was on the roof, taking off shingles, pushing the crew and because he was so preoccupied, he slipped and fell off the roof. The rehabilitation time was long. Jobs didn't get done. Chaos reigned within the business, and money flowed out, not in. Financial ruin was setting in. Mark turned to us.

We helped Mark assess his strengths and weaknesses. We showed him how to take back control, especially during his present crisis and get things firmly in order quickly. Mark is back to work now, but not on the roof. A SOP for productivity and proper training of his foremen, and crew alleviated that problem. Mark spends his time doing the most profitable actions that best suit his talents and situation. The business is properly running better than it was before.

The valuable lesson here for anyone is that you cannot allow your business to revolve around just you. The reason is simple, what happens when you are no longer able to work the business? This is also why most contracting businesses have no value, remove the owner and the business falls apart quickly.



Therefore, we need to isolate that one thing that you love doing in your business, that you do very well and directly contributes to the bottom-line. That is step one, so put on your thinking caps, and start working on this.

Next, we need to isolate all the “things” you put your time into over the day. This needs to be done for a prolonged period of time, say six weeks or so. This allows the variables to average out.

Here is how to get started. Go purchase a notebook that easily fits in your shirt pocket. Get a pen that you feel comfortable with and start noting by the time and amount of time you spend on the different categories. You can add categories if you wish. At the end of the day, take out your trusty notebook and categorize your time into the appropriate headings on the weekly tracking sheet. At the end of the week, transpose them on to the accumulative tracking sheet titled: “Distribution of Time.”

If you have kept accurate records over the six week period of time, you can now see where the majority of your time is going. If you have determined where your efforts drive money to your profit margins, you can currently see how much time you really spend doing what makes money. You can also calculate if you had more time, how much more you could be earning.

Correcting is a complex issue. Without the proper systems, methods, processes and procedures, it can easily be done incorrectly. It can also be readily assumed to be working when it isn't. If you need help doing this, visit our website, and we can help you. The investment of our time will pay you back in a huge amount giving you more time to make more money.

If you would like to have us help you, please check out our web site by clicking on the link below.

[>>>Check Out Our Business-Building Information!<<<](#)

Meanwhile, good luck!

### WEEKLY TRACKING SHEET

<b>Activity</b>	<b>Mon</b>	<b>Tues</b>	<b>Wed</b>	<b>Thur</b>	<b>Fri</b>	<b>Sat</b>	<b>Totals</b>
Bookkeeping							
Sales							
Marketing							
Estimating							
Job Mgt							
Job Problems							
Customer Questions							
Customer Problems							
Production							
Employee Questions							
Employee Problems							
Paperwork							
Vendors							
Sub Contractors							
Pick up & Delivery							
<b>Total</b>							

## DISTRIBUTION OF TIME

<b>Activities</b>	<b>Week 1</b>	<b>Week 2</b>	<b>Week 3</b>	<b>Week 4</b>	<b>Week 5</b>	<b>Week 6</b>	<b>Totals</b>
Bookkeeping							
Sales							
Marketing							
Estimating							
Job Mgt							
Job Problems							
Customer Questions							
Customer Problems							
Production							
Employee Questions							
Employee Problems							
Paperwork							
Vendors							
Sub Contractors							
Pick up & Delivery							
<b>Totals</b>							