***Managing costs: What do you do all day?***

We have our objectives, and we have our budget. Our budget finances the resources we need, to do the things we need to do in order to achieve our objectives.

But everything we do takes time (and often uses “stuff” as well), and therefore it costs us money. Hence the question in this article: “What do you do all day?”

It’s an important question to ask, because we don’t plan to do all the things we do (just as we don’t always do all the things we planned to do!).

In the 5th article in this section, we looked at the cost/benefit of all the things we do. But to do that properly we need to fully understand just what it is that we do.

**Finding out what we really do**

If you asked me what I did in a typical week, it would be the things that appear on my action plan: writing course material; adding to my website; marketing; preparing, delivering and following up training workshops; travelling; visiting clients; personal development; admin (bookkeeping; VAT; invoicing; chasing clients for payment; etc); the list goes on.

And all of it is useful valid stuff that adds to my business.

But I have days when I don’t complete my to-do list (and sometimes I’m not even sure why!).

I’m in a networking group that meets quarterly (always a priority) and has a FaceBook group as well. The FB discussions are always useful, and sometimes I get involved in that. It’s my equivalent of chatting beside the water cooler, and they are usually really useful conversations.

Clients email me about something and it takes time to deal with.

I’m printing something, then realise I’ll need more paper soon, which leads into placing a Viking order.

**The urgent and the important**

Steven Covey in his book “The 7 habits of highly effective people” talks about the urgent and the important. Urgent issues often crowd out important things, which means they become a crisis later.

We work to priorities, but are they our priorities, or someone else’s? And are they the right priorities to work to?

**The timesheet challenge?**

I used to work in accountancy practice, and our daily timesheet was the basis for billing clients. So it was important. A pain, but an important pain!

Obviously no-one would bother keeping a timesheet unless they needed the information it provided, but it does help us see what we’ve done all day.

So how about keeping a timesheet, or a daily record, or a diary, of what you have done that day, and how long you’ve spent doing it. The odds are that there will be some surprises in it by the end of the week!

**How do I use that information?**

If we know what we’ve done, and how long we’ve spent doing it, we can cost it.

In my business there’s just me. I don’t tend to work on Bank Holidays, and I take about 5 weeks’ holiday every year. That leaves me about 46 working weeks. If I want to have annual sales of £46,000, that’s £1,000 per week, or £200 per day, or £25/hour. Now I don’t expect to bill £25/hour, and I know that when I’m running a workshop I’m earning a lot more than that. But £25/hour is the “cost” of my time.

So at the end of the day I can look at where I’ve spent my time, and cost that at £25/hour.

For example, I’ve spent more than ½ hour on this article, so it’s nearly £15. In the Vault I’ll have more than 100 articles by the time I’ve finished: £1,500. And videos take even longer than written articles, so they’re even more expensive.

Finding ¾ hour every day to write an article is one thing, questioning whether the finished product is worth what it has cost might give a different view!

**And then there’s your team…**

In my business it’s easy: there’s just me.

I know from experience that timesheets can be something of a fiction. When I was in accountancy practice my timesheet was a reflection of what I did. But I was also telling the partners what I knew they wanted to hear – I had to show I was being productive.

So you’ll have to convince your team that this process isn’t about measuring them, it’s about finding out what we do as a team, so we can do things more cost-effectively!

**So what do we do all day?**

Back to the original question. If the answer is “I don’t really know”, it will be difficult to manage our costs and get really good value for money out of our budgets.