

Financial training For non financial staff



The financial training specialists

Cost and benefit (Profit)

This is one of the areas I often touch upon in my training when we're looking at ways to get more out of our budgets.

Everything we do has a cost - the cost of the stuff we use to do it with, and the cost of our time.

Once we start to include the cost of our time, things get quite expensive, quite quickly!

And we do things in order to achieve an objective, so everything we do has a benefit as well.

It gets interesting when we weigh up the cost and the benefit.

Some things are low cost, high benefit. These are often communication things - the regular phone call with the customer; or keeping your boss in the loop. They don't take long, but can create huge value. We want to know what they are so we can keep doing them.

Others are high cost, low benefit. We want to know what these are, as if we stop doing them, we save a load of money, and lose little real value.

Maybe we can find a way of doing the high cost things more cheaply, or getting more value out of the low benefit things.

What's on your to-do list, and how do they fit into this framework? What are the low cost/high benefit things that get squeezed out of your activity when you're under pressure? What are the high cost/low benefit things, and what's your plan for stopping doing these?