

Financial training For non financial staff



The financial training specialists

Covering our costs (profit)

We're lucky enough to have a weekly market in our village in the Yorkshire dales. It's only a small market: just four stalls in winter – fruit & veg; meat; fish; and cheese. But it's enough to make life much more convenient than it otherwise might be.

Dave the cheese man built up his round from nothing, and recently sold it to Gareth & Clare. Three months in and they're off on holiday, and earning nothing.

That's the problem with being self-employed: your income has to cover the time you don't work as well!

But it's the same in big business: our income has to cover all the non-income earning work as well.

It has to cover all the times our productive people aren't doing income-earning work. Not only holidays and sickness, but also all the admin stuff, meetings and general "stuff" that gets in the way of doing income-earning work.

And then there's the overheads of the business too: HR; IT; Finance; Legal; Marketing; etc. Not that these are "bad" costs, just that they are non-income earning costs that have to be paid for out of the income we have earned.

So this week's challenge is: how do we reduce any costs that we don't need to incur? What are the low priority, low benefit things we do?

And how do we turn all the things we do into value for the customer – and therefore income?