

**What are you doing and why?**

Often we define our business and life by what we don't like to do. When thinking about changing the way you do business, knowing what you do, what you like to do and what you don't like to do will help clear the way for more profitable activities. Use this form and for once – DON'T worry about if you can afford it or not. The Cost per \_\_\_ is your rate. If you aren't sure what that is – take your compensation and divide it by 2000 hours. That answer will be your hourly rate – use it!

**Cost/Benefit Worksheet**

<b>Activity</b>	<b>Time spent per</b>	<b>Cost per</b> _____	<b>Cost per year</b>	<b>% of time</b>	<b>Benefit from you doing it</b>	<b>Out Source Yes/No</b>	<b>Enjoy Yes/No</b>
Example: Payroll	6 hrs. per month	450	5400	4%	confidentiality	Yes	No
<b>Total</b>							

## What Your Service Business Can Produce

Remember; there is a limit to the amount of revenue you can produce all by yourself. If you charge an hourly rate and you work for clients you can multiply the hours you will work times your hourly rate and this is the maximum income you can produce in a year. How much time you can work will depend on the effectiveness of your marketing, efficiency of your administration and how much time you can dedicate to your business.

Here are some numbers to consider:

- There are 52 weeks in a year
- Total hours available for everything are 8760
- Sleep, eating, family usually takes a minimum of 4000 hours
- The average work week is 40 hours
- The average vacation/personal time in the US is 2 weeks
- Therefore 40 hour times 50 weeks will be 2000 available for work
- Average service provider is able to bill 60% of their time
- 2000 hours time 60% = 1200.
- So you can work about 60% of the time and bill your services for 1200 hours.
- 1200 hours times your billable rate equals the maximum revenue you can earn in a given year.

My calculations:

My hourly billable rate = \_\_\_\_\_ -

Times the hours worked                      X 1200

The Gross Revenues = \_\_\_\_\_

Don't forget that you will have some expenses to subtract from Gross Revenues before you can pay yourself (or take a draw) with the rest.

How does this compare to what you did last year?

How does this compare to what you did last week?

Can you charge less?

Can you charge more?

Are there things that you can have others do?