

Work smarter, not harder, and you'll earn more in less time

"Efficiency is intelligent laziness."

— David Dunham

Conventional wisdom says that to make more, you need to work more. In professions such as law and accounting, this wisdom usually prevails. But the opposite is true among many of our business-owner clients.

The most successful entrepreneurs, those earning \$300,000 or more annually, typically work one-third fewer hours than — and take twice as many vacation days as — those earning under \$100,000.



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How do they do it? By working smarter, not harder. In our experience, small-business owners can significantly increase their earnings and simultaneously reduce their hours worked by executing on four critical tasks.

Few business owners have accurate and detailed data on the factors that drive their profitability. This data can yield powerful insights.

One of our construction clients earned \$100,000 net annually, yet discovered through a job profit analysis that it was actually making \$150,000 in two types of projects, and losing \$50,000 on all others.

Restaurant and fast-food outlets often make virtually all their profits on drinks and/or side dishes, while breaking even on main courses (ever wonder why McDonald's promotes its "value meals" so aggressively?).

Entrepreneurs need to understand precisely how they, and their key people, are spending their time. This should be measured across not only the dimensions listed above for profitability analysis, but also across functional disciplines and against required skill sets, to identify opportunities for delegation and streamlining. Successful entrepreneurs monitor return on time invested as closely as return on investment.

Business owners' "gut feel" about how they spend

Keys to earning more while working less

- 1)** Rigorously determine the key profitability drivers of your business.
- 2)** Understand exactly where you (and your key people) are spending your time and resources.
- 3)** Invest heavily in systems/process improvement, people/training, and technology to reduce your time on low-value and unpleasant activities.
- 4)** Refocus energies on long-term growth/profit drivers and work you enjoy.

their time is usually way off. Actual data shows they spend most of their time on low-value, repetitive, administrative, "urgent" tasks, and not nearly enough on strategic planning, relationship-building, recruiting/training, and other activities that drive long-term profitability. This time allocation adds stress, wastes opportunities and is unsatisfying.

The solution? Re-engineer your business processes, technology and management approach to reduce the time you spend on "low-value" and unpleasant tasks by 70 percent to 80 percent. Only by slashing this work can you free up time for higher-value activities, work you love and time off.

This streamlining is not easy but can be done. An activities industry client eliminated much of her busy work by moving her reservation and vendor communication systems online.

A photography entrepreneur outsourced his entire marketing programs to an ad agency, which has generated better results and freed him up to expand his business on the Mainland.

A construction firm owner cut the time he spent going on job sites 70 percent by recruiting and training a project manager. He was reluctant to add to his payroll, but with time saved he has brought in more than \$1 million in new business and is enjoying work for the first time in years.

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