
Time, money and capability.

How to manage and measure the three things that decide whether a business makes money, takes effort and is any fun.

The purpose of business is to make as much money while expending as little effort and having as much fun as possible.

**We do this by
managing
and measuring:**

1 Time

2 Capability

3 Money

**Lost time is never
found again.**

Benjamin Franklin, 1743

Time.

Time is the only resource that cannot be replaced.
Once it is spent, it is gone.

In a business, time falls into one of three categories.

Strategic time: black time

Time spent on developing future revenue. It includes planning, developing strategy and building platforms.

Operational time: blue time

Time used to generate today's income. It includes sales, delivering products and servicing customers.

Administrative time: red time

Any time spent in a business that does not generate revenue.
For example, staff contracts and payroll, banking and invoicing.

How time is split, by type of business.

AMOUNT OF TIME AVAILABLE



START-UP BUSINESS



LIFESTYLE BUSINESS



CORPORATE BUSINESS



Black: strategic time. **Blue:** operational time. **Red:** administrative time.

Time by role.

TEAM LEADER



ACCOUNTS



INSTALLER



The owner's time. What is our choice?

TYPICAL OWNER OR SENIOR MANAGER



IDEAL OWNER OR SENIOR MANAGER



Black: strategic time. **Blue:** operational time. **Red:** administrative time. The bars on this page show the shape of a typical week, not measured figures.

Capacity.

What are we capable of doing?

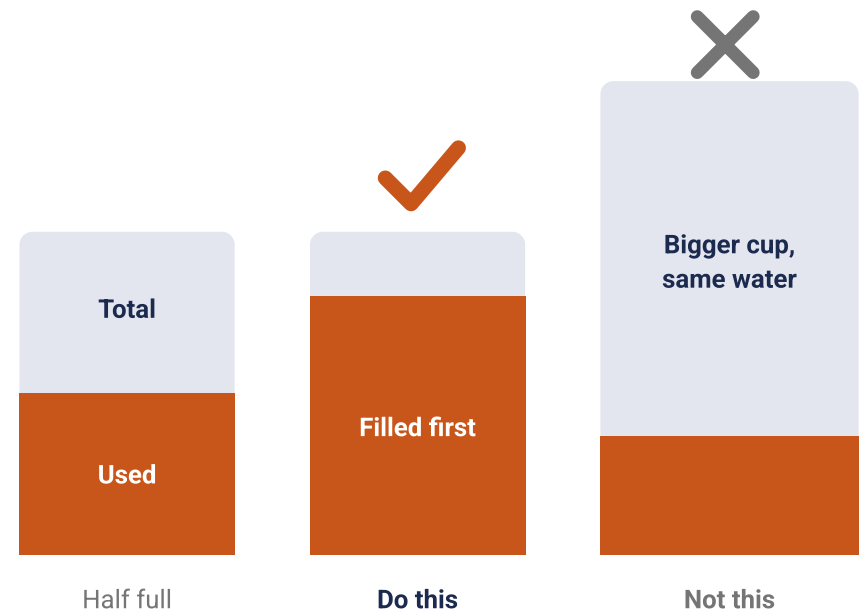
Capacity.

Capacity is the total available amount of a product or service that can be sold.

Think of it as a cup with water in it. The cup is the total capacity. The water is the capacity you are actually using.

We often make the mistake of expanding capacity (making the cup bigger) before we fill the existing cup. An example would be developing a new product before we have the brochures, materials and sales systems in place for the existing one.

In practice, we only ever get to about 70% capacity, because we cannot sell or deliver products at 100%.

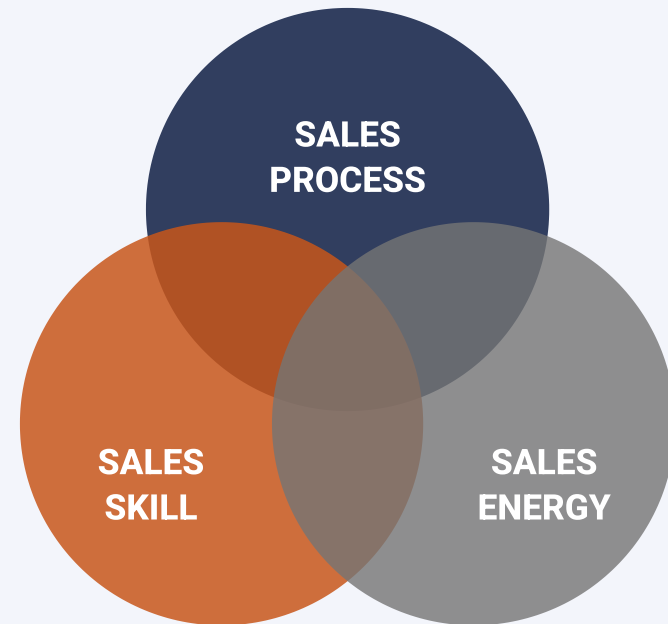


Platform strategy: **fill the cup.**

There are three ways to fill the cup:

1. Build a **process**.
2. Build a **skill set**.
3. Bring more **energy**.

Example: sales.



Growth strategy: make the cup larger.

There are six ways to make the cup larger:

1. Increase **price**.
2. Get more **people**, or improve the **skills** of existing people.
3. Change the **positioning** and **packaging** of the product.
4. Improve the **brand**.
5. Better client **management**.
6. Build stronger **partnerships**.

Example: partnerships

Tuff Turf and Holmesglen TAFE could partner to deliver Australia's first accredited training course for installers and turf professionals.

Benefits for Tuff Turf

1. A secure source of future staff
2. First choice of the best staff
3. Positioned as the industry expert
4. Removes a significant barrier to growth
5. Less reliance on a few key staff

Benefits for Holmesglen TAFE

1. A new funding and revenue stream
2. A bigger market offering
3. Seen to be innovative
4. An industry connection for student placements

**Capacity is enabled
by capability.**

Capability: getting better at what we do.

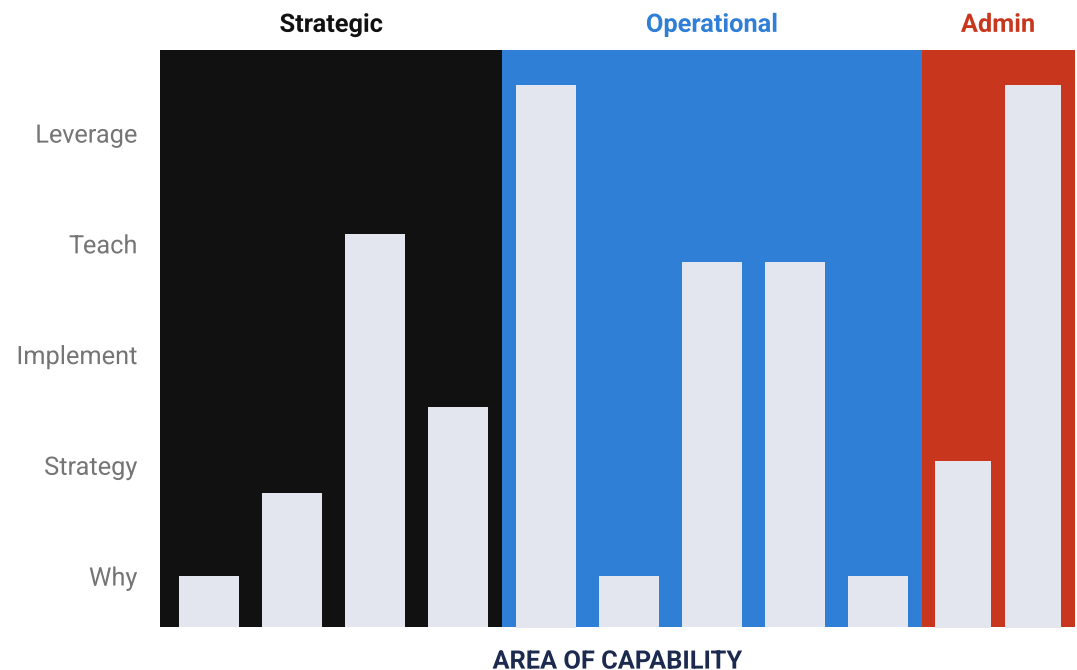
For each area of capability in the business, ask how far up the ladder you have climbed. Start at the bottom.

- | | |
|---------------------|---|
| 5. Leverage | Can we sell this as a system or service to others? |
| 4. Teach | Are we teaching this in a systematic way to our team members? |
| 3. Implement | Do we have effective and efficient implementation? |
| 2. Strategy | Do we have a strategy and plan for this capability? |
| 1. Why | Do we understand why this capability is needed? |

Mapping capability across the business.

Score each area of capability from why (1) to leverage (5). Most businesses start with every area at the bottom. Over time, the chart shows where you are strong, where you are thin, and whether your strengths sit in strategic, operational or administrative work.

An example profile. Bar heights show the shape, not measured scores.



Start with why.

**When people believe in what you believe in,
they work with their blood, sweat and tears.
When they don't believe in what you believe
in, they just work for your money.**

Simon Sinek

Time hacks.

There are many things you can do to make sure your time is used as effectively as possible.

1

Determine the critical things that only you can do.

2

Delegate or outsource everything else to capable people.

3

Block time for specific tasks. Be a slave to your diary.

4

Use technology to your advantage.

5

Don't be constantly available.

6

Develop scalable systems for everything possible.

Be selfish and unusual in the way you spend your time.

Time planning.

What should your diary look like?

Block out your black, blue and red time for a typical week.

	Monday	Tuesday	Wednesday	Thursday	Friday
Early					
Morning					
Midday					
Afternoon					
Evening					

Background.

The concepts in this document were developed by Darren Shirlaw, a globally renowned business strategist and coach. I learned them from Glen Carlson of Dent Global and Tim Dwyer of Shirlaws.

These are not my ideas, and I was not the originator of these concepts. I have used them to good advantage and record them here for the benefit of myself and my clients. This information is not intended to be sold, but to help those seeking greater returns from their business.

Ned Coten, November 2017

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