

**PROFITABLE
NOW**

**THE TOP 50 WAYS
TO CUT UNNECESSARY
EXPENSES FAST!**



CUTTING EXPENSES IS AN IMPORTANT PART OF GETTING PROFITABLE.

If your business is barely breaking even (or worse losing money) then cutting expenses is an important part of getting profitable. Some expenses will seem obvious, and others will require some digging.

One of the biggest shifts we want you to make here is the MINDSET behind your spending. Get creative. Negotiate everything. Don't just throw money or warm bodies at problems.

To get you started, here are 50 ways you can cut unnecessary expenses - FAST!

1. **OFFICE SUPPLIES AND EQUIPMENT**

Buy items such as pens, paper, tape, staples, etc. in bulk and only when there are deep discounts. Shop online - there are numerous discount office supply stores, and many offer free shipping on orders over a certain amount. Save a trip to the store because supplies are delivered to your doorstep. If you are purchasing shipping supplies, switch to free shipping materials from USPS, UPS, and FedEx.

2. **BUY SECOND-HAND EQUIPMENT**

If you need equipment for your staff you can save over 50 percent by buying used computers, copiers or office furniture. Try online auctions, social media, Craigslist, or local used office furniture stores.

3. **RECURRING SERVICES**

Chances are you have some subscription services you are no longer using. These expenses love hiding on credit card statements or bank accounts. It's super easy to procrastinate canceling these services because they are "only 20 bucks" a month. Even if it saves you \$5 a month, cut it!



4.

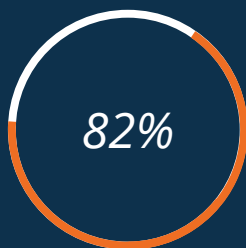
REDUCE SOFTWARE LICENSES

Certain businesses require specific software to operate. While you can't cancel the service, you may be paying for more licenses than are actually in use. Check your monthly bill and make sure you have not been overbilled as well. For larger operations, overbilling is common and hard to catch unless you are looking for it. If your software renews annually, call and negotiate with your vendor for monthly or quarterly billing to avoid a huge annual hit.

5. IMPROVE STAFF EFFICIENCY

If you employ workers, chances are there are numerous opportunities to improve efficiency and performance. Some places to start:

- 1) Terminate under-performers. You know who they are. That employee who routinely walks the halls, their work is sloppy or incorrect, or another staff member is picking up their slack. Let them go.
- 2) Cross train your team, so if somebody is out, operations continue to run. This will add flexibility to your operation and reduce the need for temporary help. You may also find redundancies in operations that can be improved or eliminated - reducing the total amount of work for everybody.
- 3) Do an inventory of staff functions. For tasks workers don't enjoy (like making sales calls), they may just be avoiding them, and thus your sales are not increasing. Put the magnifying glass on efficiency and performance.



"82% of businesses that fail do so because of cash flow problems..."

6. OUTSOURCE NON-ESSENTIAL FUNCTIONS

This can save you a lot of money versus a full-time employee. Consider using college students or work from home parents who want to take on a few hours of work while the kids are in school. Hire a VA (virtual assistant) instead of a full-time administrative assistant. Too many small business owners limit their growth by not hiring. You don't have to hire full-time employees! Hire independent contractors instead. They set their hours, so when they "come" to work they are there because they want to be. Plus you are only paying for time in which they are producing - instead of a full-time employee that may not be busy all the time. You'll save big on employee taxes and benefits too.

7. STOP PAYING ASSOCIATION FEES

If you don't go to the association meetings or utilize their services, stop paying the fees. On the flip side, if you are part of a large group, check your insurance rates or discounts offered by the association for additional cost savings.



8. **SHOP YOUR VENDORS!**

Call each of your suppliers to re-negotiate your rates. With a few phone calls, you can save anywhere from 10-25% on production costs. Don't be afraid to negotiate everything. Also, a bad vendor relationship can be a huge drain on your entire company. Don't hesitate to find a suitable replacement.

9. **STOP RUNNING PRINT ADS**

If you can't prove that print ads are making you money, stop running them. Or, on the print ads you are running (if they provide leads that convert) then talk with your media rep about getting extra press coverage in the issues you advertise. This is additional free press and can improve the performance of your ads. You may just need to ask for space and provide an educational article.

10. **SWITCH TO DIGITAL MARKETING**

If you struggle to measure the performance of your advertising efforts, then either switch to digital or if you are using digital make sure your ads are optimized and setup properly so you can see performance metrics. All providers such as Google and Facebook provide detailed reporting, but it does need to be setup properly. You can also encourage word of mouth referrals. Instead of spending money on advertising, encourage customers to leave reviews on Facebook and Google. The more positive reviews, the more sales.

11. **DOWNSIZE YOUR SOCIAL MEDIA BUDGET**

Without question social media is essential for most businesses today; however, social media on its own rarely drives sales. You can reduce the amount you are spending on your social media efforts OR if employees are willing and social savvy, ask if they would like to post updates. Paying for fewer posts each week can add up quickly.



12. **GO PAPERLESS**

Reduce paper usage and printing costs. Use double-sided copies and reuse single-sided copies for notes or scratch paper. Offer catalogs and brochures as PDF downloads instead of printed paper. When you go paperless, you may also save on additional supplies such as binders, dividers, and postage.

13. PROFESSIONAL CLEANING

If you have a commercial space consider reducing the number of times you have it professionally cleaned, or shop different services for the best price.

14. ☐ CELL PHONES

Pull out your statement and see what you are being charged. Eliminate old lines or cancel service for past employees. You can also change to a less costly plan. If you primarily use cel service, you could also look at cancelling or reducing your number of land lines.

15. SWITCH TO ELECTRONIC BILLING AND INVOICING

You'll save paper and postage by paying bills online. Plus, it reduces staff time because most bills can be setup to be paid automatically AND you'll save on bank fees and late charges by paying on time. Go to paperless billing for your clients too. You'll usually get your money FASTER and not have to wait on the mail service or hear excuses like "the check is in the mail." When you go electronic, consider shortening your payment terms. Changing from Net 30 to Net 10 can make a big difference in how quickly you are paid and drastically improve cash flow.

16. UTILITIES

There are numerous ways to save on this expense! Did you know that up to 75 percent of electricity is used while the item is turned off? One easy way to fix this is to plug your appliances into powerstrips that are easily accessible and turn them off when you leave for the day. Also, leaving your computer on overnight can add \$200 year in unnecessary energy consumption. Multiply this by the number of computers in your office...While this sounds simple to do, in the real world it rarely gets done. It might seem innocent enough, but in reality, it could have profound effects on your energy bill.

17. SUBLET SPACE

If you have extra space in your building, earn some extra money by subletting it out. You can list space available for rent on local websites or advertise for free on sites like Craigslist. You could also contact a local real estate agent who specializes in renting out commercial space or even just put up a sign, so drive-by traffic knows space is available.



18. GO TO A VIRTUAL OFFICE

Close the brick and mortar building. Telecommuting saves both time and money. Plus, it can improve the quality of life for your employees and increase engagement and satisfaction. Save on rent, utilities, and commute time. You can also check into co-working spaces. These are a great solution that eliminates the high overhead of having your building.



19. REFINANCE

If you have loans, look into refinancing options for better terms or interest.

20. SHOP CREDIT CARD VENDORS

If you accept credit cards as a form of payment, shop credit card vendors to get the lowest rates. Even a half a percent decrease can add up quickly based on your processing volume. That's a savings of \$500 for every \$100,000 processed.

21. FIRE A BAD CLIENT

This may seem like a counter-intuitive strategy, but customers who are paying less but require more hand-holding and support are costing you money. Let them go and replace them with low maintenance clients who are willing to pay for your services.

22. CLEAN UP

Clean up your office and sell used items. Dave Ramsey has a great saying "Have a sale so big the kids think they are next." If you find your offices or warehouses are super cluttered, clean it up, move it out, and pocket the cash.

23. PLANNING

Spend 10 minutes a day planning. Yes, take some time each day to plan. This may seem odd when we are talking about reducing expenses, but your greatest two assets are time and money. Every 1 minute spent planning will save you 10 in execution. If you can be a little more organized, you'll make sure your time is going to the best place (like reducing expenses or making money!)



24. GET OFF FACEBOOK

Experts estimate the number of hours wasted by employees on Facebook is around \$3 Trillion. Even just 20 minutes a day x 260 working days is about 87 hours of time wasted. If you took those 87 hours and used them to grow your business, how much of a difference would that make in your bottom line? If you added up the number of employees on Facebook, how much time would be reclaimed?

25. **CHARGES**

Check for duplicate or incorrect charges on your credit card and bank statements. These erroneous transactions happen quite often - some companies are even counting on you not paying attention.

26. **PREMIUMS**

Check out all your insurance premiums and shop for the best rate. With so many kinds of insurance out there it can be tough not to have duplicate or overlapping coverage.

27. **EVALUATE CONSULTANTS**

Evaluate all your consultants and the value they provide. It's easy to get so busy with the day to day activities that the productivity of your paid consultant's can get overlooked. Or you could be paying a monthly retainer for services - and you've been too far behind to keep them busy! This could include PR, social media, design, marketing consultants and more. You may be able to cut back or reduce your contract hours for additional savings.

28. **UNPROFITABLE LINES**

Drop an unprofitable product/service line. This may require some deeper research; however, if you know right off the bat there is a product or service you offer that has historically been a huge drain on profits, consider just dropping it and stopping the loss for good. OR, start asking questions about how the profitability could be increased. Perhaps there are some simple changes you need to make that would affect bottom line profit and make selling it worthwhile. Start digging and asking questions on EVERYTHING you sell.

29. TAX PLANNING

Invest in tax planning. If your business is profitable - or just looks profitable on paper - you will be liable for taxes. Sometimes a little pre-planning can help you avoid unnecessary tax liability and save you money long term. Even a 1 hour paid consultation can save you multiple times that amount in saved taxes.

30. TRADESHOWS

Attend tradeshow every OTHER year. If shows are a big part of your sales and marketing efforts, dropping them completely may not be an option. But you might consider attending every OTHER year and then offer a show promo in your off years too. This can often cut your costs in half, while still maintaining sales revenue.



31. VIRTUAL CONFERENCES

Do virtual conferences instead of attending in person. Many conferences now offer live streaming options or the ability to purchase videos. Consider this much less costly alternative instead of traveling for yourself (and often your staff) to these conferences. Look for ways to still educate and improve your skill set for less investment.

32. GROUP CALL

Create a group call for your clients and reduce the number of one on one calls. You can service more clients in less time, but the increased engagement with each other can promote an environment for collaboration. It allows your clients to learn from each other and shortens the curve for all. You'll then be able to take the time you saved and go after more clients!

33. OLD INVENTORY

Move OUT the old inventory - sooner rather than later. Inventory is like money sitting on a shelf. It's easy to get so focused on moving new product; the old stuff just starts to sit around and collect dust. Even moving out older inventory at a reduced cost is better than it sitting and making you nothing. Create a system to regularly assess old inventory and stair-step it down in price until it's gone.



34. SPONSORSHIPS

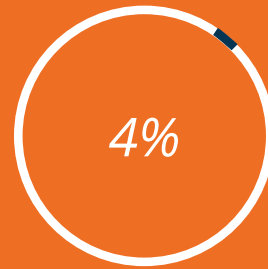
Limit or eliminate sponsorships. Who doesn't love to support a local charity or nonprofit organization? Nobody! But when you can't make ends meet sponsorships and charity donations have to wait. Take a look at what you donate and either dial it way back or stop it completely until you have adequate resources to donate from.

35. EMAIL

Use Email instead of paper for signed documents. Not only will you save on printing and postage but staff time to print and mail. Electronic documents don't take up physical space to store and are much easier to backup.

37. SALES REPS

Hold sales reps accountable for their numbers. So you have a salesperson, but are they meeting their numbers? Do they even have benchmark numbers to meet? Are they being incentivized to exceed their numbers? Do they sell enough in product/services to pay for themselves on the company payroll? How much are they earning in profits for the company? It's important to know the answers to all these questions and implement measures to hold your salespeople accountable for their performance.



"4% of businesses survive beyond 10 years..."

36. EXPENSE ACCOUNTS

Reduce outside sales reps expense accounts. If you have any sales reps for your company they may have expense accounts for treating a customer to meals or buying a round of drinks. Look at these expenses and either reduce or eliminate the expense. If you give a rep let's say \$1000 monthly expense account, chances are every penny of that money is being spent. But if you reduce it to \$500, the rep might grumble, but they'll be forced to figure out new and creative ways of getting the job done for less.

38. MEETINGS

Reduce meeting times. Okay, so meetings are important for keeping everybody on the same page. But... When you calculate how much a meeting costs you times the number of people attending - the amount can be staggering. Eliminate any unnecessary or redundant meetings first. Then, work to make the necessary meetings as productive and efficient as possible. Make sure staff come prepared (an email beforehand setting the expectation level works great), set a timer for members when it's their time to contribute or set a timer for the total amount of time allotted for the meeting.

39. PUBLIC RELATIONS

Stop investing in PR that's not paying for itself. We've seen countless firms investing big bucks in PR agencies. Rates range from \$500 - \$5000 a month and results are often less than desirable or just no return at all. You can do your PR. One entrepreneur invested \$12.50 on black envelopes and a single card that said: "this card could change your life." She sent this to journalists and had more success and a potential appearance on the Oprah show. Sign up for a free service like HARO. Invest in your "pitching" skills, and this can yield tons of free exposure. Share your expertise in public appearances, blogs, and social media and get free exposure.

40. BENEFITS

Shop employee benefits programs. If you offer benefits for your employees such as group health insurance, 401k, pension, etc. be sure and shop providers and rates to make sure you are getting the best deals. You can also consider replacing benefits with free perks. Talk with your staff and see what's important to them before adding benefits they may not need or value.

41. COLLECTIONS

Do your collections! Do you have outstanding payables that nobody is going after to collect? These amounts can add up and kill your bottom line. Make sure any receivables are current and create a process to follow up with clients a few days BEFORE their bill is due to reduce late payments. If clients are late, charge late fees.

42. INFORMATION TECHNOLOGY

Invest in an IT person to upgrade PC's, make sure machines are optimized and virus free, so you and staff can work more efficiently. One study reported just one broken pc could cost a company up to \$40k a year in lost productivity.

43. AUTOMATE

Automate manual tasks. Start looking for any manual tasks that can be automated. Not only will this increase employee efficiency it can also reduce the number of employees needed to get the job done.



44. FREIGHT

Shop freight companies. If you ship physical product make sure you are getting the best deal on shipping. This also goes for inbound shipments. Make sure the carrier offers the best delivery options at the lowest rates.

45. THEFT

Stop any theft! Implement checks and balances to make sure staff is not stealing from you especially if you operate a retail location. You can take advantage of all these cost-cutting measures, but if your profits are simply walking out the door in your employee's pockets, the efforts will be wasted. Cash businesses should implement a Point of Sale system. Those using a POS system should be sure they are taking full advantage of all the capabilities.

46. PROFIT MARGINS

Review your profit margins. When was the last time you reviewed your profit margins? If you can't remember when this is a great exercise to go through. Ideally, you want to review profit margins quarterly. As you look closer at the hard costs to produce your product/service always be asking "how can we be more efficient or save cost?"



47. TEST TECHNOLOGY

Test your technology. Make sure your website is working properly and test your contact and email auto-responders. A simple problem like a contact form not working can mean the difference between closing new business or never even knowing it existed! Make sure prospects and clients can easily reach you. Poor customer service costs a small fortune in the long run.

48. **MONITOR EXPENSES**

Routinely monitor expenses. The biggest hurdle in cutting expenses is dedicating the time to working on cutting expenses! When you keep cost-cutting on your radar, it will get done. Setting aside even 30 minutes a month to continuously monitor and cut expenses can yield big savings. Make sure your staff is also aware of monthly budgets or targets to hit. A little education goes a long way.

49. **TRAVEL EXPENSES**

Limit travel expenses by having virtual meetings with Google Hangouts, Skype or Zoom. When you are traveling, be sure to track your mileage and expenses. These are deductible and will save in tax liability, but only if you track and submit them!



**2-5%
INCREASE**

50. **RAISE YOUR PRICES**

Business owners are often reluctant to raise prices, but often a small increase of 2-5% will go completely unnoticed by your customers, and that's extra cash straight on the bottom line.

