



What is the REAL Cost of Disorganization?

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The key topic for companies and boards of directors is profitability and return on investment. In terms of business profit, how much does five minutes cost?

For years, large corporations were the main employers in the U.S. economy. But that's changing. In October 2002, the *NCPA Daily Policy Digest* reported that in the year 2000, 70% of all U.S. companies were microbusinesses. Microbusinesses are commonly defined as a business with 5 or less employees. The business can be home-based and usually has less than \$2.5 million in revenue. In January 2005, the *PRWeb Press* reported that 90% of all U.S. businesses were microbusinesses, employing slightly more than half of all U.S. workers. In 4 years, microbusinesses grew by 20%.

This is the profile of the typical U.S. employer. For microbusinesses to stay competitive and stay in business, they must run lean and be profitable. Being organized is one way to stay profitable.

In February 2002, a *Harvard Business Review* article, "Beware of the Busy Manager," noted that 90% of managers squandered their time on a variety of ineffective tasks—activities that had no direct impact on the managers' goals or the companies' bottom lines.

In June 2004, *Esselte* ran this article: "Lack of Organization Costs U.S. Businesses Billions Annually." Now, 1 year later, businesses are still struggling to get organized.

Let's look at the cost of 15 minutes a day. It doesn't sound like much, but if you:

- Find yourself saying: Now where did I put that? (You lose 5 minutes looking.)
- Get a call and say: Just a minute while I grab a piece of paper. (You lose 5 minutes transferring the information into your client-tracking database.)
- Arrive at your client's office WITHOUT that critical piece of paper. (You lose 5 minutes calling your office and having it faxed to the client's office.)

Those 5 minutes add up. You've lost 15 minutes just like that.

At \$25 per hour, 15 minutes a day costs you \$1,563 annually. That comes right off your profit. What does 30 minutes a day cost you?

It's hard to believe you could waste that much time, but did you ever have to recreate a document you couldn't find? Five employees at \$25 per hour who each lost 15 minutes a day would cost the company \$7,813. Ten employees at \$25 per hour costs \$15,625.

So, how much does 5 minutes really cost you?

**Be rewarded with more free time and
REAL accomplishments
that help grow your business.**

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"90% of managers squander their time on all sorts of ineffective activities": "Beware of the Busy Manager," *Harvard Business Review*, February 2002

"70% of all US companies in 2000" were Microbusiness as defined by 5 or less employees, less than \$2 million in sales: "Microbusinesses are Flourishing," *NCPA Daily Policy Digest*, October 30, 2002

"90% of all US businesses are microbusinesses and employ a little more than half of the U.S. workforce": "Microbusinesses Will Rise To The Outsourcing Challenge," *PRWeb Press Release*, Newswire, January 12, 2005

"Average exec wastes 6 weeks annually searching for important documents lost in clutter. For an employee who earns \$60,000, that time lost costs the company a staggering \$6,290": "Lack of Organization Costs U.S. Businesses Billions Annually," www.Esselte.com, June 15, 2004