LPM

SECOND STEP: FREE UP YOUR BUDGET

A companion to First Steps: Free Up Your Time

WHY THIS MATTERS

First Steps frees up your time. This guide frees up money. Most small businesses have a few hundred to a few thousand dollars a year slipping out in places nobody has looked at in a while. Like a slow leak in a tire, you don't notice it day to day, but it adds up.
Below are five places to look. Each one takes under an hour, uses paperwork you already have, and costs nothing to check. Write what you find in the scorecard at the end.
The numbers in each step are examples. Your own numbers are the ones that count.

STEP 1: BILLS NOBODY HAS RE-QUOTED

Phone, internet and insurance bills tend to creep up every year. Loyal customers often pay more than new ones.

How to spot it

- Pull the latest bill for your phone, internet and business insurance.
- For each one, ask: when did I last shop this around or ask for a better rate?
- Anything you haven't checked in two years or more goes on your list.

What to do

- Call your phone and internet provider and ask for the retention or loyalty department. Say you're reviewing costs and ask what they can do on price.
- Ask an insurance broker for two quotes on the same coverage you have now.

What it can be worth: $30 a month off phone and internet is $360 a year. 10% off a $3,000 insurance premium is $300. Together, $660.

STEP 2: CARD AND BANK FEES

Every card payment costs you a percentage, and bank plans are often set up years ago and never checked again.

How to spot it

- Find last month's statement from your card processor (Square, Moneris, Stripe or similar).
- Divide the total fees by the total card sales. That's your real rate. Many small businesses are close to 3%.
- Look at your bank's monthly fee and count how many transactions you actually make. Is your plan bigger than you need?

What to do

- On larger invoices, add a line asking customers to pay by e-transfer. It usually costs you a small flat

fee or nothing, instead of a percentage.
- Ask your bank which plan fits the number of transactions you really make.

What it can be worth: $40,000 a year in card sales at 3% is $1,200 in fees. Moving half of that to e-transfer saves about $600. A bank plan $25 a month cheaper adds $300. That's $900.

STEP 3: FUEL AND DRIVE TIME

If you drive to customers, the order you visit them in matters. Criss-crossing your area burns fuel and hours.

How to spot it

- Take your last two weeks of jobs and put the addresses on a map (Google Maps works fine).
- Look for days where you crossed back and forth over the same ground.

What to do

- Split your area into zones and give each zone its own day or half day.
- Use a free route planner to put each day's stops in order.
- When a new customer calls, offer them the day you'll already be in their area.

What it can be worth: Driving 30 km less a day, 5 days a week, for 50 weeks is 7,500 km. At about $0.25 a km for fuel and wear, that's $1,875 a year, plus around half an hour a day back.

STEP 4: MONEY ALREADY OWED

This one isn't a saving. It's money you've already earned and haven't collected, and it's usually the fastest win of all.

How to spot it

- List every invoice that is still unpaid more than 30 days after you sent it.
- Note who owes it, how much, and how old it is.

What to do

- Send a short, friendly reminder on each one. Most late payers simply forgot.
- Call about the oldest ones. A quick, polite call works better than a third email.
- Going forward, ask for a deposit when a job is booked.

What it can be worth: Collecting one overdue $1,000 invoice puts $1,000 back in your account this month.

STEP 5: SUPPLIES BOUGHT AT RETAIL PRICES

Quick trips to the big-box store add up, and you're paying the same price as every other shopper.

How to spot it

- Go through a month of receipts and circle the things you buy every week or every month.

What to do

- Ask your supplier, or a trade supplier in your field, about a trade account or contractor pricing.
- Combine the small trips into one planned order a month.

What it can be worth: 10% off $800 a month in supplies is $960 a year.

YOUR SCORECARD

Write down what you find. Even a rough number is worth noting.

Place to look	What I found	Per year
1. Phone, internet and insurance		$
2. Card and bank fees		$
3. Fuel and drive time		$
4. Money already owed		$
5. Supplies		$
Total		$

If your total is $900 or more, these savings already cover the cost of a Diagnostic Map.

YOUR FIRST WEEK

Start small. Tick these off as you go.

☐ Day 1: Gather your latest phone, internet and insurance bills, last month's card and bank statements, and your list of unpaid invoices
☐ Day 2: Call your phone and internet provider about a better rate
☐ Day 2: Ask a broker for two insurance quotes
☐ Day 3: Work out your real card fee rate and check your bank plan
☐ Day 3: Add an e-transfer line to your invoice template
☐ Day 4: Send reminders on every invoice over 30 days old, and call about the oldest
☐ Day 5: Map two weeks of jobs and look for criss-crossing
☐ Day 5: Circle your regular supply purchases and ask about a trade account
☐ End of week: Fill in your scorecard and add up the total

NEXT STEP: THE DIAGNOSTIC MAP

First Steps frees up your time. First Savings frees up your budget. With both in hand, you're ready for the Diagnostic Map, where together we find where your operation is losing time, money or quality, and rank the improvements worth making first.

Bring your scorecard and your paperwork (bills, card and bank statements, and your unpaid invoice list) to our free first conversation. If you haven't had a chance to work through this guide yet, bring the paperwork anyway and we'll look together.

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