



Control Overhead

Please take about 20 minutes to consider this list of questions and action items that are designed to help you control overhead.

1. Using your profit and loss statement, determine the most significant portions of your overhead.

2. How can you educate employees about your profit and loss statement?

3. Create a list of trusted employees who can help you manage specific overhead costs.

- a. Which overhead costs would each of these employees be best suited to oversee?

- b. What are some incentives that will motivate each of these employees to take on the additional task of overseeing overhead?

4. List at least five cost-effective alternatives to your business operations.

- a. Choose one or two of your strongest ideas and list the steps you would take to enact these ideas.

5. Consider the following:

a. How often should employees meet to brainstorm cost-saving ideas?

b. What goal should you set for your employees? (Save the company \$1,000?, \$5,000?, etc.)

c. What incentives can you offer employees that will motivate them to think about cost cutting on a regular basis?

6. Create a list of all of your overhead costs.

a. Circle the costs that you could potentially negotiate better rates/deals on.

b. Number each of the circled items. The first item is likely to be the easiest to negotiate, and the last item represents the most difficult to negotiate.

c. Consider this to be a list of action items, in which No. 1 is the first overhead cost you will attempt to negotiate. Continue to work through the list until you have at least attempted to reach a better deal on all numbered items. This process can take days, weeks or months depending on the amount of effort you put in, and your vendors' willingness to negotiate.