

CECT Finances & Staff Productivity

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CECT Finances & Staff Productivity

Finance Challenges

- Economy
- Central administration
- Staff skills & productivity
- Initiatives
- Competition
- Knowledge
- Vision



Becoming Financially Self-Sufficient

Income	\$	_____	100%
Promotion	\$	_____	10 - 15%
Production	\$	_____	45 - 50%
Direct Costs	\$	_____	60%
Operating Margin	\$	_____	40%
Administration	\$	_____	35%
Net	\$	_____	5%

Finances for the Second Decade

- Operating margin increases to 50%
- Net increases to 10%+
- Production DOWN and promotion UP
- 30% Rule
- The cost of product development
- Investing in the future
- Pricing for profit

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Staff Productivity #1 Challenge



Staff = Your Biggest Asset



Staff Productivity =
\$125,000

Income/FTE Staff
 $\$500,000/4 = \$125,000$



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- The most successful units have staff productivity levels of \$150,000-\$250,000.
- Why?
 - Structure
 - Best Practices
 - Planning
 - Software

Understanding the Cost of Staff Time

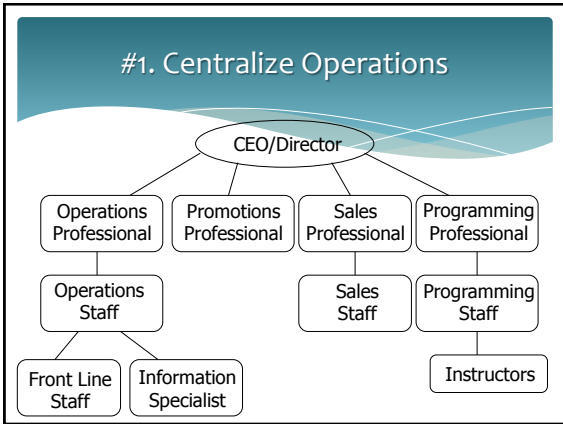
- 20% of total income to be spent on staffing
 - Example: Total income is \$1,000,000
 - * then staffing budget is \$200,000
- Each staffing position should generate 5 times the average staff salary
 - (5 X 20% = 100%)
 - Example: Average staff salary is \$40,000
 - * then each staffing position is valued at \$200,000.

Thus, with \$1,000,000 in total income, there should be 5 staffing positions

20 Staff Productivity Strategies



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#2. Revenue Generators Generate Revenue

- 5 Staff: Director, 2 Programmers, 2 Operations
- Average Salary \$50,000. $5 \times \$50,000 = \$250,000$.
- Salaries at 25% = \$1,000,000 Sales
- Direct Costs on \$1,000,000 = 60% or \$600,000. Operating Margin = \$400,000.
- Administration Costs 35% or \$350,000 with \$250,000 Salaries.
- Programmers need to generate \$500,000 each or $10 \times \$50,000$.

#3. Require Accountability

- From tasks to outcomes
- Rewrite job descriptions
- Be realistic, but set goals
- Provide tools and resources



#4. Reduce Meetings, Use Virtual Office

- 10% or less
- Solving and planning, not reporting
- Reporting electronic



#5. Streamline Catalog Production

- Timeline
- Data in, data out
- Template
- emsoftware
- www.datatodesign.com



#6. Have an Information Specialist

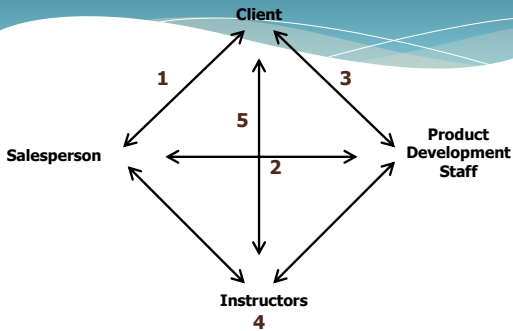


#7. Support Telecommuting

- Keep revenue generators out of the office



#8. Let Salespeople Sell



#9. Contract Out

- Programming
- Brochure development
- Printing, mailing & distribution
- Web site
- Registration
- Data loading
- Proofing



#10. Make Data-Driven Decisions

- Collect data
- Analyze data
- Make decisions



#11. Have a Plan/Schedule

- One Year Plan
 - Overall Goals
 - Overall Finances & Benchmarks
 - Division Finances, Benchmarks & Plan
 - Term/Quarter Plan
 - Promotion Strategies
 - Timeline
 - Staff Responsibilities

#12. Think Peak Time

- Plan your day
- Not hours, outcomes



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#13. One New Direction/Initiative a Year



- 3 years
- 5-20% of revenue
- Operating margin
- Show me the names

#14. Not Everyone

- Writes descriptions
- Generates reports
- Updates web site
- Calls on cancelled classes



#15. Staff Training

- Fill gaps
- Personal USP
- Quarterly
- 5%



#16. Cut the Dogs!

- Courses
- Instructors
- Clients
- Promotion methods
- Staff
- Paperwork
- Tools



#17. Director as Buffer

- Central administration
- Meetings
- Roadblocks



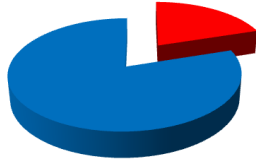
#18. Recognize Winners



- Team
- Individuals
- Internal/external

#19. You Can't Be Everything to Everyone

- 80/20 Rule
- 7 segments



#20. Let Software Do the Work

- Industry-based
- Best practices
- Web-based
- Flexibility
- Upgrades and features
- Customer service



THANK YOU!



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