

Cutting Your Expenses: When Times are Lean, Cut the Fat

A Expenses	B Expenses	C Expenses
<ul style="list-style-type: none"> • Expenses that are <i>critical</i> for the business to succeed. • Review these expenses often and track the ROI. 	<ul style="list-style-type: none"> • Expenses that are nice to have and that you would prefer to keep. • Cut these expenses in the <u>next week</u>. 	<ul style="list-style-type: none"> • Expenses the business does NOT need to be successful. • Cut these expenses in the next <u>48 hours</u>.

How-To: Cut Your Expenses

- Gather the following materials,
 - The last three months of your P&Ls (If you do not have a P&L, use your bank and credit card statement)
 - Three different colored highlighters
- Review your P&L line by line and highlight all your 'C' expenses.
- Use a different colored highlighter, to highlight all your 'B' expenses.
- Again, use a different colored highlighter, to highlight all your 'A' expenses.
- Create two separate lists, one for your 'C' expenses and one for your 'B' expenses.
- Using the list you made for your 'C' expenses, call or go online and cancel these payments within the next 48 hours.
- With your list of 'B' expenses, make a plan to cancel these expenses within the next week.
- Use the guiding questions below to review your 'A' expenses.

Create an Accountability Plan for Your Expenses

For each of your 'A' expenses ask yourself these guiding questions,

- Why is this a critical expense?
- How do you track the current ROI?
- When will this expense need to be reconsidered?

Refer back to these questions often, especially if you feel that your 'A' expenses are not delivering their value or serving their purpose.