



## 129 Simple Ways To Economize

It's impossible to save your way to prosperity. It's dangerous to even try since it creates an atmosphere of scarcity. Instead of looking for opportunity, you start defending against loss, practically guaranteeing it.

Nevertheless, when your costs rise and your customers act frightened, it's not bad to patch a few profit leaks. In truth, you should patch profit leaks in good times as well as bad. It's like weeding your garden. It requires constant attention.

Just make sure you don't cut back on the fertilizer. Don't cut your marketing. Don't cut your sales force. Don't cut your money makers. In fact, when sales are hard to find, you should invest more in finding sales.

With the help of Service Roundtable members, this checklist of 129 simple ways contractors can boost the bottom line without changing the top line was prepared. Some you already do. Some may not apply. Yet others will.

Some of the suggestions hold the potential for significant savings, while the savings from others are minor. Yet, while some may not account for much in isolation, the cumulative impact can be significant.

Review the suggestions listed here. Choose those you want to implement. Then, assign someone with the task of implementation. Do not assign anyone more than one task at a time. Pick the most important and assign it. Once it's complete, assign the next task.

The practices outlined here are wise to follow in good times or bad. Yet, it sometimes takes a challenging economic environment to spur action in these areas.

If economic circumstance is prompting you to act, be sure that you make reasoned cost reductions. Never cut in a panic. If your business is off due to a sluggish economy, it's important to remain calm. Though sales may be *temporarily* off the normal pace, you can recover. If, however, you take a slash and burn approach you are likely cause damage that will take years to repair. Act rationally and strategically.

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- 1.** Do not let your pricing get out of date. Review your pricing semi-annually, if not quarterly and adjust your flat rate books. It is not an expense to spend a few thousand that pays back a multiple in less than a month.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 2.** Completely turn off lights and equipment when leaving at night. Many computers and other electronics are not truly off, but in a standby mode that continues to leak power or vampire energy.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 3.** Switch to compact fluorescent light bulbs where appropriate, as incandescent bulbs burn out.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 4.** If possible, install skylights to take advantage of daylight and reduce lighting needs.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 5.** Install switch plate occupancy sensors.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 6.** Use rechargeable batteries.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 7.** If electricity is deregulated in your market, check to see if you could get a better rate from a different provider or could renegotiate your rates.

Make Priority    Complete/Done    Ignore/Not Applicable

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- 8.** Replace exit sign light bulbs with LED lights.

Make Priority    Complete/Done    Ignore/Not Applicable

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**9.** Tune-up your building's heating and air conditioning system. You really can cut utility expense when your HVAC system is well maintained.

Make Priority  Complete/Done  Ignore/Not Applicable

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**10.** Replace an old less efficient heating and cooling system. As a contractor, your costs are low enough that even a slight reduction in utilities can often justify the out of pocket expense.

Make Priority  Complete/Done  Ignore/Not Applicable

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**11.** Reduce HVAC costs with an economizer, ERV, zoning system or other technology.

Make Priority  Complete/Done  Ignore/Not Applicable

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**12.** Raise your thermostat setpoint two degrees in the summer and lower it two degrees in the winter.

Make Priority  Complete/Done  Ignore/Not Applicable

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**13.** Use a building automation system or setback thermostats to reduce energy usage when the building is unoccupied.

Make Priority  Complete/Done  Ignore/Not Applicable

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**14.** Check your building for outside air infiltration and seal the leaks.

Make Priority  Complete/Done  Ignore/Not Applicable

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**15.** Check attic or ducts in crawlspaces for leaks and seal the leaks.

Make Priority  Complete/Done  Ignore/Not Applicable

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**16.** Dye test your toilets and repair any water leaks.

Make Priority  Complete/Done  Ignore/Not Applicable

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# Cost Reduction Action Plan

Action Item	Description:	Start Date
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