

# SAVE TIME AND INCREASE PROFITS<sup>1</sup>

by Gerald L. Schaffer

If you had a choice, more money or more free time, which would you choose? I'm going to show you how 200,000 businessmen have increased their profits or reduced their working hours and often both.

Let me review just who I am and what I do. I am the director of national organizations and accounts for Safeguard Business Systems, Inc. Very simply that means I help organizations such as the International Shade Tree Conference to help their members. You would recognize many of the organizations that I am working with at the present time; medical, legal, as well as other professional and trade groups. Obviously, I am not working alone. Safeguard Business Systems facilities are strategically located throughout the United States and Canada. We have excellent facilities and equipment but our most important resource is people. We have over 1500 employees plus more than 400 distributors to assist our customers with the selection and installation of appropriate systems to meet their specific needs.

You're running a business. In today's hectic pace and constantly rising economy, that's no simple task. On the one side you are dealing with the production and delivery of a service. On the other side you are operating an office. Both sides interrelate and depend upon the efficiency of the other. On the production side, I'm certain that you employ the latest tools and technology. There's no question in my mind that if a certain tool were available to reduce a particular 4-hour job to 1 hour, you'd have it. You must up-date your line of equipment to produce services at a more competitive and profitable price.

But how about that other side of your business? The work in your office, the paper work. Certainly you have a system. A system is

simply an orderly way of doing things. When you start a business you know, or soon learn, that certain office functions must be performed. So you develop a system to accomplish these functions. Unfortunately, many of the same businesses who progressively up-date and up-grade their production equipment, continue years later to use their initial, old fashioned office systems and tools.

Let's define an area for potential improvement. To complete one transaction, you take these steps. First, a check is written. Second, all the information from the check is copied on the check stub. (Hopefully it's copied accurately.) Third, the check is mailed to the supplier which may require addressing the envelope. Finally, at the end of the accounting period, all the information written so carefully on these check stubs must be again rewritten into the cash disbursement journal. For those of you who simply sign the check, this may not seem like a great deal of work. But we've followed only a single transaction. I'm sure each of you writes or pays someone to write at least 30 checks per month.

I'd like to illustrate the work involved in completing 30 checks. There are 128 individual bits of information written on these 30 checks. Specifically, the vendor name, the date, the gross amount, the discount, and the amount of the check. The same 128 bits of information must be transferred to the check stub, and copied without error. The next step is to send the checks to our supplier or vendor. Since some suppliers do provide preaddressed envelopes, I have made a concession here and added just 30 additional bits of information. Finally, at the end of the accounting period, the same information must be again rewritten into our cash disbursement journal. Another 158 bits of information, since we must include the check number in the journal entry. So you see, using

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an ordinary checkbook, we have written 444 individual bits of information to complete 30 transactions.

In addition to the repetitive rewriting, there are other problems inherent in this method. The first and most obvious is human error. Every time we write and rewrite figures, we face the possibility of errors in transposition. A \$98.00 check can easily become \$89.00 in transposition to the check stub. Therefore, additional steps must be taken to prove the accuracy of what we record.

And what about the time frame in which this work is accomplished? We normally complete the check, check stub, and the mailing envelope. Then later, in some cases much later, we come back and enter the check stubs into the cash disbursement journal. Consequently, the financial picture of our operation is never really clear until long after the close of that particular accounting period.

I brought a check with me that is a reproduction of the very last check written by Abraham Lincoln several days before his assassination. This check is over 100 years old. It compares favorably with the checks most of you are using today. Yes, we've put a check stub on the side, but this in turn has created more work for us. In addition to writing the check, we must make out the check stub. We do have some funny numbers on the bottom, but these don't ease our work. They only help the banks and the Federal Reserve System to clear the checks through the system faster. We have put three checks on a page and bound them in a book, but how has this really helped us? In the final analysis, we are still using the same checks, the same tools, in our offices that were used during the Civil War.

This practice doesn't make much sense, when we can convert paper work into working papers by using a check that, as it is written, automatically records the information into the cash disbursement journal. Instead of writing this information four times, everything is accomplished in one entry. This does not change the system that you and your accountants have established. It merely simplifies it. This methodology has been used by 200,000 businessmen to eliminate wasteful, nonproductive time.

You apply this concept every time you write a letter. Suppose you needed three copies? Would you type it three times, and proofread each copy individually? Of course not. You would use carbon paper to save time, effort, and money, and also to assure perfectly accurate copies.

What we're doing is providing you the opportunity to save that same time, effort, and money, and to insure the accuracy of your financial records, whether your checkbook, your accounts receivable, inventory, etc. Every business has its own characteristics and requirements and we have hundreds of systems, each based on the fundamental time- and work-saving concept, each designed to provide complete, correct, and accurate financial records.

I asked whether you'd prefer more profits or more free time. There's really no need to make the choice. The only decision is how will you spend that extra time and money?

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