

THE WHOLESALE FORMULA

Module 6 – Assigning Value to Your Time

Hey guys, Dan here. In this video, we're going to talk about how you should value your time as a business owner. Time and time again, I see many business owners valuing their time incorrectly; essentially, they don't value their time as highly as they should. This is an important lesson, so let's get started.

The key thing for any business is that the owner or entrepreneur at the helm is making the bulk of high value decisions. With that in mind, when you are processing your products, it is routinely said that you are valuing your time at what you would pay an employee.

But is that true? In our opinion, it's worse than that. You are committing your time to a low-value task instead of a high-value task, essentially robbing yourself and your business of that time. Not only that, but the high-value task also didn't get accomplished. So, you've lost that time and that high-value work. For example, if you are willing to pay an employee say \$10 per hour to accomplish a task such as product prep, then, theoretically, you would be valuing your time at \$10 times the amount of hours spent equals the total investment for your time, right?

Instead, I truly believe the valuation to not be that direct. For example, you aren't simply choosing to pay yourself \$10 per hour; you are taking time from a higher value task. So, if your value in sourcing is, say \$25 per hour, the net loss to your company's productivity is \$25 times the amount of hours spent equals the money lost. The more your time is worth, the more skewed this investment becomes.

In the last example, I posed some fairly uncommon thought. For example, that your time wasn't directly worth what you would pay for a task. Instead, that you are robbing your company of potential value.

The reason this occurs is that you have an inherent value to your company. You cannot be replaced. At least, not easily. The trade is not direct because you aren't simply donating time. That time comes from somewhere; your company, your personal life, or your family. Either way, you are taking from one thing to give to another. One would assume that taking from your personal time simply would equate to "donating" your time to your company at a set value. Instead, I think this is wrong. People NEED personal time to work effectively and efficiently. If you are taking that time to work, you are robbing yourself of the needed breaks to work at the highest levels.

All of your time has value! The more you develop your company, the more that time is worth.

Scaling your business can come in many forms. Buying software, hiring employees, renting a larger work space etc.. While you should scale your business, I realize that some businesses may not be able to take on the expense. Also, you should never take directly from cash flow to scale. If that means you would buy less, you should hold off.

However, there will come a point that you can scale, such as hiring an employee. That point is generally, when you have more money to invest than you have time to invest it. It's at that point that you are doing yourself and business a disservice by not bringing on help.

The most important perspective I can offer here is: Don't look at what you are doing, look at what you could do. I can say that I see people frequently be hesitant to move to scale their business because of upfront costs, even though they are ready. This hesitant attitude is one of the top reasons peoples' business flounder instead of flourishing.

Your company becomes an asset with intangible value the more you can remove yourself from the wheel. You can't be the primary cog in every aspect. Otherwise, you are building a job, albeit well paying. If you want to get away from this and work towards building something sustainable, then take yourself out of the day to day operations and focus beyond where your business lies today. Obviously, most people don't have the luxury of doing this in one fell swoop. Many new entrepreneurs must slowly outsource their daily tasks. But the faster you can do this, the more you are able to focus on the higher value business duties. That wraps it up for this video. Thanks for watching.

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