

What repetitive office work costs us

Example. Your own summary uses your volumes and cost per hour.

€148,800 a year

of people's time spent on typing, re-entering and checking the same information by hand.

That is about 1.2 points of margin on our yearly revenue of about €12,000,000.

Hours a year, by hand	Recoverable every year	Waiting until next quarter costs
3,720	€90,372	€22,593

Where it goes, costliest first

Task	A month	Min each	Per item	A year	Recoverable
Invoices and accounts payable	800	15	€10.00	€96,000	€61,200
Order processing and data entry	600	8	€5.33	€38,400	€21,216
Financial reporting and reconciliation	40	45	€30.00	€14,400	€7,956
Total				€148,800	€90,372

Our cost per invoice by hand: €10.00. Handling an invoice by hand typically costs 12 to 18 euro; automated, 2 to 4 euro (Peakflo).

Where to start, without outside help

- 1. Invoices and accounts payable: one door for every invoice**
Worth about €12,800 a year at our numbers if it takes 2 minutes off each invoice.
- 2. Order processing and data entry: a table of their codes against yours**
Worth about €9,600 a year at our numbers if it takes 2 minutes off each order.
- 3. Financial reporting and reconciliation: reconcile weekly, not at month end**
Worth about €960 a year at our numbers if it takes 3 minutes off each item.

The cash part

€47,040 a year leaves the bank because of this work

Missed early-payment discounts €13,440, late fees €3,600, overtime and temps €30,000.

At 15 percent growth a year, this work needs another full-time person in month 36, about €68,800 a year at our cost per hour.

What this means

These figures are our team's time, not yet cash: the part that reaches the ledger (overtime, temporary staff, contractors, a hire we no longer need) is what can be saved in cash. Waiting a quarter costs about €22,593 of time we already pay for.

Removing this work, not just measuring it, means connecting the steps between our systems, testing on our own documents, and keeping it running as suppliers and systems change.