



UNTANGLING

Problem Solving for Student Businesses

Controlling payroll

Is your payroll the excess carbon dioxide of global warming?

...the albatross around your shoulders?

...the extra poundage keeping your clothes from fitting?

... **That is, are the expenses of payroll keeping your business from being sustainable?**

After your product costs (such as food or paper or supplies), your payroll costs are usually your biggest expense. However, by the time your consultant tells you that the payroll costs are too high and that they will sour budget, it may be too late.

Before you do your hiring for next semester, consider how many people you need to work in the business. You may have an established number of comanagers that your business has had traditionally. How recently have you examined that assumption?

Perhaps Hiring Committee or a special committee should examine how many comanagers you really need. What are the responsibilities of your business and what is the minimum number of discrete hours you need to run the collective well? For instance, look at the schedule you have now. What is the minimum number of hours that are needed to open, operate and close? Where do you need more than one person? Add those hours to the other hours.

How many committees are essential for smooth functioning of your collective? What is the minimum number of people needed on each committee?

Those figures should give you the minimum number of comanagers needed. How does that compare to the number of comanagers you have. Why is there a difference? Your consultant may help you with these answers.

Now look at the range of revenues you can expect to make for each week? Your consultant may help you with this also. Are your weekly payroll costs covered by these revenues?

If you feel your costs are too high, what can you do?

Can you maximize the time that co-managers are putting in? Are there comanagers that stand around during this time or are playing on the computer or doing homework or otherwise not really contributing to the business? Is there a tendency for comanagers to submit payroll hours for times when they aren't working?

Keep in mind that you don't want to overburden anyone in terms of the amount of hours they work. Comanagers are **students first**. (Nor are full-time students allowed to work over 20 hours when classes are in session.)



UNTANGLING

At the same time when you hire new comanagers, you make a promise for a specific number of hours which they may be relying on to cover their own personal budget. You don't want to take away hours they were counting on to help pay the rent!

Questions that might lead to Solutions.

Does scheduling occur to comanagers' preferences rather than to the volume of business done at any certain times?

Are all your committees really necessary for smooth functioning of your business? Do they have well-identified tasks and objectives?

Can you cross-train comanagers so that some workers can do multiple jobs?

Do you have a plan for other tasks that can be done when it is slow?

Are comanagers willing to leave early when it is slow? Does the payroll manager have a process to check actual hours against scheduled hours?

Possible solutions

Consider hiring fewer people.

Consider hiring some people who want to work fewer hours.

Consider hiring fewer people for some lighter days of the week