

Tim Brown

The Delegation Equation



On occasions, I hear from business owners that they can't afford to delegate a task (i.e. outsource or recruit in) or are just unsure of when to take that step.

A great many who take the step from being an employee to self-employed have a limited budget – and even if they don't, they are astute enough to keep a tight rein on outgoings and will therefore wear a great many hats within the business during the start-up phase.

So when do you know the time is right to delegate?

Assuming you are running a profitable enterprise, write down your total pay from the business (pay, dividends, your share of any retained profit) in the last full year. Then divide by the total number of (statutory) working hours in a year (253 working days x 7.5 hrs per day = c1900).

The resulting number is your hourly rate.

Put simply, any tasks you are doing that you could delegate (to an employee or outsource) for less than this hourly rate will act as a drag anchor on your business.

Every time you buy back time by delegating – assuming you then use that time to boost revenue or increase efficiency – you will increase the value of your business.

In the process you will also start to make the change from an employee

/ self-employed mind-set to a business owner / employer mind-set.

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About the Author

Tim started his ActionCoach business coaching practice in 2011 after a highly successful career in stock broking and corporate finance in the City of London. Practical, clear thinking and results-driven – he has been achieving great successes with his clients across a range of industries.

He says, "Starting a business is one of the great adventures you can undertake in life. It needs to be rewarding not just financially but in terms of quality of life. Whatever my clients define as 'success' – that's what I help them to achieve."

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