

Okay, so Lesson 2: Workflow Automation. We're in Module 2.

So you've gotten the terms. You understand what process optimization is. You understand what workflow automation is. You understand why we're doing this.

Now let's talk about the importance of it. Like what are we actually looking to do? Like why do we want to optimize our processes? What are we trying to do with workflow automation?

The first benefit of workflow automation is going to be the one that's going to be the easiest for you to get in and to talk to about and that's going to be **saving time**.

Your main job as a person who uses AI and workflow automation is going to be saving time. Time is the ultimate commodity of what we sell and what we do. So you are going to need to really understand how to optimize time. Really understand how to look at processes and to look at tasks. And understand where are the low hanging fruit that you can remove in these processes to get people into productivity time.

So your job is to go from process time into productivity time and from admin work into billing work. From answering emails to writing proposals. From writing proposals to doing the work, right? You're getting them out of the work and then getting them into the actual thing that they need to do.

Reducing costs. So, overhead is expensive of operational cost, of process time, of people, of extraneous things. For instance, Microsoft saved 6% of their annual operational cost by making just a simple sign that says "Don't print single-sided. Only print double-sided." A single-sided piece of paper is a waste of time. Their operational cost went down 6% on a company like Microsoft. And not from printing paper, obviously. Like, they didn't have 6% of paper cost. They just extrapolated out. They made people think differently. They said, "Hey, remember, you can double-side print. Remember, you can recycle." Those slight reminders made them do things differently and just drop operational cost. Now in a company that's in a trillion dollar company, imagine what a 6% operational cost decrease does.



And now the most important thing and I think is the best out of all of this is the **empowering of teams**. So again, your job here is to go from admin work, process work to productivity time. And if you can do that, if you can make someone go from only doing process time, only doing stuff that doesn't really move anything forward, doesn't give them self worth, it doesn't give them the ability to feel good about what they're doing, it's just a work on work. That isn't a tenable situation. That's where they have a weird work life balance and they don't like their job because they just do things that they don't see benefit for.

So if you get rid of all those things every, single day somebody comes to work and says, "hey, I don't need to do this." If you agree with them and don't have them do that, you've given them back locus of control. And you've given them back a little bit of their self-worth. That, in my opinion, is more important than anything else. We also know and understand that time and money are the real reason that we do business so empowering teams is tertiary. It's going to be a side benefit, but for me is the most important benefit, okay?

So let's take a look at a couple of real world examples. This is the soup and the nuts of why you do what you do and what we do as a workflow optimization specialist, as a process optimization person. So let's look at a company where you have an annualized or month over month budget of 13M – a top line budget.

And let's go over real quick what they mean. Top line, bottom line, right? Usually what's the bottom line. So your top line budget is \$13M. It costs you \$13M a month to stay in business. \$10M of that is operations – payroll, fork lift cost, shipping, toilet paper, pens, insurance, building. All this shit. Everything that costs you to stay in business – \$10M. And you have a \$3M budget for advertising and acquisitions.

So you have \$3M growth fund, \$10M overhead fund. Okay. So your top line is \$13M. It costs you \$13M a month every month to be in business, to stay in business. Now your bottom line is your \$13M minus your \$10M. So your bottom line is here. So like, here's your line. Here's your bottom line. So you have your \$13M overhead cost top line minus your \$10M. \$13M top line. And then you have \$3M left over, right? So you have \$13M a month and you spend \$10M of it on your operations. That means you have \$3M left for growth. Simple math. Top line. Bottom line.



But when everyone says, what's the bottom line, let's get to brass tacks. All that stuff. That's what they're talking about. Down here in this yellow. And that's what we're going to optimize is this yellow. So we don't ever want to change the top line. Cause then that's going to have to go through like the CFO. You're just going to have to do a bunch of stuff that you don't want to have to do.

So what you really want to do here is you want to work within the margins. You want to work within \$10M and you want to bring it down. How do you do that? Through process optimization and work for automation. And then you strap AI on it and make it go even faster.

So let's take this and say you have a \$3M budget for advertising and let's say you've optimized some processes. And now you've saved a million dollars over a course of a month. And now your overhead is only \$9M because you're now printing double-sided and you're recycling ink and you're not using disposable coffee and whatever it is that you're doing that you've optimized all these things. And you've gotten rid of a bunch of copy-paste analytics programs or whatever it is you did. You went through and you figured it out and you saved them a million dollars a month. You go through here again, save another million dollars. See what happen? Another million. Another million. Another million. And by the time you're in July, you've now gone from a \$3M advertising budget within your \$13M overhead and \$10M. You've now kept your \$13M overhead because that's what you're used to. In January, you were fine with a \$10M operation cost. You said, "all right, I'm good with this. This is how much it costs." So as you reduce that, you start increasing. You keep your top line the same and you increase your advertising budget.

Okay, so look at the real-world example. Let's say that you have a product that costs \$200 and your cost of acquisition, your advertising, everything costs \$100. So between your advertising on Facebook and on Google and you're building your average your website and all the things that cost you \$100, okay? So let's say in the same example that you have a 13M top line with a 10M operating costs and a 3M advertising budget with a \$100 cost of acquisition and a \$200 lifetime value.



What does that mean for you? Quarter over quarter. That means that you're going to have a 30,000 customer value at \$200. So you'll retain 30,000 customers at 200. That means you made 6M at 10-3. If you go 9-4, now you're at 8M. If you go 8-5, you're at 10M.

If you go split it. If you go and you knock the operational cost, which is our goal, to knock the operational cost by 50%, now you're at 65-65 and you're at a \$13M knot. So you've gone from a \$6M over a quarter to a \$13M over a quarter simply by removing processes that don't need to be there. Allowing people to be productive and allowing the company to just acquire more customers through advertising.

This doesn't even take into account the opportunity cost that you had of people doing processes. This is literally just the math of if you kept things exactly the same and everyone was doing exactly the same, which they're not, but in a vacuum, if they were, you're leaving \$7M on the table.

So if you walk into a place, we do have a calculator in the dashboard that you can use for this, you plug in a couple of things and these graphs will go. But if you walk into a place and you say, "Hey, what's your top line? What's your bottom line? What's your cost of acquisition? What's your lifetime value?" You're going to be able to wow these people. Why would they say no? You can say, "Hey, I'm going to be able to increase your bottom line profit by \$7M over the quarter. And it's only gonna cost you 300 grand or 500 grand or whatever it is that you wanna do."

And as soon as you do that for them, you make a year-long plan. We'll go over that in the future module, but you make a year or two-year plan, execute that plan, and then you can just take that to the next person. And these companies are just going to 1000% singing your praises because you're going to walk in and make them \$7M over the quarter.

So the goal here is going in, identifying and optimizing the processes and then automating them out, strapping AI to, and then giving them the ability to just open themselves up for the absolute most profitability within their current systems. And then AI is going to turn it into something that they don't even know.



So the goal here is optimize process, automate them out, get them more money, get you more money, and then you strap in AI and now everyone's making money. Okay, but you're not going to get there until you start identifying the processes first.

Another trait that you need to see and which is really critical for you to understand is your goal is to move them from the left to the right, from the red to the green. And what are these reds and what are these greens? What does this mean? Well, these reds and these greens, okay, the normal person, right? Salary and hourly person. They have 160 hours for you. They have 160 hours to work. That's what they give you. 40 hours a week. Simple math, okay? 160 hours a month. If you are only doing process time, if you're only doing work on work, if you're only doing the thing that keeps all their people working or just admin work, whatever you want to call it process work. That means that you have zero hours of productivity and you're just a basically a process monkey and you can be completely removed.

Okay, that doesn't really exist. Humans don't really only work in process because we've automated those out by now. But you may be here. You may be in this this backside where we're 20% of your time only is productivity time and 80% of your time is process time. And when I say process time, that's admin work. That's work on work. That's sending and receiving emails. That's creating slide decks. That's creating RFPs. That's going through and doing whatever is not billable and has to on your side that a client doesn't see or your customer doesn't see, or you can't directly charge for. That's process time.

So if you have 160 hours and you only do that process time, that means by default You have zero productivity hours. And that's why solopreneurs so many times burn the candle on both ends because they have to do both things. They have to do all their admin work, but they also have to do their productivity work. Because they're not optimized and automated, they don't have the ability to have a multiplier, so they just do more with time. They just spend more time doing it. They work 80 hours a week instead of 40. So that goes to a higher coefficient, but it's still in the red.

So our goal here is to identify the process time in hours and remove those processed hours. Get this down, which inherently inversely allows the productivity time to come up.



Here is your equilibrium and your inflection point where you're one to one and you're split half your time is process and half your time is productivity. In the automation world. This is status quo, right? This is equilibrium. This is where you want to be. You're equally splitting your time and there's an equilibrium. Once you start getting here, now you're automation focused, which is fine. I'm a proponent of this, okay? But understand, once you start getting into the green, you're now in a multiplicative situation where you're actually bending time for like, it's not really, but kind of, because whereas you could bill for six hours and the process only takes you one hour. you're on a 6X multiplier at that point, if that makes sense.

So your goal is to get that multiplier as high as possible while still having the output that doesn't matter if it's a multiplier or not. So your goal is to say, "I can put this much effort here and I can get this much output. So my multiplier of automations, I can actually do something that would have taken me 30 hours, but it only takes me one hour and it's the same result." And that's table stakes, but that's key is the same result, the same output from less inputs or less transformations. That's what process automation, process optimization and workflow automation is at the end of the day. From our previous, you have three: input, transformation, output.

So when you are optimizing your process, you're looking at that and you're saying, "How do I get the same output, expected output, same exact one with either less inputs or transformations?" And that's what this green is here. This green is getting you to a point where you now are actually multiplying your time.

So, this over here is ethereal. Like this over here isn't actual time because you now have more than 160 hours of time. You've now multiplied yourself out. Let's say you're a 10x multiplier. So in your 10x multiplier. What that means is you now have 1,600 total hours, total process hours that you can use and you can keep your 160 productivity hours, so your process time is just huge. It's way up there, but the graph is completely different because your process time is at 160. So your goal is at the end of the day to completely change this. So there's zero red and just unlimited green.

So that way you have a multiplier of 1, 2, 5, 10X, right?

So this is the chart here. It's critical that you understand the difference between process time, productivity and how you move left to right, okay? So if you listen to Steve Jobs, it says the best way to create value in the 21st century is to connect creativity with technology. And this is what I mean here. You can't just go in and try to have a novel solution. You have to go in, identify the processes. Get them to a point where they're optimized. Start to automate, and then you strap in AI. If you're just looking to strap in AI at the very beginning of it, you're not going to be able to understand what the processes really are. So AI isn't going to be able to help you yet.

You need to understand what they are first. And also the change management of having people now have new processes that have AI built from it. It's a hard sell. So if you go in and you go in from the process optimization and workflow automation and run of it, then people say, "Oh man, this person's here to help me. This person is here to create solutions for me to actually be able to move into that process time so I can be more profitable." And everyone is your friend. If you just walk in and say, "Hey, we're going to use AI to figure out the best way to do your process and your job, you're the enemy. You're going to fight them. So work with them. Give them empowered teammates with automation and AI and everyone wins. Okay.

So you understand the terms, you understand why automation is important. You understand what you're doing with process optimization.

In the next lesson, what we're going to talk about is how to sell it. How to go to the C-suite? Who we're going to talk to? What you're going to do? Who is the person that is going to be your enemy and your friend?

And then we're going to get into some executional things where you actually learn how some people have done this in the past. What they've done to use AI automation and process optimization to win. And we're going to learn a lot about the executional side of this coming up.

So we'll see you soon.