

The Collector Chronicle

NORTH AMERICAN RECOVERY

AUGUST 2017

AMERICA'S COLLECTION AUTHORITY

LAST MONTH'S LUCKY WINNER

The lucky winner of our client prize for July is Redwood Periodontics. They have been using our agency since 1998! We will be sending Michelle a gift card to Fleming's Steakhouse! Enjoy!

Fleming's
Steakhouse

THIS MONTH'S PRIZE

This month we will be giving away a gift card to your local spa!

Each client who sends new accounts during the month of August will have their name entered into a drawing. At the end of the month, we will draw a name. If it's yours, you'll win the prize.

*Don't miss out on your chance to win.
Send new accounts in August!
Good Luck!!*

**Spa
Gift Card**

ONE MINUTE MATTERS

By DAVID J. SAXTON
PRESIDENT, NORTH AMERICAN RECOVERY

This month I'd like to share an article we use to help employees understand the importance of returning from their paid breaks on time. I hope you enjoy it.

One minute. That's right, one minute can make a difference. Especially in the context of returning late from your paid break. I know what you're thinking, "*Come on, are you telling me that if I come back just one minute late, that's a problem?*" The short answer is yes. But there's much more to it.

If employees who are fortunate enough to enjoy paid breaks, routinely extend these breaks by even one minute, it can cost a small business hundreds of thousands of dollars. I know, that's a bold statement. You could even say it's hard to believe—unless you've taken the time to analyze what happens when people extend their breaks.

In fact, the first time I wrote that statement, I instantly thought to myself, "*Coming back from break one or two minutes late can cost the company hundreds of thousands of dollars? Really?? Come on, give me a break!*" Ha-ha! (Pun intended.) In all seriousness, though, when an employee extends their paid break, it has a substantially negative impact on the business. Here's why:

Let's say a company with fifty full-time employees offers two twenty-minute paid breaks to every employee. Let's also say that all 50 employees take those two twenty-minute paid breaks. To continue, let's further say that the employee's average rate of pay is \$15.00/hour. Some make a little more, some less, but on average its \$15.00/hr.

In our example, let's calculate what happens if every employee came back from each break one minute late. That's fifty minutes for the morning break and fifty for the afternoon break or a total of one hour and forty minutes a day. *That's \$25 a day!*

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Since most people follow the crowd, if they see other, more veteran employees extending their breaks by a minute or two, it's easy to understand why they would think it is okay to extend their break. Eventually, returning one minute late becomes the "unofficial" standard. Everyone always adds an extra minute to their morning and afternoon break every day.

If this is happening, it will cost a company \$125 per week in lost productivity. That equates to \$500 a month, and \$6,000 in one year! Just because people thought, "What's the big deal if I come back from break one minute late?"

Let's take it a step further. As we all know, when we take an extra minute, it makes it that much easier to take one more. One minute turns into two, two into four, five, six or seven. When people don't understand the impact of extending their breaks, an organization can suffer dramatic losses.

The following table illustrates the amount of money a 50-employee company will lose based on the number of minutes each person extends their paid break:

Money Lost for Late Breaks

Mins. Late	Daily	Weekly	Monthly	Yearly	10 Years
1	\$25	\$125	\$500	\$6,000	\$60,000
2	\$50	\$250	\$1,000	\$12,000	\$120,000
3	\$75	\$375	\$1,500	\$18,000	\$180,000
4	\$100	\$500	\$2,000	\$24,000	\$240,000
5	\$125	\$625	\$2,500	\$30,000	\$300,000
6	\$150	\$750	\$3,000	\$36,000	\$360,000
7	\$175	\$850	\$3,500	\$42,000	\$420,000

If extending paid breaks becomes part of the company culture, and every employee returns from break *just one minute late*, over a ten-year period, that business will lose \$60,000.

If every employee is two minutes late, the company loses \$120,000. Five minutes equates to \$300,000, and seven minutes costs the company \$420,000. That's nearly *half a million dollars!* Wow, that's a lot of money.

Those kinds of losses will put **any** company out of business. That's why it really does matter when someone adds an extra minute or two to their paid break.

I know people don't intentionally set out to cause that level of losses for their company, and that's why I share this information with my employees. My goal is to help them understand the long-term effects and potential losses if they extended their paid breaks.

Thanks for reading. Have a great month!



The Collector Chronicle is published by NORTH AMERICAN RECOVERY for prospective and current clients. The owner, David Saxton, welcomes your questions or comments.

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