GROW CAREFULLY

Hiring affordability worksheet

Name _____ **Business** _____ **Date** _____

You will finish with
The full monthly cost of one new person, a slow-month and late-payment test, and a decision: hire, part-time, temporary help or wait.

1. The role

Role and the result it must produce (e.g. Shop assistant, so I can open on Saturdays and sell more)

Extra money the role brings in or protects each month, after the cost of the stock sold (e.g. R8 000)

- **CHECKLIST**
  - ☐ This work is needed every month, not only in the busy season or for one contract

2. Full monthly cost

The **full cost** (everything the business pays so the person can do the job, not only the wage). List each cost per month.

Cost	Amount per month (R)
e.g. Wage	6 000
Employer contributions (amounts the law says the employer must pay)	
Transport or meals	
Phone data and tools used up each month	
Payroll or bookkeeping help	
Total monthly cost	

Once-off costs before they start: add them up (e.g. Uniform R400 + training R600 = R1 000)

Extra money from the role - Total monthly cost = What the role adds or loses each month (e.g. R8 000 - R7 000 = R1 000)

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TIP

Count your own time

Training and checking a new person takes hours away from selling. Plan for it in the first months.

3. Slow-month test

The extra money often comes months after the wage starts. So leave it out here. Look at your slowest month in the last year.

Money in - Money out in my slowest month = Money left before hiring (e.g. R18 000 - R14 000 = R4 000)

Money left before hiring - Total monthly cost = Money left after hiring (e.g. R4 000 - R7 000 = -R3 000)

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4. Late-payment test

If your biggest customer pays 30–60 days late, you must still pay wages on time.

(Total monthly cost × 2 months) + Once-off costs = Cash I need ready (e.g. (R7 000 × 2) + R1 000 = R15 000)

Cash I have now that is not needed for rent, stock or suppliers (e.g. R9 000)

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5. Decide

If the role loses money, money left after hiring is below R0, or you do not have the cash you need ready, try the numbers again for part-time help.

CHECKLIST

- [ ] Hire permanently: the role adds money and both tests pass
- [ ] Part-time help: hours I can afford per week: _____
- [ ] Temporary help or a contractor for a set period
- [ ] Wait, and improve how work is organised for now

NOTE

Employment rules and registrations depend on the role. Check them with the relevant authority or a qualified adviser before you employ someone.

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Next step

What I will do (e.g. ask two people about 3 days a week) _____

Who will do it _____

By when _____

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