

Follow these steps to work out approximately what errors are costing your organisation:

## Back-of-envelope calculation

**START HERE!**

(a) Number of staff handling data = \_\_\_\_\_

Include all staff who handle any kind of data

(b) Pieces of data handled by each person each day = \_\_\_\_\_

Individual data items like dates, amounts, references etc.

(c) So total pieces of data handled by all staff = \_\_\_\_\_

That's (a) × (b)

(d) Accuracy rate = \_\_\_\_\_ %

90%? ...95%? ...97%?  
...what do you think?

(e) Error rate = \_\_\_\_\_ %

That's 100-(d)%, of course

(f) So total number of mistakes each day = \_\_\_\_\_

That's going to be (e) × (c) all divided by 100

(g) Time it takes to find and correct an error = \_\_\_\_\_ minutes

This'll be more than you think

(h) So total time wasted per day by errors = \_\_\_\_\_ hours

(f) × (g) then divide by 60 to get hours

(i) Salary cost per hour = £ \_\_\_\_\_

A good estimate is annual salary divided by 1750

So total salary cost per day for all our staff of finding and correcting errors = £ \_\_\_\_\_

(h) × (i) WOW! And that is every day!