COURSE LEARNING GUIDE

For Female Entrepreneurs

C.O.S.T Analysis

By Sisterhood In Solidarity

The C.O.S.T. Analysis gives female entrepreneurs a practical way to evaluate business expenses and investments before committing money, time, or capacity. Use this guide with the presentation to examine one real decision in your business and determine whether to invest now, wait, reduce the cost, or walk away.

Course Purpose

Make the full cost of a decision visible so every dollar supports the business you are building.

Learning Objectives

By the end of this course, you will be able to:

- Calculate the complete cost of a business expense or investment.
- Evaluate the opportunity and trade-offs connected to the decision.
- Connect spending to a clear business goal and measurable result.
- Determine whether to invest now, wait, reduce the cost, or walk away.

SLIDE 4

Positioning Your Business for Profitability

KEY TAKEAWAY

Profitability depends on what remains after the complete cost of the decision has been covered.

Follow Along Summary

Revenue shows what entered your business, but revenue alone does not reveal what the decision required. A purchase can increase sales and still weaken profitability if it consumes too much cash, time, attention, or capacity.

Before committing to an expense, confirm that it aligns with a current business goal, that the business can sustain the complete cost, and that the expected return justifies the resources required. This prevents an exciting opportunity from becoming unnecessary financial pressure.

Action Step

APPLY IT TO YOUR BUSINESS

Choose one decision you are considering. Write the business goal it supports, the resources it will require, and the result you expect it to produce.

Reflection Questions

1. Does this decision directly support one of my current business goals?

2. Can my business sustain the full commitment without creating financial or operational strain?

3. What return would make this decision worthwhile?

SLIDE 5

The C.O.S.T. Decision Framework

KEY TAKEAWAY

Use all four lenses before committing money, time, or capacity.

Follow Along Summary

The framework uses four lenses. Calculate identifies the complete cost. Opportunity compares the possible gain with what the business must give up. Strategy connects the expense to a clear goal. Timing determines whether the business should invest now, wait, or reduce the commitment.

A decision may look attractive through one lens and become less practical through another. Using all four lenses creates a more balanced view and reduces the risk of making a decision based on emotion, urgency, or the advertised price alone.

Action Step

APPLY IT TO YOUR BUSINESS

Create four headings on a blank page: Calculate, Opportunity, Strategy, and Timing. Add your current decision beneath them and record your first observation for each lens.

Reflection Questions

1. Which of the four lenses do I usually overlook when making business decisions?

2. Am I evaluating this decision with evidence or reacting to excitement, fear, or urgency?

3. What information do I still need before I can make a confident decision?

SLIDE 6

C Calculate the True Cost

KEY TAKEAWAY

A profitable decision covers the full cost and leaves room for growth.

Follow Along Summary

The advertised price rarely represents the complete financial commitment. True cost includes the cash paid, your time, recurring obligations, implementation, labor, software, fees, supplies, fulfillment, maintenance, and the cost of managing the decision.

Assign a reasonable value to the hours you or your team will spend. Then determine whether your pricing or expected return will cover the complete cost and still protect your profit margin. An affordable purchase can become expensive when hidden commitments are ignored.

Action Step

APPLY IT TO YOUR BUSINESS

List every fixed and variable cost connected to your decision. Estimate the hours required, assign a dollar value to that time, and calculate the complete cost.

Reflection Questions

1. Which costs were missing from my original estimate?

2. How much time will implementation and ongoing management require?

3. Will the expected revenue or savings cover the complete cost and leave room for profit?

O Evaluate the Opportunity

KEY TAKEAWAY

A good opportunity creates more value than the business must exchange for it.

Follow Along Summary

Every decision directs resources toward one path and away from another. The possible gain may include additional revenue, saved time, a better customer experience, or improved delivery. The trade-off may include reduced cash reserves, founder attention, team capacity, or another opportunity that must be delayed.

The strongest opportunity produces enough value to justify what the business must exchange for it. Compare the value of the expected gain with the financial and operational sacrifices required.

Action Step

APPLY IT TO YOUR BUSINESS

Create two columns labeled Possible Gain and Trade-Off. List every benefit you expect and every resource or opportunity the business must give up.

Reflection Questions

1. What is the most valuable result this decision could produce?

2. What will receive less money, time, or attention if I move forward?

3. Is the expected gain meaningful enough to justify the trade-off?

SLIDE 8

S Connect the Expense to Strategy

KEY TAKEAWAY

Strategy gives every dollar a specific purpose and a measurable expectation.

Follow Along Summary

A strategic expense has a defined purpose. Begin by naming the business result the expense should support. Then identify how the purchase will move that goal forward and select a number that will show whether it worked.

Useful measures may include profit, conversions, qualified leads, repeat purchases, customer retention, or hours saved. If you cannot connect the expense to a goal, an action, and a measure, pause until the purpose becomes clear.

Action Step

APPLY IT TO YOUR BUSINESS

Write one goal for the expense, describe the work the investment must perform, and choose one primary measurement with a review date.

Reflection Questions

1. What specific business goal should this expense support?

2. How will this purchase contribute to that goal?

3. Which number will tell me whether the investment worked?

SLIDE 9

T Choose the Right Timing

KEY TAKEAWAY

The right opportunity still requires the right timing.

Follow Along Summary

A sound investment can create pressure when the business is not ready. Invest now when cash flow can support the commitment, capacity is available, and customer demand justifies the decision. Wait when the idea has potential but the return remains unclear or another priority must come first.

Reduce or eliminate the expense when the cost exceeds the value, performance continues to decline, or the expense no longer supports the plan. Waiting can protect cash flow without permanently rejecting the opportunity.

Action Step

APPLY IT TO YOUR BUSINESS

Review your cash flow, workload, and current priorities. Select a timing decision: invest now, wait until a specific condition is met, reduce the cost, or walk away.

Reflection Questions

1. Can my current cash flow support this commitment without creating pressure?

2. Do I have the capacity to use and manage the investment effectively?

3. What must become true before the timing is right?

SLIDE 11

Your C.O.S.T. Decision Worksheet

KEY TAKEAWAY

A clear decision should be supported by evidence from all four lenses.

Follow Along Summary

Use the worksheet to bring the four parts of your analysis together. Record the complete cost in money, time, and capacity. Describe what you expect to gain and what you must give up. Connect the decision to a business goal and measurement. Then evaluate whether the timing supports the commitment.

Your final choice should be clear: invest now, wait, reduce the cost, or walk away. The purpose of the worksheet is to evaluate the decision honestly, not to justify a choice you have already made.

Action Step

APPLY IT TO YOUR BUSINESS

Complete every section of the C.O.S.T. Decision Worksheet. Do not make the final decision until you have written evidence for all four lenses.

Reflection Questions

1. Which part of my analysis provides the strongest reason to proceed?

Click to add your response

2. Which part creates the greatest risk or uncertainty?

Click to add your response

3. What is my final decision, and what evidence supports it?

Click to add your response

Make Every Dollar Count

KEY TAKEAWAY

Successful entrepreneurs assign every dollar a purpose and review whether it produced the intended result.

Follow Along Summary

The C.O.S.T. Analysis helps you evaluate one decision at a time. Repeating the framework can strengthen spending discipline, protect profitability, and help you recognize when an attractive opportunity does not support your current strategy.

A complete business audit goes further by examining what to keep, change, reduce, or eliminate across the business. When you are ready to evaluate overall performance and identify costly gaps, continue with Audit & Pivot.

Action Step

APPLY IT TO YOUR BUSINESS

Schedule a review date for any decision you approve. Compare the actual result with your expected measurement and record what you would repeat or change next time.

Reflection Questions

1. What did this analysis reveal about the way I currently make spending decisions?

2. Which part of the framework will have the greatest effect on my future decisions?

3. What area of my business may require a broader audit?

Your Final Decision

Return to the decision you identified at the beginning of this guide. Use your analysis to select one outcome and document the next step.

Decision	
Reason	
Next Action	
Review Date	
Success Measure	

COURSE COMPLETION STATEMENT

I used the C.O.S.T. framework to evaluate a real business decision and selected a next step based on the complete cost, opportunity, strategy, and timing.

Consistency + Strategy = Profitability