

BUSINESS OWNER'S GUIDE TO PROFIT AND GROWTH

PROFIT TACTICS	OPTION THINKING	YES / NO / CONSIDER DOING THIS
Sales Focus	<ol style="list-style-type: none"> 1. Take <u>extra</u> care of your current customers 2. Change commission/incentive structure 3. CEO/owner supplement sales force 4. Add customers—new markets 5. Pro-active/outbound, not passive order-taking 6. Segment market, focus on high pay-off prospects 	
Raise Prices	<ol style="list-style-type: none"> 1. Earn higher fees through specialization, innovation, adding more value 2. Use marketing to get “better” work 3. Speed up skill-building process in staff 4. Invest in new (higher-value) services 	
Lower Prices	<ol style="list-style-type: none"> 1. Increase volume but with lower gross margin 2. Must cover variable expenses, i.e. positive gross margin 	
Lower Variable Costs	<ol style="list-style-type: none"> 1. Improve management efficiency and performance 2. Look for economies of scale 3. Increase leverage in the delivery of service 4. Outsource and/or develop alliances 5. Make greater use of paraprofessionals 6. Develop procedures and systems to avoid duplication of effort 	
Fix Under Performers	<ol style="list-style-type: none"> 1. Deal with under performers (people?) 2. Drop unprofitable services (define profitable) 3. Drop unprofitable clients 	
Lower Overhead (fixed) Costs	<ol style="list-style-type: none"> 1. Reduce space and equipment costs 2. Reduce support staff costs (use of new technology) 3. Use part-time (temp) workers 4. Outsource certain functions 	
Improve Cash Flow	<ol style="list-style-type: none"> 1. Improve speed of billing 2. Improve speed of collections 3. Defer capital expense 4. Sell unnecessary assets 	
Turn Inventory Faster	<ol style="list-style-type: none"> 1. Speed sales of high margin items 2. Focus inventory on high volume high margin items 3. Reduce/turn inventory to free up capital 4. Develop strategies to increase number of inventory turns 	
Customer Acquisition	<ol style="list-style-type: none"> 1. Acquire weakened competitor 2. Customer lists, business phone numbers, email, etc. 3. Competitor key employee/sales person 	