

## **PROFITABILITY TACTICS**

<b>PROFIT TACTICS</b>	<b>OPTION THINKING</b>	<b>YES/NO/ CONSIDER</b>
<b>Raise Prices</b>	<ul style="list-style-type: none"> <li>• Earn higher fees through specialization, innovation, adding more value</li> <li>• Use marketing to get “better” work</li> <li>• Speed up skill-building process in staff</li> <li>• Invest in new (higher-value) services</li> </ul>	
<b>Lower Variable Costs</b>	<ul style="list-style-type: none"> <li>• Improve management efficiency and performance</li> <li>• Look for economies of scale</li> <li>• Increase leverage in the delivery of service</li> <li>• Outsource and/or develop alliances</li> <li>• Make greater use of paraprofessionals</li> <li>• Develop procedures and systems to avoid duplication of effort</li> </ul>	
<b>Fix Under Performers</b>	<ul style="list-style-type: none"> <li>• Deal with under performers</li> <li>• Drop unprofitable services</li> <li>• Drop unprofitable clients</li> </ul>	
<b>Lower Overhead Costs</b>	<ul style="list-style-type: none"> <li>• Improve speed of billing</li> <li>• Improve speed of collections</li> <li>• Reduce space and equipment costs</li> <li>• Reduce support staff costs (use of new technology)</li> <li>• Use part-time (temp) workers</li> </ul>	
<b>Turn Inventory Faster</b>	<ul style="list-style-type: none"> <li>• Speed sales of high margin items</li> <li>• Focus inventory on high volume high margin items</li> <li>• Reduce/turn inventory to free up capital</li> <li>• Develop strategies to double the number of inventory turns</li> </ul>	