

Small changes produce BIG Profit Increases

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Are you aware of the benefits small changes in three key areas of your business can result in a HUGE increase in your net profit?

Adjust the 3 Areas - **Sales** **Cost of Goods** **Overheads**

	Before \$	After \$
Sales (up 10%)	1,000,000	1,100,000
Cost of Sales (Reduce 2%)	500,000	539,000
Gross profit	500,000	461,000
Overheads (Reduce 2%)	400,000	392,000
Net Profit	100,000	169,000
Increase by \$69,000 or 69%		

Increase Sales by 10%. You may ask “How do I do that?” There are three main methods of increasing sales

- Increase your customer base
- Increase the amount they spend
- Increase the times they return

If you could increase each one of the sales areas by only 10% over the next 12 months, you would **increase sales by a strong 33%**. For example, a customer comes in 10 times per year, and you encourage them to visit one more time in that year, there is a 10% increase. If they buy a \$10 item and you up sell or cross sell a \$1 item to them, that is another 10% increase.

Reduce Cost of Goods by 2 %. You say “No way, that is to hard”.

How well have you negotiated your current purchase price of your products? What package deals have you arranged? What payment system have you organised to reduce costs? Have you joined or established a local buying group to increase your buying power? There are many more ways of making small changes to save the costs

Reduce Overheads by 2%. Too difficult?

When was the last time you as a business owner sat down and seriously pulled your overhead costs, contracts and agreements apart and searched or negotiated for alternatives, explored all options, and attempted to save in these areas of the business?

The key message to business is that there is a large amount of hidden profit within your organisation. As a business owner it is well worth taking one day out of your busy schedule to work ON your business and not IN it.