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Aim Higher

It's that time of the year again... and I don't mean getting your tax done.

What is much more important is **your business Profit Plan for the next 12 months.**

I encourage you to spend 10 minutes thinking about setting a Profit Growth Target for next year.... with an action plan to go with it.

Imagine if you could boost Revenue by 10% next year and keep your costs down to the same level as this year.... what a huge boost that would be to your Profits and Cash position?

PROFIT BOOST EXAMPLE			
THE BIG IMPACT OF SMALL IMPROVEMENTS			
	<u>This Year</u>	<u>Increase By</u>	<u>Next Year</u>
NUMBER OF SALES	10,000	5%	10,500
AVERAGE SELLING PRICE	\$100	5%	\$105
REVENUE	\$1,000,000		\$1,102,500
WAGES	\$200,000		\$200,000
OTHER OVERHEAD COSTS	\$700,000		\$700,000
PROFIT	\$100,000		\$202,500
Increase in Profit =			\$102,500
			103%

The above chart is an example of how a 5% increase in Prices plus a 5% increase in Selling Volume can add more than 100% to Profits

in just 12 months.

Here are 10 simple strategies to consider....

1. Price increases – small regular price increases are critical to keep you ahead of CPI cost increases.
2. Target your Marketing effort to get the best results. Set targets for staff.
3. Follow up religiously on all quotes and inquiries.
4. Get your money in from a/c customers faster = free up cash and save serious money on Interest payments. All you need is a system.
5. Re-negotiate your bank finance arrangements.
6. Wages- look at all opportunities to get more from your staff, reduce overtime etc.
7. Seek prompt payment discounts with major suppliers... don't assume your suppliers won't agree. You won't know unless you ask.
8. EFTPOS commission rates – get quotes/ask your bank for a better deal. The industry is very competitive and there are deals to be done.
9. Cut back on excess stock. Reduce the drain on your cashflow.
10. Measure and monitor every month. You won't improve it if you don't measure it.

There are many other strategies that can be considered depending on your type of business.

I'd love to help you with your Profit Growth Plan. Just give me a call.

Award Changes 1st july 2010

You may be affected by employee pay rate changes within certain modern awards that came into effect on 1 January 2010. Transitional arrangements in most modern awards mean that rate of pay and certain other conditions come into force on 1 July 2010.

Make sure you're aware of how these changes effect your industry and situation. The government's Fair Work website is www.fairwork.org.au

About Profit Measures:

Lindsay King has been running a successful business of his own for over 10 years... specialising in measuring and maximizing profits for business owners.

He's local, qualified in business management, has worked inside small and medium size businesses for over 20 years and has a wealth of experience in business ... helping over 300 business owners in the local region.

[Contact Lindsay today](#) for an obligation free and confidential discussion.

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Profit Measures
PO Box 255, Bathurst NSW 2795 Australia

T: 02 6331 2660 | M: 0417 270 871 | E: info@profitmeasures.com.au
W: www.profitmeasures.com.au

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