

profitmeasures
keeping your business on track

Profit Focus

brief tips and tricks for profit and growth



Issue 13 | March 2011

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Who is on your "Board of Directors"?

What an incredible advantage larger companies have when it comes to new strategies and growth. They have a constant think-tank in the form of a management team and often a board of directors with a depth of business experience.

The fact is, "managing" is incredibly difficult these days without a management team around you.

Over the 14 years I've been working with SME business owners I've observed rising stress levels and complications for owners, with a lot of that to do with increased compliance (e.g. GST and OH&S requirements), as well as more demanding staff and customers. How do you cope without a team around you ?

As a small business owner how do you deal with

1. The Isolation. Most of us don't have someone else at work, on our level, that we can bounce serious ideas off. We don't have the luxury of a management team who meet regularly to discuss issues, improvements and growth strategies.
2. Not wanting to take your problems home.
3. Your industry peers understand many issues, so you have a nice general chat at conferences



about common “problems” in your industry, but you certainly don’t want them to know your detailed plans or strategies, so again you don’t talk about these things.

4. Your accountant might be great at the tax work and minimizing your tax, but do they (and do they have time to) help you with the real issues in your business ?

The solution lies in creating your own think-tank... by getting someone you know and trust to meet with you regularly. Someone to bounce your ideas off. Someone who can give an independent viewpoint. We all need someone to keep us on track and make us accountable for doing the things we know we need to be doing. Its simply impossible to do it all on our own.

Get someone you know and trust to join your “board of directors” and reap the benefits. While I provide this service to many clients, I also have someone helping me in the same way. It’s one of the best things I ever did.

What you measure you can manage

It’s a well worn cliché that you can only manage what you measure. But what are the fundamental things we should be measuring ?



At the very least the following 10 key things should be measured and compared with last month, with last year, with your targets....

1. Your Cash position
2. Your GP%, Your Average rate per hour, or your Average Value per Invoice (whichever is relevant to your business)
3. Total Income/receipts
4. Stock on hand \$ (for retailers)
5. Wages cost and staff numbers
6. How much is owing to you by a/c Customers ?
7. How much is 60 days or older ? How are each of these being pursued ?
8. How many leads and quotes were received...how many were followed up ?
9. How many complaints have been received ? and what was done to respond to them ?
10. How much do I need to sell each week to break even?

Spend just 30 minutes each week measuring and evaluating these key things in your business....and I guarantee you’ll feel so much more in control and you’ll start to see your business more clearly.

If you have any questions about any of this, feel free to drop me an email.

Regards,

Lindsay

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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