

## Profitability and cash flow not what it should be?

If you are not making the profit or generating the cash flow you expect you should be for the effort, risk and investment you have and are making in your business then you should change this situation quickly. If you don't know how or have tried hundreds of ways to turn this situation around and none of these efforts have worked, then it is time you considered asking a mentor or coach who has the experience and vision to show you how to turn this scenario to your benefit. Coaches bring an unbiased, fresh mind and years of practical hands on experience to the table and help you see the wood for the trees.

For example - what's easier to do in a \$1 000,000 business with a existing gross profit margin of 20%:

- Increase sales by \$150 000 to generate \$30 000 of extra profit
  - **or**
- Increase gross profit margins or cut costs by 3% or a combination of both to make/save \$30 000
  - If you squeeze 1.5% extra gross profit though either price increases, improved productivity or a combination of both that is only 1.5 cents in the dollar.
  - If you squeeze another 1.5% out of your expenses – just 1.5 cents on every dollar of expenses you have made an extra \$30 000 NET PROFIT before tax.

You know how hard it is to increase sales in this down market – there are other very simple basic ways to increase profitability and cash flow.