

● The 3 Minute Overview For ●

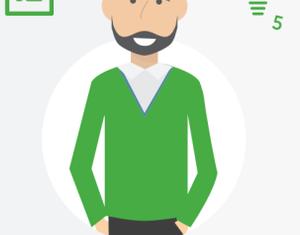
IMPROVING YOUR PROFITABILITY

FROM DFK AUSTRALIA NEW ZEALAND

Maximising your profitability in the short term is simple right? Just increase your sales and reduce your expenses. Easy. But where does that leave your business in the future? Consider the following: Have you cut your prices to boost sales? Will this move actually be profitable without consideration of costs? With respect to new clients that you attract by cutting the price, are these customers profitable? Have you cut costs across the board? Where does this leave the quality of your product or your service offering and ultimately your brand?

If you want to maximise your profitability whilst also future-proofing your business, consider the following steps:

STEP 1 MASTER THE NUMBERS



- Compare your prior year budget to your actual results
- Compare your actual results to your industry benchmarks
- Define your own key growth measures (KPI's) to track
 - Develop an action plan to improve profitability

STEP 2 LEVERAGE YOUR GREATEST ASSET



- Don't be afraid to ask your team for ideas for improvement
 - Get team buy-in for your vision
 - Delegate agreed targets to key team members

STEP 3 MAKE YOUR WORKING CAPITAL WORK FOR YOU



- Tighten your credit policy so customers pay you faster
 - Seek creditor term extensions
 - Understand your optimal inventory levels
- Ensure you have the right finance for the right purpose

STEP 4 EMBRACE CHANGE AND TECHNOLOGY



- Research what's now available to more easily achieve your KPI's including:
 - Client relationship management systems
 - Finance software
 - Industry specific software
 - Document management systems

STEP 5 KNOW YOUR CUSTOMERS



- Know where your ideal customers and clients are and how to reach them
 - Understand how to cross-sell and up-sell to add value
 - Focus on retention strategies

STEP 6 IDENTIFY AND AVOID PROFITABILITY DRAINS



- Create checklists and templates for your key systems and procedures so everyone can follow step by step to save time and money and so that:
 - Your team knows what to do and how to do it
 - Your clients have a consistent service experience
 - You reduce business risk by minimising costly mistakes

CONGRATULATIONS!

YOU'RE ON YOUR WAY TO MAXIMISING YOUR PROFITABILITY AND INCREASING THE VALUE OF YOUR BUSINESS

Continue to:



Strategise and plan



Consider the short term and long term implications of any change



Engage with your group of experts regularly

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LEADING ACCOUNTANTS AND BUSINESS ADVISERS

We make it happen!

