

PLAN 2 PROFIT!

A 2 part approach to managing the Profit Equation by planning to increase revenue and control expenses.

Part 1: Increasing Revenue

↑ Revenue

- Marketing Strategy
- Marketing Plan
- Customer Service Plan
- Value Plan
- Price Strategy

Part 2: Controlling Expenses

↓ Cost of Sales (Directly related to providing your product or service)

- How to manage fixed, variable & combination costs
- How changes in cost affect profit

↓ Cost of Sales: Labor Controlling Labor & Overhead

- Payroll Taxes
- Benefits
- Worker's Compensation Insurance
- Outsourced/contract/temporary labor

↓ Marketing & Sales Expense *Think of expenditures as an investment in your business*

- Create and stick to a budget - monitor credit card use, reimbursed expenses, labor & overhead
- Track results against cost - consider outsourcing (be sure you're hiring the right skills & experience for the job)
- Tie compensation to results
- Learn as much as you can (visit SCORE.org for help)

↓ General & Administrative Expense

- Create and stick to a budget
- Monitor company credit card use and/or reimbursed expenses
- Watch closely - determine the expenses which require more of your attention
- Make hard decisions - Is it truly necessary?