

WORK BOOK ONE



PROFIT INTRODUCTION

10 WAYS TO GET MORE

PROFIT FROM YOUR BUSINESS



COACHING ACADEMY SPECIALIST
Where Small Businesses Grow

Profit Introduction

The 5 Guiding Principles

“Never in the history of mankind have we found an individual, who had the talent, ability, knowledge or experience to be successful without the co-operation of others”.

Tim Meagher - Business Coach

If we successfully embrace the previous 4 Guiding Principles, is profit an obvious consequence? Sadly not, as we have still some work to do.

It's not vulgar, it's not immoral, it's not greed, it's essential for continuous business success.

We can't stand still, we can't just try and hold on to what we've got. Because for reasons totally outside of our control we will lose some of our most profitable business. And this usually happens when we least expect it and can least afford the down turn.

So it is essential that we need to grow, and to grow we need profit to reinvest in the business.

Just like we need to share our **Purpose** with our staff, customers, suppliers, bankers and shareholders, we must also proudly inform the same group of the importance of consistent profit.

Our objective should be that we make a 'responsible' profit

We must establish and agree our level of profitability. Whilst a healthy sales and turnover figure is essential, do bear in mind that turnover can be vanity while profit is sanity.

Profit Introduction

The 5 Guiding Principles/Continued...

Income less expenses is equal to profit.

Failed companies frequently place the blame and the cause of failure on a downturn in sales. Whilst this may certainly be true, disaster can be averted if the owner makes the very difficult decision to respond with a reduction in expenses.

What makes this decision difficult is that the largest variable expense is payroll.

To cut payroll means parting company with staff, huge volumes of business owners fail to make these decisions. If the business owner fails to be decisive and refuses to make these difficult choices then he or she will find that these decisions are frequently made by the Official Receiver in bankruptcy or liquidation.

If your company consistently makes a 10% profit you will not be unhappy.

You should be very clear in your mind what a 10% margin means. In real terms you can tell customers who might consider your prices too high that in reality, for every £1 of sales your company invest some 90 pence in producing a first class quality product.

10 Ways To Get More Profit Out Of Your Business Today

John Rampton, the founder of the online payment company 'Due', published an article titled "10 Ways To Get More Profit Out of Your Business".

As a business owner, it's essential to be constantly on the lookout for new profit-making opportunities. What you may not realise, however, is that creating a business within your business can be one of the best sources of hidden profits there is, in fact, most businesses have multiple ways of increasing profits just waiting to be discovered.

The following 10 profit-boosting actions can be done without any extra cash investment.

Plus they are environmentally friendly because you won't be using any extra gas, paper, or other natural resources.

1. Product Mark-ups

While it may not be the most original way to increase your business profits, product mark-ups can be quite advantageous. Buying low and selling high is obviously the best model for your business profit-wise, and if you can mark-up products even more and keep a steady stream of business, you may tap into an undiscovered profit centre.

2. Client Sharing

If you have an unmanageable abundance of clients, don't stop taking on new ones; instead, partner with another business and client-share in exchange for a cut of the profits.

A marketer, for example, may charge a client \$3,000 for a website. If the marketer doesn't have the time to develop that website on his own, he may pay a third party \$2,000 to do it, keeping \$1,000 for himself.

Pro tip: make sure that you partner up with only the best companies out there.

10 Ways To Get More Profit Out Of Your Business Today/Continued...

3. Paid Advertisements

If you keep a website that receives a lot of traffic, partnering with a similar company, although not a competitor, can be advantageous.

For example, if you own a business that specialises in athletic shoes, you could profit by having advertisements on your website for other athletic gear. Thomas Jefferson supposedly said, "The man who stops advertising to save money is like the man who stops the clock to save time."

Zac Johnson, a friend of mine taught me this a few years ago. He said "if you're good at marketing online, you'll learn quick that paying for customers is crucial to scaling your business online." Zac is famous for making almost \$1 million online in a matter of 4 months using such methods.

4. Consulting Fees

If you're an expert in your field, don't limit yourself to just practicing your expertise; instead, become a consultant who teaches others how to do what you do, or offer seminars, webinars, and speeches regarding your forte.

Charging for consultations and seminars is an excellent way to increase your business profits. So you know what to charge, check around and see what other consultants who specialise in similar services are charging. If you have more experience or education than these other consultants, then you have a good case for charging more.

5. New Additions

If you're a business owner that's succeeding in your endeavours but want to optimise your profits, consider adding a new product line or service to your company to create an entirely new profit centre. Take Extra Space Storage for example. They are adding multiple electric-vehicle charging stations to their self-storage locations to promote a more environmentally friendly profit centre. Make sure the product is in-line with your current offering, market and advertise well, and develop a plan of action for implementation.

10 Ways To Get More Profit Out Of Your Business Today/Continued...

6. Referrals

Generating revenue from clients that already know, like and trust your brand is much more cost-effective than spending money acquiring new customers.

If you provide clients with a superior experience, they'll want to do business with you in the future and will likely send referrals your way. Almost any business can implement a customer referral program by offering current customers products or services for referring new customers or clients.

Referrals are 100 percent how I've been growing my online invoicing company "Due" These are by far the best ways to exponentially grow your business year on year.

7. Free or Discounted Offers

Depending upon your business type, you may be able to entice customers or clients with freebies in order to make a sale.

For example, attorneys often offer initial free case consultations as a way to hook a client. Or, an auto repair shop may offer a free oil change, but then offer a service to the customer while changing the oil. You can also offer discounted services or products through a site such as Groupon.

8. Affluent Clients

Depending upon who you're marketing to, you may have a profit centre hidden within your clientele--by seeking more affluent clients, you may be able to increase your business's annual profits dramatically with hardly any work.

Just be sure to approach these potential clients the right way.

Don't appear too needy or pushy, know your stuff, and reach these potential clients through networking.

10 Ways To Get More Profit Out Of Your Business Today/Continued...

9. Creative Acquisition

Customer acquisition is an expense, but one that yields some sort of business income.

By acquiring customers more creatively and more efficiently, you can reduce your acquisition costs and therefore improve your ROI (return on investment), benefiting from a previously unexploited profit centre.

Improving your advertising and marketing is key for improved customer gain and retention.

10. Learning New Skills

Consider learning a new skill or adding to the knowledge that you already have.

For instance, you could pick up some new IT skills like application virtualisation with an online course.

You could also improve your public speaking and leadership skills by joining a club such as Toastmasters International.

Success Story And Positive Mental Attitude

A native American elder once described his own inner struggles in this manner:

"Inside of me there are two dogs. One of the dogs is unhappy, insecure and full of doubt.

The other dog is joyful and confident.

The unhappy dog fights the joyful dog all the time."

When asked which dog wins, he reflected for a moment and replied, "The one I feed the most."

DON'T FORGET TO WATCH THE "PROFIT INTRODUCTION" VIDEO