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Donald Cooper is respected by clients in over 40 industries as both a “thought leader” and a passionate visionary in the areas of marketing, service and business excellence.

Drawing from his real life experience as a world-class manufacturer, award-winning retailer and business speaker, he has helped thousands of businesses throughout the world to add more real value to their customers’ lives...and more dollars to their bottom lines.

To subscribe to Donald’s thought-provoking, idea-generating, **FREE** monthly electronic **Newsletter**, email us at newsletter@donaldcooper.com.

His website, www.donaldcooper.com also offers free articles and business tools.

Do you have a specific “Profit Improvement Plan” for this year?

For the past six months I’ve asked every client and thousands of audience members if they have a specific Profit Improvement Plan for their business, division or department, for this year ...and, so far, nobody has.

You could grow your bottom line this year by accident or by dumb luck...but I wouldn’t want to count on it. Profit improvement is much more likely to happen as the result of courageous decisions and specific activities that help you to do one of these three things...

a) Increase your sales. Increasing your sales by just 5%, while holding your GM (Gross Margin) and your expenses at current levels, will make a huge difference on your bottom line. For example, if your GM has typically been 35%, just 5% more sales will increase your profit by 35%, if you hold your operating expenses and GM at current levels. Don’t take my word for it, ask your accountant. And if your accountant can’t explain it...fire your accountant!

So, what specific decisions or activities would it take to increase your sales by 5% or 10%...without cutting your price?

Then, what specific things could you do to increase sales that will require a financial investment, but which will also increase profitability? Is it improving your quality, your packaging, or your advertising and promotion? Is it improving systems and processes that result in an improved and amazing customer experience? Is your pricing out of whack? Should you invest in world-class sales and service training? Do you need to ‘jump-start’ your staff to be more customer-focused and customer-passionate...and doesn’t that start with you?

b) Improve your Gross Margin. The quickest way to improve your GM and your bottom line is simply to increase prices. Believe it or not, if you increased prices by just 5% and still sold the same number of units, that could double your bottom line! Are you good enough and courageous enough to get an extra 5% for what you do or sell? Often that’s the difference between a mediocre business and a highly profitable business...just being good enough and brave enough to get a little bit more for your products or services. What would you have to do get to that point?

If increasing your prices by 5% is too scary for you, what about just 2%? If you could pull that off, it could increase your bottom line by as much as 40%. Are you good enough and courageous enough to get just two percent more for what you do?

You can also improve your GM (Gross Margin) by buying sharper or by reducing your cost of producing or creating what you sell. What specific decisions and activities are needed to make that happen?

Do you have a specific “Profit Improvement Plan” for this year? (Cont’d):

c) Reduce your operating expenses. If you could reduce your ‘general, sales and admin’ expenses by just 5%, that could improve your bottom line by as much as 30%. Just remember to trim fat and waste...not heart and bone. Some business cut the very heart out of their business and it always ends badly.

Look everywhere for waste and inefficiency. How much time is wasted by poor planning, poor communication, inaccurate information, ineffective processes or no sense of urgency? How much money is wasted on advertising that doesn’t work, space that isn’t used or people who should never have been hired in the first place?

In recent research by The Conference Board of Canada, 25% of employees surveyed admitted that they just ‘showed up’ at work to get a paycheck and they had absolutely no interest in their job, the company, its customers or the bottom line. This is both sad and appalling...but apparently it is reality. The number may not be as high as 25% in your business...but whatever it is, get rid of them! Be clear about what you expect from each person on your team, measure their performance and have the courage to deal with non-performance.

So, there you have it...three ways to improve your bottom line:

- a) Increase your sales,
- b) Improve your Gross Margin...and,
- c) Reduce your expenses.

A real commitment to act on all of these three profit improvement opportunities could double or triple your bottom line this year. Not too shabby! Use our one-page template below that will help get you started.

For more information on how Donald Cooper can help you redefine and reinvent your business to create, deliver and communicate compelling, customer-owning Value, visit our website at www.donaldcooper.com, email us at info@donaldcooper.com or contact us by telephone in Toronto, Canada at 1-(416) 252-3704.