

# THE DONALD COOPER CORPORATION

Speaking and coaching internationally on management, marketing and profitability



## Management tool #B-4: ©

Our commitment to a healthy and growing bottom line:

1. To create a healthy, growing business, and reward our investors appropriately, we commit to generate a Return-on-Investment (ROI) of at least \_\_\_\_%.

**Note:** Realistically, our “investment” in the business is what it can be sold for in the next few months.

2. To achieve this ROI commitment, we will deliver an after-tax profit each year for the next few years of at least: (fill in our after-tax profit commitment for the next few year in the spaces below)

Year 1: \$ \_\_\_\_\_.

Year 2: \$ \_\_\_\_\_.

Year 3: \$ \_\_\_\_\_.

Year 4: \$ \_\_\_\_\_.

Year 5: \$ \_\_\_\_\_.

3. This means that we must generate sales and gross margin % of:

**Note:** Realistically, will our gross margin likely improve or erode over the next few years?

Year 1: \$ \_\_\_\_\_ at a GM of \_\_\_\_\_%.

Year 2: \$ \_\_\_\_\_ at a GM of \_\_\_\_\_%.

Year 3: \$ \_\_\_\_\_ at a GM of \_\_\_\_\_%.

Year 4: \$ \_\_\_\_\_ at a GM of \_\_\_\_\_%.

Year 5: \$ \_\_\_\_\_ at a GM of \_\_\_\_\_%.

4. So, each year, sales must increase by...

Year 1: \$ \_\_\_\_\_ or \_\_\_\_\_%.

Year 2: \$ \_\_\_\_\_ or \_\_\_\_\_%.

Year 3: \$ \_\_\_\_\_ or \_\_\_\_\_%.

Year 4: \$ \_\_\_\_\_ or \_\_\_\_\_%.

Year 5: \$ \_\_\_\_\_ or \_\_\_\_\_%.

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5. How much of our future sales growth will come from organic growth ...and how much must come from new initiatives?

<u>YEAR</u>	<u>Total Sales Commitment</u>	=	<u>Sales from Organic Growth</u>	+	<u>SALES FROM NEW INITIATIVES</u>
Year 1:	\$ _____		\$ _____		\$ _____
Year 2:	\$ _____		\$ _____		\$ _____
Year 3:	\$ _____		\$ _____		\$ _____
Year 4:	\$ _____		\$ _____		\$ _____
Year 5:	\$ _____		\$ _____		\$ _____

**'New Initiatives' could include:**

- a)** Offering our products / services in additional markets:

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- b)** Offering additional products or services in our existing market:

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- c)** Embracing new distribution channels that would open us up to new customers and new markets:

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- d)** Acquisition of competitors or complimentary product or service providers:

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- e)** Other possibilities:

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**6. Each year we will commit to specific activities to improve our bottom line:**

**Our Profit Improvement Commitment for the year \_\_\_\_:**

**A) We commit to increase sales to \$ \_\_\_\_\_ by doing the following:**

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**B) We commit to increase margins by \_\_\_\_% by doing the following:**

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**C) We commit to reduce costs by \$ \_\_\_\_\_ by doing the following:**

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