



MONTHLY ONLINE EVENT WITH NETWORKING
OPPORTUNITIES

Profit Maximization Strategy Series

Running Your Business by the Numbers

(Session #1)

Andrew Frazier

Jimmy Newson



Session #1

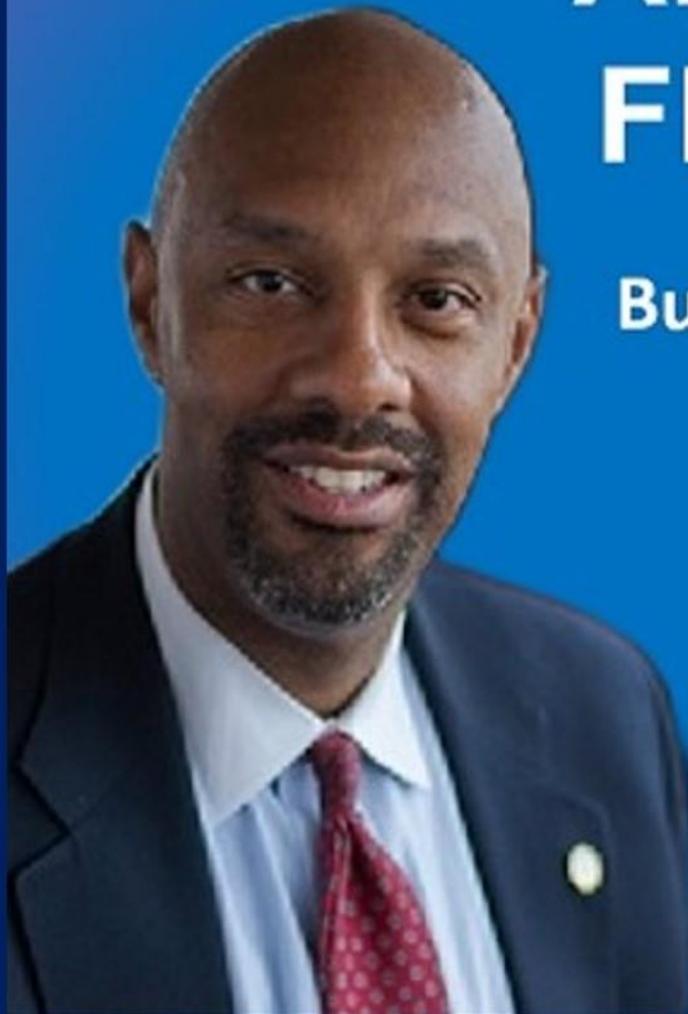
The Secret To Maximizing The Profitability of Your Business



ANDREW FRAZIER

MBA, CFA

**Business Growth
Pro and CFO**



- Paperboy
- Entrepreneur
- MIT Engineer
- Navy Supply Officer
- Business Manager
- NYU- Stern MBA
- CFA Designation
- Corporate Executive
- Real Estate Investor
- Non-Profit Leader
- Business Owner
- Coach & Consultant
- Teacher & Trainer
- Outsource CFO
- Author / Speaker

The Challenge



- Most businesses are less profitable than they should be.
- Many business owners don't know how to maximize their profitability.
- Economics aside, there are proven strategies to maximize your profitability.



Is This For You?



- Business Owners who are:
 - Generating revenue
 - Looking to increase profitability
 - Wanting to create a sustainable business
 - Seeking to Work ON Their Business Not IN It
 - Looking to maximize value of their business



What You'll Learn Today

- Understanding Profitability
- Watch Out for the Profit Bandits
- The Journey to Profit Maximization



Understanding Profitability



- Profit is generally defined as total revenue minus expenses and appears on a company's income statement.
- No matter the size or scope of the business or the industry in which it operates, a company's objective is always to make a profit.



Profitability Levels



Business Model	\$	%
Sales	\$100,000	100%
- <u>Variable Costs</u>	<u>-40,000</u>	<u>40%</u>
= Gross Profit	\$60,000	60%
- <u>Operating Expenses</u>	<u>-30,000</u>	<u>30%</u>
= EBITDA	\$20,000	20%
- <u>Depreciation & Amortization</u>	<u>-5,000</u>	<u>5%</u>
= EBIT (Operating Profit)	\$15,000	15%
- <u>Interest</u>	<u>-1,000</u>	<u>1%</u>
= EBT	\$14,000	14%
- <u>Taxes</u>	<u>-5,000</u>	<u>5%</u>
= EAT (Earnings After Taxes)	\$9,000	9%



Operating Profit



- Operating income shows how much money a business is making after its costs of doing business are deducted.

Business Model

Assessment and Analysis

Revenues

- Variable Expenses

Gross Profit

- Fixed Expenses

Cash Flow (EBITDA)



Profit Bandits



Profit Bandits

- Inefficiencies
- Knowledge Gaps
- Leadership Shortcomings
- Communication Issues
- Misalignment
- Waste
- Complacency



Profit Maximization Strategy Series



- Understand the key drivers of profitability.
- Gain perspective on how your business works.
- Learn to manage profitability more effectively.
- Become more focused, confident, and profitable.



Profit Maximization Journey



- Learn proven strategies for maximizing profitability
- Use financial management to manage more effectively
- Employ proven techniques for maximizing profitability



What You Will Learn:

- How your business really works
 - Review your financial statements
- How to make better decisions
 - Analyze your financial statements
- How to increase profitability
 - Manage your business by the numbers



Session #2

Learning The Language of Business



- If you're in France and don't know French, how well will you be able to communicate?
- **Are you fluent in the language of business?**
- Learn the key concepts, terms, and vocabulary to understand how your business really works.



Session #3

Tools for Managing More Profitably



- Before you can maximize profitability, you'll need to...
 - Learn the building blocks required
- Develop tools to access...
 - Accurate, timely, internal business information



Session #4

Understanding How Your Business Really Works



- Everybody loves a good story.
 - What is the story of your business?
 - Is it a mystery, a comedy, or a tragedy?
 - Are you the hero, the victim, or the villain?
- Uncover the “real” story of your business
- Write an even better story with greater profitability



Session #5

Keep Balanced to Ensure Profitability

- Tight-rope walkers carry a pole to keep themselves steady
- Learn to develop aids to maintain balance and reduce risk
- They will also help to fuel your growth and profitability



Session #6

How Much Money Are You Really Making?

- How much money is your business making?
 - How much should it be making?
- Learn what is contributing to your profit
 - Identify what is detracting from it
- The first step for maximizing profitability.



Session #7

Ensure That Your Cash is Flows in the Right Direction



- Most businesses experience cash flow challenges
- Learn to determine what drives your cash flow issues
- Plan and manage your cash more effectively.



Session #8

To Pay Taxes or Not To Pay Taxes, that is The Question



- Nobody wants to pay more taxes, but...
 - Everyone wants to make more profit
- Profit maximization strategies could affect your taxes.
- Your tax strategy may affect your profitability



Session #9

Key Performance Indicators and Important Trends



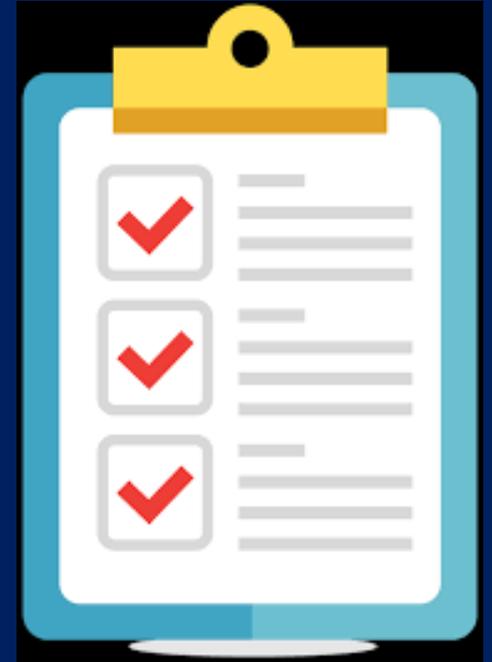
- What gets measured gets done!
- Drive improvement and greater efficiency
- Measuring performance regularly to...
 - See important trends
 - Identify potential challenges
 - Capitalize on opportunities
- Drive greater profitability with less risk



Session #10

Planning Your Work, Before Working Your Plan

- Successful organizations devise plans
 - Why shouldn't you?
- It takes time to plan, but...
 - You will get better results faster and easier
- Everything won't happen according to plan...
 - It's a valuable roadmap and you can always update it



Session #11

Optimizing Your Business Model



- Continually evaluate and adjust strategies to...
 - Grow revenue
 - Decrease your product cost factor
 - Minimize overhead
- This is an iterative process with a feedback loop
- Thrive in a rapidly changing environment



Session #12

Implementing Your Profit Maximization Strategy



- Leadership is critical so you must continually...
 - Increase your business knowledge
 - Develop new skills
 - Prepare for the future
- Develop a strong culture of...
 - Communication, collaboration, and empowerment
- Transform your profitability, sustainability, and increase the value of your company





Small Business Pro University

Learn - Profit - Grow

www.SBProU.com