



MONTHLY ONLINE EVENT WITH NETWORKING
OPPORTUNITIES

Profit Maximization Strategy Series

Running Your Business by the Numbers

Tools for Managing More Profitably (Session #3)

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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.



Session #2 Recap

Learning The Language of Business

- Accounting, Finance, and Economics
- Key Terms
- Financial Recordkeeping



Session #3

Tools for Managing More Profitably



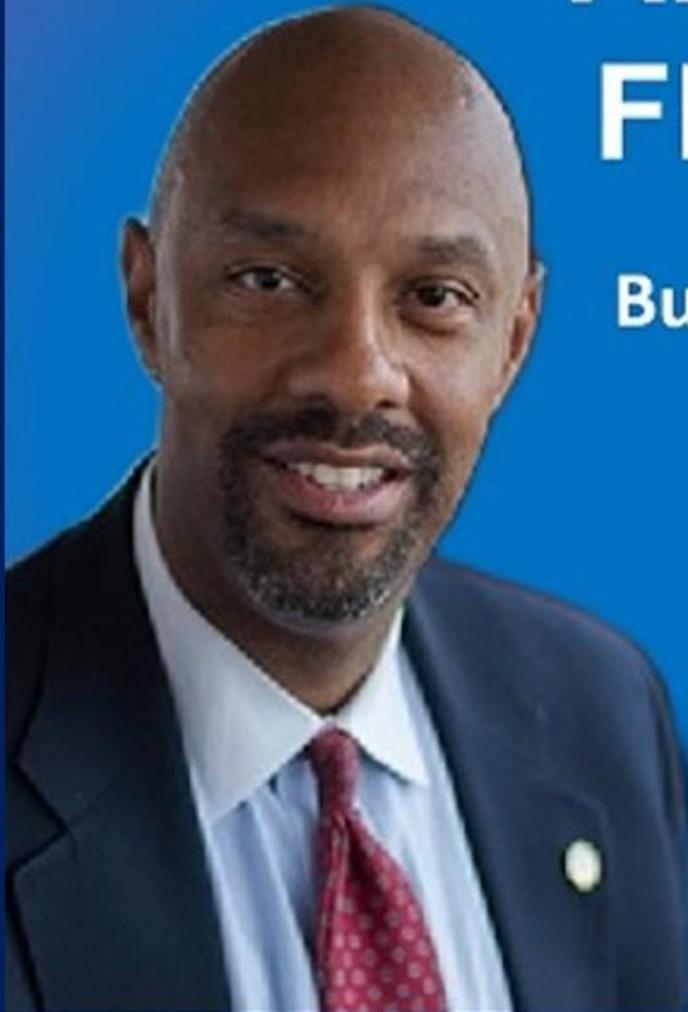
- Before you can maximize profitability, you'll need to...
 - Learn the building blocks required
- Develop tools to access...
 - Accurate, timely, internal business information



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.
- In any economy, 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

- Key Business Drivers
- Primary Financial Statements
- Leadership Team Development



Building Blocks

- Business Structure
- Information Systems
- Financial Statements



Business Structure

- Organizational Chart & Job Descriptions
- Business Culture & Incentives
- Planning and Alignment



Organizational Chart & Job Descriptions

- Accountability, Authority, and Responsibility
- Reporting Relationships
- Lines of Communication



Business Culture and Incentives

- How a company's employees and management interact
- Affects every aspect of a business
- Can be influenced by anyone in the organization
- Incentives are tools for managing culture



Planning and Alignment

- Failing to Plan is Planning to FAIL
- A roadmap for success
- Coordinated efforts and activities
- Ongoing evaluation and continual improvement
- Consistent communication and strategies
- Everybody rowing in same direction
- Well executed implementation



Information Systems

- Financial Recordkeeping
- Customer Relationship Management (CRM)
- Enterprise Resource Planning (ERP)
- Customer Feedback
- HR and Payroll
- Etc.



Financial Statements

- Balance Sheet
- Income Statement (P&L)
- Cash Flow Statement



Balance Sheet



- A balance sheet is a financial statement that contains details of a company's assets or liabilities at a specific point in time.

SAMPLE BALANCE SHEET	
ASSETS	LIABILITIES & EQUITY
<i>Current Assets</i>	<i>Liabilities</i>
Checking Account 5,000	<i>Current Liabilities</i>
Savings Account 1,000	Accounts Payable 12,000
Petty Cash 500	Line of Credit 20,000
Accounts Receivable 22,000	Payroll Liabilities 7,000
Inventory 15,000	Total Current Liabilities: 39,000
Prepaid Insurance 6,000	
Total Current Assets: 49,500	<i>Noncurrent Liabilities</i>
<i>Noncurrent Assets</i>	Long-term Debt (loan) 48,000
Accumulated Depreciation -4,500	Total Liabilities: 87,000
Computer 7,000	<i>Equity</i>
Building 65,000	Owner's Capital 35,000
Land 60,000	Retained Earnings 55,000
Total Noncurrent Assets: 127,000	Total Equity: 90,000
Total Assets: 177,000	Total Liabilities & Equity: 177,000



Income Statement (P&L)



- The income statement primarily focuses on the company's revenues and expenses during a particular period.





Cash Flow Statement

- A cash flow statement summarizes the amount of cash and cash equivalents entering and leaving a company.

Sample Corporation
Statement of Cash Flows
Year Ended December 31, 2021

Cash flows from operating activities	\$ xxx
Cash flows from investing activities	xxx
Cash flows from financing activities	<u>xxx</u>
Net increase (decrease) in cash	xxx
Cash at the beginning of the year	<u>xxx</u>
Cash at the end of the year	<u><u>\$ xxx</u></u>

See notes to the financial statements.



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





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