

what does 1% mean to your business ?

What's the difference between water and steam? At 99 degrees water is merely hot, at 100 degrees it turns to steam and can move locomotives. Just one degree—a one percent change—makes the difference.

It's a great metaphor for business. It's the little things that get big results. A 1% improvement in each of your business's 4 profit drivers (price, variable costs, sales volume and fixed costs or enterprise overheads) can yield exponential improvements in net profit.

To increase revenue, most business owners focus only on getting new customers. They pay little regard to the customers they already have, and usually adopt the view that competition pressures leave them little control over price. They also believe that reducing costs is the way to build a profitable business.

The most profitable strategy is to aggressively price your products or services, elect to deal only with those customers who see and accept the value you deliver, do not allow customers (or competitors) who are price sensitive to dictate your pricing strategy, and monitor the productivity of your fixed cost resources.

At the end of the day, profit is the only measure of success. Revenue does not pay the bills or give you the resources you need to grow—that comes from profit.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz