

Profit Driven or Profit Drifting



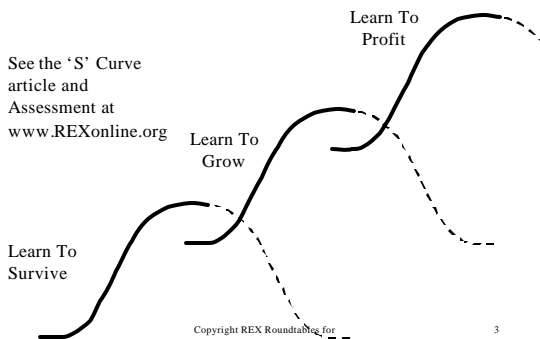
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www.REXonline.org

Being profitable is not a guarantee that the business is designed to be **PROFIT DRIVEN.**

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See the 'S' Curve article and Assessment at www.REXonline.org



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40 Ways To Drive Profit

- Rate each from 1 to 10
- 1 = never thought of this
- 5 = do it a bit, now and then
- 10 = do this consistently and well
- Keep a running total

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Profit Planning

1. Annual profit plan: Revenue, costs, profit.
2. Up 5% from last year.
3. CAPEX of 3-6% of revenue.
4. CAPEX projections.
5. Aggressive cost reduction.
6. Profit sharing/incentives > 10%

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Profit Planning

8. Revenue by channel
9. True cost breakouts.
6. Goals into monthly and weekly targets.
7. Goals by department/program.
12. Cash flow projections:
 - ✓ Incoming from whom and by when.
 - ✓ Outgoing and to whom by when.
13. Gross Margin Percentage

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Profit Plan Numbers

8. Velocity of inventory and receivables.

Profit Reporting

15. Actuals reported weekly/monthly.
16. Actuals < 3days after month end.
17. Performance by dept./program.
18. We benchmark against the best.
19. Score Card for company
20. Score Cards by department/program

A Survey Format Of These Issues
Is Posted At
REXonline.org
Under Filex

Use this with your self, your
management team, your
accountant.

In Profit Plan Management Key Managers:

21. Know goals.
22. Committed to goals.
23. Know the actuals by week, month & YTD
24. Know the GAPS.
25. Publicly report GAPS.

Key Managers

25. Problem solve to close GAPS.
26. Meet to help one another close GAPS
27. Key Managers strongly motivated.

Key Managers Linked To Numbers

29. Formulate the Profit Plan (2-3 months).
30. Understand the goals.
31. Understand the goal drivers.
32. Every line item has a person's name.
33. Monthly/bimonthly incentives > 10%

Profit Plan Integrity

- 34.GAPs not closed by lowering goals.
- 35.GAPs identified early.
- 36.All understand importance of Profit Plan.
- 37.Profit Plan not dependent on economy.

38.PP not dependent on un hired staff.

39.15% back up plan.

40. Every staff knows what they do that drives profit and revenue.

Score Your Self

- Over 100
- Over 200
- Over 300 Weakly Profit Driven
- Over 350 On your way to Profit Driven
- Over 375 Profit Driven
- 400

Profit Driven Takes



Design and Use A Getting Better Team

How To Improve

1. Select two to three areas.
2. Explore how to make them happen.
3. Implement
4. Reassess drive for profit.
5. Back to #1
6. Get a buddy or a master mind group or a Roundtable to help you think through this and follow through.

Profit Driven

- Necessary
- Not sufficient
- See The Leadership Agenda
 - Presented by Will on Saturday
 - Posted at REXonline.org

If you choose No Action? Read:

- The 'E Myth'
- by Michael Gerber
- To find out the challenges your business may face.

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Thank You

To Start or Join A Rex Roundtable contact

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