

# CURRICULUM

Supporting Clients Progression Through the  
Business Development Process

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BUSINESS DEVELOPMENT CENTRE PTY LTD

# Supporting Clients Progression Through the Business Development Process

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## The *ProfitSURGE*<sup>TM</sup> Accountants Curriculum

### 1. Target Audience

Accountants in practice who provide business advisory services to operators of privately-owned businesses.

The curriculum is complimentary to the client version of *ProfitSURGE*<sup>TM</sup> and although we believe it makes great sense for accountants to encourage their clients to enrol in the course, it is not a prerequisite for them to do so.

### 2. Training Objectives

As a result of completing this training accountants will be able to:

- (i) Explain to clients how to utilise **Pricing Strategy, Contribution Based Activity**, and the **Segmentation of products & services** to increase profitability *and* cash flow from, at first, within the existing enterprise footprint - growth without a further investment in people, infrastructure, or production capacity.
- (ii) Implement a **Management Control Plan** within their client's businesses which includes the establishment of a Management Board, to be chaired by the accountant. The role of this board will be to focus the client's attention on the strategic direction of the business and establish plans to ensure optimum levels of performance. Monthly meetings are designed to track compliance with the agreed to plan, and encourage corrective actions as required.
- (iii) Support clients progression through the 9 stage Business Development Process and offer direct guidance, or assess the capability of third party advisors to deliver services, so as the client's business tracks towards best in class management practices. Such a business would have in place a robust financial reporting system, be sensitive and responsive to customers wants and needs, be appropriately structured and led, have efficient operating procedures in place, understand the importance of building a strong and cohesive team, and have a succession plan and exit strategy for the owners.

### 3. Training Methodology

Monthly training courses of approximately 20 minutes will be accessible as either a live online workshop or a pre-recorded classes deliverable through our Learning Management System – Learndash.

The Learndash courses will be suitable for both individual learning and facilitated group sessions led by a representative of the firm. The 20 minutes lessons comprise several short video presentations that allow the facilitator to lead group discussions between video breaks, with simple questions such as:

“Which of our clients do you think may benefit from this approach, and how?”

or

“Can you think of any of our clients who may be experiencing this problem?”

During the beta trial of this curriculum the feedback we received from participating firms was each 20-minute lessons contained enough content for a one-hour group training session.

Once presented, each lesson is available for review 24/7.

In addition to the monthly lessons, weekly live Q & A sessions are delivered via our virtual classroom allowing an opportunity for accountants to obtain assistance with the implementation of strategies to specific client circumstances. The sessions will be recorded and available on demand through the Learning Management System.

*(Although outside of the formal curriculum we are also able to tailor in-house face to face training for firms, including full day retreats.)*

### 4. Eligibility; Evaluation; & Assessment

Enrolment in our program is restricted to qualified Chartered Accountants and CPA’s or employees working towards qualification. Therefore, we do not consider formal assessments are necessary or of value. We do however encourage all participants to complete course evaluations in keeping with our commitment to excellence and continual improvement of the material and resources.

### 5. Client Courses

As part of their monthly subscription Accountants are provided free access to each course we deliver to business owners, other than for the 3 onboarding workshops where a modest additional charge applies.

## 6. Topics

- **Contribution Based Activity**
  - Understanding Profit Drivers
  - Segmentation: Some Customers are More profitable than Others, as are Some Products & Services
  - Nurturing the Profitable Contributors, and Fixing the Problems
  - Quickly Determining the Effectiveness of Past Trading
  - Establishing Targets for Increases Profitability
  - Assessing Client Forward Planning
  - Establishing Weekly Reporting Systems
- **Pricing for Profit**
  - Exploring the Direct Relationship Between Price & profit
  - Understanding the Psychology of Customer Buying Behaviour: *B2B and B2C*
  - Creating the Circumstances Whereby Customers Volunteer to Pay More
  - Price is Only an Issue When All Other Things Are Equal
  - Understanding Why Customers Ask, "How much" and How to Respond
  - Establishing the Extent of Customer Price Sensitivity
  - Why Discounting Will Destroy Profitability
  - Competing Successfully Against Price Discounters
  - How to Exploit Comparison Pricing to Boost Profit
  - Adaptive Capacity Pricing
  - Lessons from Pricing Experts
- **Management Control Plan Process** - Accountability Drives Results
- **Sales & Marketing Basics**, *including detailed manual outlining methods to:*
  - Increasing Customer Numbers
  - Increasing the Average Value of Each Transaction
  - Increasing the Number of Times Customers Transact with the Business
  - How to Build a Sales Plan
- **Sales Masterclass**
- **Digital Marketing Basics** - What Clients Need to Know and How to Implement Strategies - In House

## Topics (continued)

- **Essential Elements of the Business Plan**
- **How to Conduct a Half Day Client Strategic Planning Meeting**
- **The Only Two Strategic Options for SMEs Operating in Fragmented Industries**
- **Understanding the Business Life Cycle, Scarce resources, and Family Relationships!**
- **Customer Service Systems**
- **Performance Standards - What Gets Measured Gets Managed**
- **Understanding Hourly Rates, Costs, and Profit** (Using the hourly rate calculator.)
- **Financial Analysis**
  - Financial Analysis - Basics
  - Financial Analysis - Advanced
  - Writing Meaningful Management Reports
  - How Budgets Build Profits
  - Budgets that Clients Understand, and Can Prepare
  - Understanding the Cash Cycle & Being Able to Explain It to Clients
- **Helping Clients Select the Right Key Performance Indicators**
- **People Development**
- **Delegation and Priorities**
- **Customer Advisory Boards**
- **Team Advisory Boards**
- **Action Plans and Effective Meetings**
- **Working with the Silent Partners - A Significant Opportunity for Change & Growth**
- **Understanding Insecurity**
- **Written Reports - Essential Design Elements**
- **Understanding How Adults Learn - We need to change a few things surrounding the way we advise**

# The 9 Stage Business Development Process

## 1: The Planning Process

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
1.1	Complete Business Development Questionnaire and submit data for populating Profit Improvement Potential Software.	To prompt you to look at your business from a different perspective, and to identify core strengths and weaknesses.			
1.2	Appoint a "Sustainer" (Professional advisor, trusted employee, family member, or friend).	To keep you focused when confronted by distractions.			
1.3	Attend a Planning session and calculate your profit improvement potential.	To understand the drivers of profit in your business and to obtain an insight into how a Management Control Plan will provide the framework and discipline required for your business to achieve its full potential.			
1.4	Complete your 3 Page Business Plan.	To set an agenda for action.			
1.5	Learn about Pricing Models	To demonstrate how profit is entirely sensitive to price and why most business owners do not charge enough for goods and services they sell.			

## 2: Identify Customer Needs & Customer Frustrations

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
2.1	Communicate and obtain buy in from the owners of the business and all team members.	To ensure the leaders of the business commit to the business development project and to get the team to buy into the process.			
2.2	Assess the present standard service levels within the business.	To have a starting point from which to work, and a reference point to benchmark progress.			
2.3	Determine customers' needs through a Customer Focus Session, or Customer Survey. (I will show how to do either. or both).	Gather first hand feedback from customers of as to their likes, dislikes and needs.			



### 3: Develop Your Business Model

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
3.1	Facilitate a discussion on the purpose of the business, i.e., why it exists.	To get owners focused on a longer term vision for the business.			
3.2	Hold a planning meeting to brainstorm a competitive strategy for the business.	To ensure the existing business operation will allow the owners to achieve their goals. If it will not, this meeting will be the first step in more substantial change project.			
3.3	Apply the Adaptive Capacity Model theory to generate additional profits without the commitment of additional resources.	To focus attention on the difference between full capacity and optimum capacity, because it is likely profits will be stronger when the business is operating at optimum capacity.			
3.4	Identify those things the business absolutely must get right (critical success factors).	To give the client a focus on those things which are critically important for the business and to help them stop doing those things which are not important.			
3.5	Hold a full team meeting to communicate the work done in this stage of the project.	For all team members to fully understand the mission and vision, and the critical success factors for the business.			

#### 4: Identify System Failure Points

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
4.1	Arrange for an independent advisor or associate to tour your work place to observe and report back on processes in action and meet team members.	To gain a perspective for how well the business operates and identify any apparent bottlenecks.			
4.2	Facilitate a Team Advisory Board.	To explore the interactions among team members and to provide them with a formal process to have a say in how business is conducted.			
4.3	Identify critical processes in the business from the feedback received from the team and get their feedback on how they would improve those processes.	To identify potential areas of early yardage through business process re-engineering			
4.4	Establish an implementation program with management.	To ensure the feedback received from team members is acted upon.			

## 5: Develop Performance Standards

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
5.1	Set performance standards for the business.	Run Customer Service Training program with the entire team and draw up performance standards based on customers' wishes.			
5.2	Identify the moments of truth in doing business.	To draw up policies, procedures and practices to ensure the critical processes within the client's business are fully systematised and focused on ensuring customers are delighted with each moment of truth.			
5.3	Manage the business through the eyes of the customer.	Devise processes to ensure that management decisions are taken with the customer in mind.			
5.4	Focus attention on the team members of the business.	To systematise a process for fully involving team members in the Customer Service Strategy; to ensure team members are treated with dignity and respect at all times.			
5.5	Train, then empower team members.	Run Your Role in The Business Development process for team members and put in place training systems to enable team member empowerment.			
5.6	Implement a feedback system.	To ensure all team members have the information they need to allow them to understand how they are performing; to provide a forum for team member feedback to management.			

## 6: Systematise Key Processes & Develop an Operating Plan

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
6.1	Determine the functions, activities and operating departments required to run the business efficiently in line with the vision and business model.	To establish an organisational structure which will facilitate an efficient and effective operation capable of delivering the profit and cash plan.			
6.2	List every process you can think of that relates to the business.	To understand the whole spectrum of processes involved in running the business.			
6.3	Sort processes according to pre-determined classification of worth.	Identify which on processes you need to focus on and which can be scrapped.			
6.4	Document and flow chart each critical business process to identify bottlenecks or process constraints.	To understand each business process and get a handle on those areas where there are constraints or bottlenecks; to understand costs associated with each process and how processes are interrelated; and to discover how processes can be refined to create competitive advantage.			
6.5	Implement protocols to provide more capacity to bottleneck processes to improve work flows.	To increase productivity or efficiency throughout the organisation.			
6.6	Determine tasks currently carried out by the business owners which could and should be carried out by team members; design a process to delegate those tasks and establish the accountability necessary.	To provide a means to properly identify and follow up on tasks which should be delegated.			
6.7	Develop a team member manual for all policies and procedures.	To serve as a reference for all systems developed.			

## 7: Develop a Financial Plan.

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
7.1	Learn the basics of Financial Management.	So that you can create the reports in the Measure What Matters module and have a greater understanding of the reports prepared by your accountant.			
7.2	Learn about the drivers of profit in your business.	To measure the right things.			
7.3	Set weekly targets and monitor performance relative to those targets.	To maintain tight control over the financial performance of the business.			
7.4	Prepare an annual budget and cash flow forecast.	To establish basic levels of accountability, to guide the development of the business, to make sure you have the cash available to achieve the goals you have set. (You will learn that even though your profit is on the rise, you can still run out of cash. You will also learn how to prevent that from happening).			
7.5	Arrange for the preparation of formal quarterly financial statements by external accountants.	Your accountant is a trained professional and will see trends that you miss. The quarterly financial statements are more for your accountant than you. You benefit because the more your accountant knows about the performance of your business the more useful they will be.			
7.6	Hold monthly board meeting where the financials will be reviewed.	To ensure management is in a position to be able to act when Key Performance Indicators fall outside pre-set parameters.			

## 8. Develop a Marketing Strategy & Write a Marketing Plan

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
8.1	Write a profile of your ideal customer for each product or service line.	To get a clear picture of the type of customer your business should be trying to attract.			
8.2	Identify how those customers (the ideal customer) make their purchasing decisions.	To get a clear picture of the market image the company must portray to attract the right customers.			
8.3	Document your business value proposition.	To give customers a reason to choose your business.			
8.4	Brainstorm the company's Unique Core Differentiator.	To establish the point of differentiation to base the marketing plan on.			
8.5	Draft a marketing plan	To clearly define the marketing strategy for the business and to align it with the business model identified in stage 2.			
8.6	Consider the use of guarantees	To reduce the risk for customers to do business with you.			
8.7	Implement your marketing plan and use a 12 month rolling plan and calendar.	To meet the needs of your customers and to keep a steady stream of new "A Class" customers engaging with the business.			

## 9: Develop a People System That Includes Securing Talent, Induction, Developing, & Compensating.

Reference	Project	Objective	Required Y or N	Priority A, B, C	Status
9.1	Write a Succession Plan.	To ensure that there are suitable candidates to take over critical positions in your business when the times comes.			
9.2	Create a Recruiting strategy.	To turn recruiting into an ongoing rather than an event based process and to help you attract and evaluate the best candidates.			
9.3	Understand the critical importance of a proper Induction process.	To add value to your business by ensuring new employees become productive quickly; to reinforce the positive feelings your new staff members have towards your business; and to clearly communicate to your new employee their importance to your business.			
9.4	Put in place a Performance Management Process.	To ensure employees are focused on and are achieving the right goals.			
9.5	Establish a Learning and Development System	To motivate employees, provide personal development opportunities, autonomy, and creativity and thereby allow them to make a meaningful contribution to the development of your business.			
9.6	Provide the right Financial Incentive.	Reward employees for achievement of goals and targets that are set to <i>challenge</i> and focus them and in doing so improve overall business performance.			
9.7	Establish non-financial forms of recognition.	To create a sense of being valued that will lead to retention and motivation of employees.			



The purpose of this picture file is to showcase a few of the tools you and your clients will use throughout the ProfitSURGE workshops

New tools are being created every month as the training programs are produced. We encourage accountants to also use their own tools to make the complex easier to understand.

### Profit Improvement Potential Analysis

3 Ways to Grow Your Business

	Base	% Increase	Potential
Number of customers	254	10%	279
Average transaction value	\$ 645	10%	\$ 710
Number of transactions per year	3.80	10%	4.18

#### Your Profit Improvement Potential

	Base	Potential
	\$	\$
Sales	622,554	828,619
Cost of Goods Sold	<input type="checkbox"/> F 311,348	414,404
Gross Profit	311,206	414,215
Other Income	21	21
<b>Expenses</b>		
Rent	<input type="checkbox"/> F 18,000	18,000
Wages	<input type="checkbox"/> F 165,000	205,000
Wages - Owners	<input type="checkbox"/> F 0	0
Motor Vehicle exps.	<input type="checkbox"/> F 17,500	27,500
Rent	<input type="checkbox"/> F 15,000	15,000
All Other Expenses	<input type="checkbox"/> F 40,037	50,000
Total Expenses	255,537	315,500
Net Profit	55,690	98,736

Category	Net Profit (\$)
Base	55,690
Potential	98,736

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Rate Tracker tools used to monitor effectiveness , plan and track weekly performance, as a par of the Contribution Based Activity work you will do with clients.

**Hourly Rate Tracker**  
**JULY** [Back to Rate Tracker Menu](#)

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Enter the details for each job completed for the month

TOTAL

Average gross profit per hour

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Date	Job #	Job Description	Job Type	Customer Name	Cust Type	Invoice Value (no GST)	Cost of Parts (no GST)	Labour Hours	Gross Profit per Hour
01/07/12	4332	minor service	1	Bradley	1	344	105	3.0	79.67
01/07/12	4332	minor service	1	Gordon	1	459	170	2.5	115.60
01/07/12	4333	minor service	1	Jeffries	1	180	35	2.0	72.50
01/07/12	4334	major repair	2	Spalding	1	3,400	2,005	6.0	232.50
02/07/12	4335	pre delivery	3	Smart Cars	2	350	0	7.0	50.00
02/07/12	4336	minor service	1	Bowden	1	257	49	3.0	69.33
02/07/12	4337	major service	2	Frawley	1	1,890	700	6.0	198.33

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**Rate Tracker** [Back to Main Menu](#)

[Year to Date Summary](#)

Select a month from the menu below to begin entering your data

<a href="#">July</a>	<a href="#">January</a>
<a href="#">August</a>	<a href="#">February</a>
<a href="#">September</a>	<a href="#">March</a>
<a href="#">October</a>	<a href="#">April</a>
<a href="#">November</a>	<a href="#">May</a>
<a href="#">December</a>	<a href="#">June</a>

**4. Tracking Weekly Performance**

	Target	Actual	Variance
ed	<input type="text" value="104"/>	<input type="text" value="102.0"/>	<input type="text" value="2"/>
per hour	<input type="text" value="93"/>	<input type="text" value="90"/>	<input type="text" value="3"/>
OFIT	<input type="text" value="9,695"/>	<input type="text" value="9,180"/>	<input type="text" value="515"/>

[Back to](#)

Business owners are taught how budgets build profits and these tools demystify the process

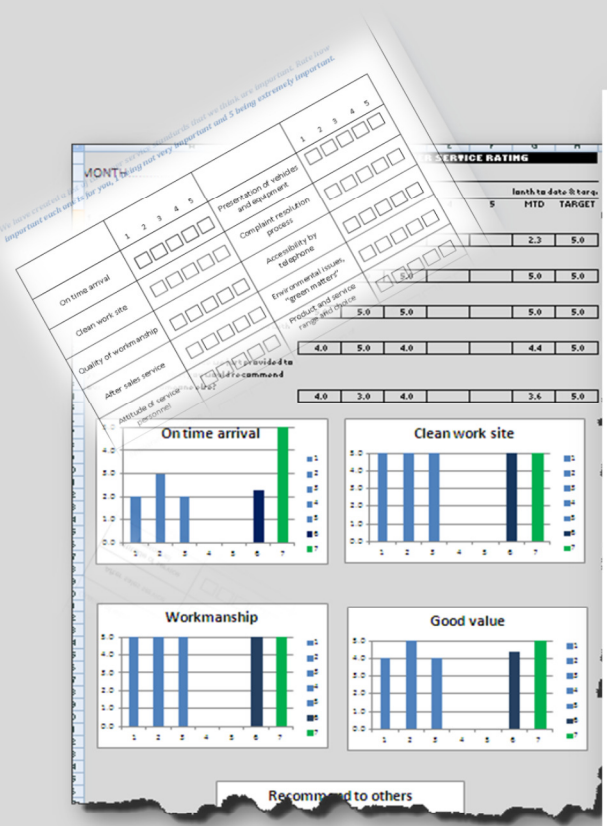


Business Expenses			
CALCULATE YOUR EXPENSES			
Enter your expenses in the amount column, then select the frequency. Some expenses have a specific calculator, just click on the 'C' button next to it.			
Expenses	Amount	Frequency	Per Year
Accountancy Fees	10,000	Yearly	10,000
Advertising & Promotion	15,000	Yearly	15,000
Amortisation Expense		Yearly	0
Annual Leave Expense		Yearly	0
Audit Fees		Yearly	0
Bad Debts		Yearly	0
Bank Fees	200	Monthly	2,400
Borrowing Expenses		Yearly	0
Carparking	50	Monthly	600
Crates & Packing		Yearly	0
Cleaning	150	Weekly	7,800
Commissions		Yearly	0
Computer Expenses	2,000	Yearly	2,000

Personal Expenses			
CALCULATE YOUR EXPENSES			
Enter your expenses in the amount column, then select the frequency.			
Expenses	Amount	Frequency	Per Year
Rent / Mortgage	500.00	Fortnightly	13,000.00
Council Rates	900.00	Yearly	900.00
Water Rates	300.00	Quarterly	1,200.00
Power & Heating	800.00	Quarterly	3,200.00
Telephone		Yearly	0.00
Mobile Phone		Yearly	0.00
Internet Services		Yearly	0.00
Child Care	150.00	Weekly	8,320.00
School Fees	1,000.00	Quarterly	4,000.00
Motor Vehicle / Transport		Yearly	0.00
Loan Repayments	600.00	Monthly	7,200.00
Registration	800.00	Yearly	800.00
Insurance	100.00	Quarterly	400.00
Groceries	300.00	Weekly	15,600.00
Clothing		Yearly	0.00
Pharmacy		Yearly	0.00
Health	150.00	Fortnightly	3,900.00
Health Insurance		Yearly	0.00
Other Insurance		Yearly	0.00
Entertainment	200.00	Weekly	10,400.00
Holidays	6,000.00	Yearly	6,000.00
Memberships & Subscriptions	200.00	Yearly	200.00
Gifts		Yearly	0.00
Donations		Yearly	0.00
Regular Savings		Yearly	0.00
Other		Yearly	0.00
Other		Yearly	0.00
Other		Yearly	0.00
<b>Total Yearly Expenses</b>			<b>\$80,320.00</b>

Budget Planner	
Sales	853,062
Less Cost of Goods Sold	383,878
Gross Profit Margin	55.00%
Gross Profit	469,184
Expenses	318,800
Net Profit	150,384
Tax	25,064
Living Expenses	80,320
Less: Other Income *	0
Loan Repayments	25,000
Other Expenditure	5,000
Required Surplus	15,000

# Tools from the Pricing for Profit and Customer Service System courses.



## Frank's Plumbing Services. Features:

	Good	Better	Best	Premier
Registered plumbers	✓	✓	✓	✓
Liability Insurance	✓	✓	✓	✓
Government & Council Compliance	✓	✓	✓	✓
OH&S compliance	✓	✓	✓	✓
Clean site on job completion	✓	✓	✓	✓
Premium Australian Made Products	x	x	✓	✓
Imported materials & components	✓	✓	x	x
Extended workmanship warranty	x	x	✓	✓
After installation follow up	x	x	✓	✓
Guaranteed On Time Arrival	x	x	✓	✓
3 Hour Scheduling	x	✓	x	x
Your Happy to Be re scheduled	✓	x	x	x
Out of Hours Service	x	x	x	✓
Priority Booking	x	x	x	✓
General Onsite inspection	x	✓	✓	✓
Detailed Site Inspection	x	x	✓	✓
Written Report	x	x	✓	✓
7 Day Account	x	x	✓	✓
No call out fee	x	x	x	✓



This margin table is from the from Pricing for Profit, and something I suggest should be printed on the back of your business cards. When a prospective client asks you, what is this? You can answer. “It is a margin table, it calculates how many customers you can afford to lose after a price rise without being any worse off because of the remaining customers who are paying more.” It is a great conversation starter.


There is also a table that calculates how many new customers must be won to offset a drop in price. It will convince anyone discounting does not work.

	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%
<b>% Price Increase</b>	<b>The amount by which the volume of your sales could fall before your current level of</b>									
1%	-9%	-6%	-5%	-4%	-3%	-3%	-2%	-2%	-2%	-2%
2%	-17%	-12%	-9%	-7%	-6%	-5%	-5%	-4%	-4%	-4%
4%	-29%	-21%	-17%	-14%	-12%	-10%	-9%	-8%	-7%	-7%
6%	-38%	-29%	-23%	-19%	-17%	-15%	-13%	-12%	-11%	-10%
8%	-44%	-35%	-29%	-24%	-21%	-19%	-17%	-15%	-14%	-13%
10%	-50%	-40%	-33%	-29%	-25%	-22%	-20%	-18%	-17%	-15%
15%	-60%	-50%	-43%	-38%	-33%	-30%	-27%	-25%	-23%	-21%
20%	-67%	-57%	-50%	-44%	-40%	-36%	-33%	-31%	-29%	-27%
25%	-71%	-63%	-56%	-50%	-45%	-42%	-38%	-36%	-33%	-31%
30%	-75%	-67%	-60%	-55%	-50%	-46%	-43%	-40%	-38%	-35%
35%	-78%	-70%	-64%	-58%	-54%	-50%	-47%	-44%	-41%	-39%
40%	-80%	-73%	-67%	-62%	-57%	-53%	-50%	-47%	-44%	-42%



Monthly Business Health Checklist  
January to June

Rate yourself each month between 0 and 5. 1 for poor 5 for excellent and 0 not applicable  
Do not worry if you score poorly in lots of areas, you will not be alone  
Select 3 areas to focus on in the next 4 weeks and commit to actions to improve in these areas (refer following action sheet)



	J	F	M	A	M	J
<b>Work Skills &amp; Quality</b>						
Technical competence						
Training and continual staff development						
Keeping up to date with relevant technology						
<b>Pricing</b>						
Our pricing reflects the value we offer customers						
We offer our customers a range of prices						
<b>Customer Service</b>						
We have a customer service policy						
We regularly obtain feedback from customers						
Our customers rate us highly on customer service						
<b>System &amp; Process</b>						
Employees know exactly what to do						
Strong processes deliver consistent outcomes						
Generally, if someone is absent we can cover						
All critical processes are documented						
<b>Planning &amp; Control</b>						
Work flow meetings are held weekly						
Goals are set and monitored						

A simple business health checklist. The owner, in your presence, self assess various aspects of the business and creates, then prioritises a list of matters requiring attention. Rather than feeling overwhelmed at all that must be achieved, this system instils a sense of calm as the business owner realises a plan is in place to address, over time, each of the issues. Progress is tracked monthly and the self assessment is repeated quarterly as a part of the Management Control Plan process you have instigated.

# Mentor Implementation Guide

Profit Improvement — First Steps

Mentor Implementation Guide



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## Sustainer's Planning & Reporting System

### Pricing for Profit

	Owner 1	Owner 2	Owner 3	Sustainer
Read the objectives of this course.	x	x		x
The Power of a Price Increase.	x	x		x
What a 10% Price rise means for cash flow.	x			x
How many customers will be lost if you lift price by 10%?	x			x
Price only matters when other things are equal.				x
How to win the war against discounters.				x
Do not have a one price fits all strategy.				x
Understanding why people volunteer to pay more.				x
The real reason why customers ask how much? And how to respond.				x

## YOUR PROFIT IMPROVEMENT POTENTIAL

Strategy	Profit Improvement	
	Annual	Weekly
	\$	\$
Strategy 1: Revenue Drivers	<input type="text"/>	<input type="text"/>
Strategy 2: Pricing Strategy	<input type="text"/>	<input type="text"/>
Strategy 3: Effectiveness	<input type="text"/>	<input type="text"/>
Let's be conservative	<input type="text"/>	<input type="text"/>

### 4. Tracking Your Clients Progress

You will receive emails notifying of your clients progress through each course. Use this tracking sheet to keep a record of where your client is at. Simply tick the step as you receive advice the client has completed a topic. (If suggest this task be delegated to an assistant.)  
If a client stalls at any point I will send you a prompt to follow up, with the clients Sustainer.

#### Lesson 1: Considering the Possibility of Profit Improvement

Topic	Tick when complete	Links in this Guide
Topic 1: Welcome & Overview	<input type="checkbox"/>	
Topic 2: Examining the impact of a new pricing Strategy	<input type="checkbox"/>	
Topic 3: Creating a Consistent Stream of Quality Sales	<input type="checkbox"/>	
Topic 4: Segmenting Customers to Improve Effectiveness	<input type="checkbox"/>	
Topic 5: Considering the possibilities	<input type="checkbox"/>	<a href="#">Link</a>
Topic 6: Solutions if Numbers Mess With Your Brain	<input type="checkbox"/>	
Topic 7: Lessons Handouts	<input type="checkbox"/>	

#### Lesson 2: Accountability Drives Results

Topic 1: Appointing a Sustainer Will Be Your Best Decision	<input type="checkbox"/>
Topic 2: Sustainer Resources	<input type="checkbox"/>

#### Lesson 3: Focusing on Profit as Opposed to Revenue

Topic 1: Achieving More Profit from the Same effort	<input type="checkbox"/>
---	--------------------------

#### Lesson 4: Calculating Profit Improvement Potential

Complete the Profit Drivers Profit Improvement Spreadsheet	<input type="checkbox"/>
Complete the 3 Page Business Plan	<input type="checkbox"/>

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# Profit Improvement — First Steps

## Mentor Implementation Guide



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### 2. Client Details

Client Name

Business Name

Email address

Telephone

Sustainer's name

Sustainer's Email address

Notes

### 3. How to Use this Guide

As your client works their way through the First Steps guide there will be a number of activities for them to complete. Each activity is referred to in this guide, and your role as facilitator is to encourage the client to report the outcomes of the activities to you, and for you to record them in this guide.

The Learning Management System allows me to track, with consent, the progress of your client through the course. The system will automatically send emails to you, again with client consent, as to where they are at in the course. You will now therefore if an activity is due to be completed and you do not see for the outcome to be reported. For example, you can ask your client to advise you of the profit improvement potential they have calculated if possible.

In the event the client has not completed the activity you can encourage them to do so. Again the client will be conditioned to expect this prompting from you.

I have prepared a series of emails for you to use, and/or adapt, to follow up clients. If you are using the electronic version of this guide (recommended) you will be able to follow hyperlinks to the emails.

Clients do not have to complete the activities in linear order, so be prepared for the client to work in a slightly different pattern to this guide.

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Address:  
Record here the results of the client calculation.

\$

Email to client requesting this information

In topics 4 and 5 of lesson 3 clients gain an insight to the entire program, and advised they are well need to work more closely with their accountants and introduced to the idea of working with a weekly profit reporting system, to be established by you!

In topic 6 they are encouraged to contact their accountant to seek assistance. You should be familiar with the concepts introduced to the clients in topics 4 and 5, and be aware of the document they have downloaded. If you have followed the suggested procedure for the introduction of clients to the First Steps program you will have already addressed the fee issue raised in the document.

You should also be familiar with the calculations document clients are able to download at topic 7, and be able to answer client queries.

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# Mentor Implementation Guide

## 1. Course Outcomes

Objective	Why this is important for ...	
	Your Client	Your Firm
1. Calculate the profit earning potential of the business.	To control their what is achievable, and how that compares to	You have a client who is motivated to improve.
2. Establish a plan for the achievement of this potential.	The plan places gives key strategic initiatives a priority among the clients of weekly operational matters.	The plan forms the basis for the monthly Management Advisory Board meetings you will chair.
3. Appoint a Sustainer.	The Sustainer will make the business owner accountable.	The Sustainer will be the person you and your team base with, allowing you to help the client stay on task, without having to badger the client directly.

I recommend you assist clients work through the Profit Improvement—First Steps course without charging them. The work you will be required to do is minimal, an hour or two at the most, and the aim is to motivate the client to begin the business development process.

As a result of completing the second of the three Foundation Courses, Pricing for Profit, your clients will benefit from an immediate improvement in cashflow and will therefore be able to afford the fees you will charge to help them achieve the full profit earning potential of the business.

If your client achieves the three course outcomes outlined above they will be convinced significant profit improvement is achievable and they will be committed to implement a plan to achieve this.

However, because of the nature of small business, most clients will fail to implement the plan unless they receive outside coaching and encouragement. This is your role, and throughout the First Steps course the clients are reminded their accountant is best placed to assist them implement the Build a Better Business Strategies.

The client is also conditioned to one idea or having to pay more in accounting fees, and that the outcomes achieved by completing the Pricing for Profit Course will fund the higher fee. It makes sense therefore to invest some time in the process so as you and your client benefit through participation in the Build a Better Business Process.

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## 4. Tracking Your Clients Progress

You will receive emails nothing of your clients progress through each course. Use this tracking sheet to keep a record of where your client is at. Simply tick the step as you receive advice the client has completed a topic. (I suggest this tool be delegated to an assistant.) If a client stalls at any point I will send you a prompt to follow up, with the clients Sustainer.

### Lesson 1: Considering the Possibility of Profit Improvement

Topic	Tick when complete	Links in this Guide
Topic 1: Welcome & Overview	<input type="checkbox"/>	
Topic 2: Examining the Impact of a New Pricing Strategy	<input type="checkbox"/>	
Topic 3: Creating a Consistent Stream of Quality Leads	<input type="checkbox"/>	
Topic 4: Segmenting Customers to Improve Effectiveness	<input type="checkbox"/>	
Topic 5: Considering the possibilities	<input type="checkbox"/>	<a href="#">Link</a>
Topic 6: Solutions if Numbers Mess With Your Brain	<input type="checkbox"/>	
Topic 7: Lessons Handouts	<input type="checkbox"/>	

### Lesson 2: Accountability Drives Results

Topic 1: Appointing a Sustainer Will be Your Best Decision	<input type="checkbox"/>
Topic 2: Sustainer Resources	<input type="checkbox"/>

### Lesson 3: Focusing on Profit as Opposed to Revenue

Topic 1: Achieving More Profit from the Same Effort	<input type="checkbox"/>
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### Lesson 4: Calculating Profit Improvement Potential

Complete the Profit Drivers Profit Improvement Spreadsheet	<input type="checkbox"/>
Complete the 3 Page Business Plan	<input type="checkbox"/>

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# FINANCIAL STATEMENT ANALYSIS TEMPLATE



Sales

COGS

Gross Profit

Gross Profit %

Selected exp. #1 (Advertising & Mkt.)

Selected exp. #2

Wages

Wages % GP

Other Expenses

Total Exp.

Net Profit (A)

Net Profit % of sales

Income Tax (B)

Depreciation & Amortisation (C)

Normalised Dividends (D)

(A) + (C) - (B) - (D)

## Financial Statement Analysis and Report Writing templates

Easy Rider Pty Ltd  
Management Report - June

Note the graphic does not include the entire funds statement, just what you want to highlight. Not everything has to add up & balance. True!

### Cash Flow

Over the past 3 years the cash position of the business has worsened considerably. There are a number of factors influencing the final cash position each year, but one stands out, your drawings are in excess of the profit.

The decline in cash may not be evident to you as there is lots going on including the purchase of new equipment, equipment finance, growing sales and profitability etc. However if things continue along this path I predict you will run out of cash sometime during the next 6 months, and this means you will not be able to grow the business any further.

I recommend we meet to prepare a forecast of your living requirements and business cash flows over the next 12 months so you are aware of, and are able to monitor the cash situation.

	2017	2016	2015
Cash Surplus	(17,555)	(8,900)	(16,900)
Profit (before deprec.)	214,000	198,000	194,000
Drawings	235,000	235,000	235,000

The information in the box is an element

Past performance

What this means for you

Recommendation





# Financial Statement Analysis and Report Writing templates



**Areas of Consideration—Profitability**

Sales ([Link](#))

Gross Profit ([Link](#))

Selected expenses

Wages ([link](#))

**Areas of Consideration—Cash flow**

Profitability

Borrowing

Working capital ([link](#))

Capital Contribution

Dividends

### Working Capital Review

	2017	2016	2015	2014	2013
Working Capital—Days					
Accounts Receivable					
Days In Inventory					
Accounts Payable.					

**Accounts Receivable —Calculation of Days outstanding.**

Total Credit Sales divided by trading days during period = Average daily sales .

Accounts Receivable Balance divided by Av. Daily sales = days outstanding.

**Example**

Annual Credit Sales \$1,315,000  
Trading days for year 250

Accounts Receivable Balance \$221,000

$\$1,315,000 / 250 = \text{av. daily sales of } \$5,260$

$\$221,000 / \$5,260 = 42 \text{ days}$

**Days in Inventory**

The days in inventory refers to the total number of days a company takes to sell its average inventory. Follow [this link](#) or the link on the lesson page for details of how to calculate days in inventory.

**Accounts Payable — Calculation of Days outstanding.**

Total purchases divided by trading days during period = Average daily purchases.

Accounts Payable Balance divided by Av. Daily Purchases = days outstanding.

### Example Source & Application of Funds

SOURCE OF FUNDS	LONG TERM	SHORT TERM	TOTAL
Normalised Profit + Depreciation + tax (3 months)	188,956		188,956
Increase in Accounts Payable			
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$188,956</b>		
<b>APPLICATION OF FUNDS</b>			
Purchase Equipment	6,674		
Increase Accounts Payable			
Increase in Stock			

### Working Capital Review

	2017	2016	2015	2014	2013
Working Capital—Days					
Accounts Receivable					
Days In Inventory					

# FINANCIAL STATEMENT ANALYSIS TEMPLATE

**build**<sup>■</sup>  
abetterbusiness.com

Days outstanding.

Trading period = Average daily

Daily sales = days outstanding.

#### Days in Inventory

The days in inventory refers to the total number of days a company takes to sell its average inventory. Follow [this link](#) or the link on the lesson page for details of how to calculate days in inventory.

#### Accounts Payable — Calculation of Days outstanding.

Total purchases divided by trading days during period = Average daily purchases.

Accounts Payable Balance divided by Av. Daily Purchases = days outstanding.

# Profit Improvement Potential and 3 Page Business Plan



Seven Steps That We Will Take To Work Towards The Achievement Of Our Key Goals			
No.	Action	Due Date	Comments
1	We will examine our existing pricing structure and consider alternative pricing strategies. We will work through a tutorial on pricing strategy and discuss an alternative strategy with our accountant.	/ /	
2	At the same time we will examine our existing customer base to see if some customers are more profitable than others. In the event that we determine some customers are more profitable than others, we will explore ways to encourage less profitable customers to seek services elsewhere and use the capacity freed up to invite better customers into our business.	/ /	
3	This will require us to implement a world class customer service strategy. We will examine the buildabetterbusiness service.		
4	We will gather our top Business program by		
5	We will then examine closely examine the		

The work we did during that tutorial made it clear that we

\$ to \$ and the

to \$

We have broken these increments into 5 stages as set c

	Now	Now + 1	Now + 2
<b>Sales</b>			
<b>Profit</b>			

This increased profit will be applied across the following

The owners will receive a greater distribution from the business

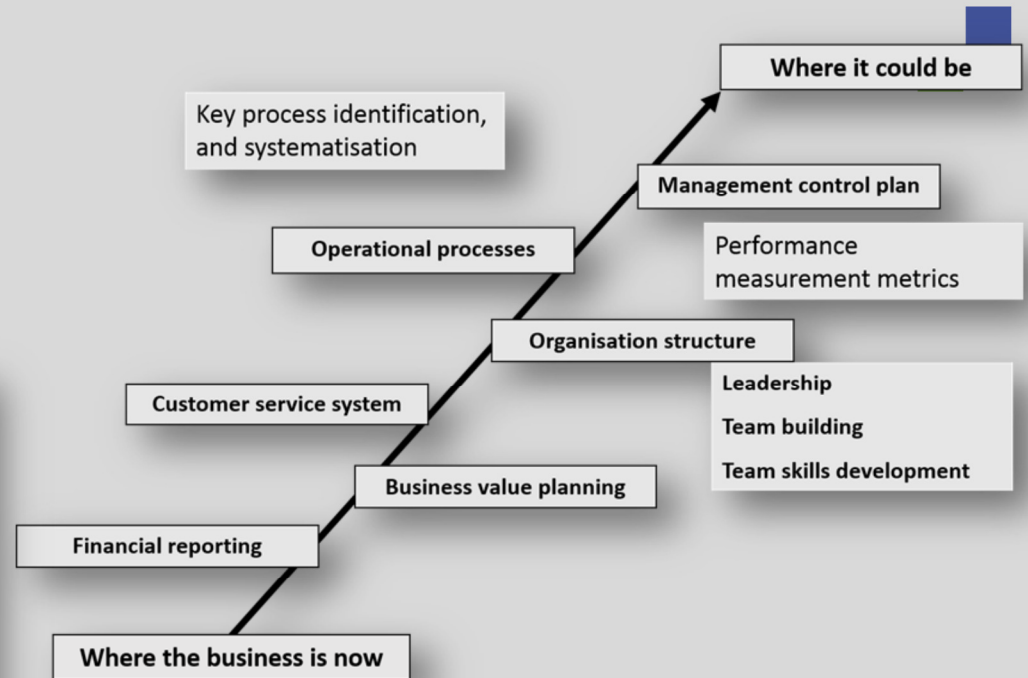
### Profit Improvement Potential Analysis

3 Ways to Grow Your Business

	Base	% Increase	Potential
Number of customers	254	10%	279
Average transaction value	\$ 645	10%	\$ 710
Number of transactions per year	3.80	10%	4.18

Your Profit Improvement Potential		Base	Potential
		\$	\$
<b>Sales</b>		622,554	828,619
<b>Cost of Goods Sold</b>	<input type="checkbox"/> F <input type="checkbox"/> M	311,348	414,404
<b>Gross Profit</b>		311,206	414,215
<b>Other Income</b>		21	21
<b>Expenses</b>			
Rent	<input type="checkbox"/> F <input type="checkbox"/> M	18,000	18,000
Wages	<input type="checkbox"/> F <input type="checkbox"/> M	165,000	205,000
Wages - Owners	<input type="checkbox"/> F <input type="checkbox"/> M	0	0
Motor Vehicle exps.	<input type="checkbox"/> F <input type="checkbox"/> M	17,500	27,500
Rent	<input type="checkbox"/> F <input type="checkbox"/> M	15,000	15,000
All Other Expenses	<input type="checkbox"/> F <input type="checkbox"/> M	40,037	50,000
<b>Total Expenses</b>		255,537	315,500
<b>Net Profit</b>		55,690	98,736

# Management Control Plan





# THERE ARE ONLY THREE WAYS TO GROW REVENUE

## Mentor Meeting Guide



### What Gets Measured Gets Managed

How many new clients are won each week / month?

How many clients are lost each week / month?

If you are not already recording how many clients are lost each month, how might you find out?

What is the estimated annual gross profit from customers won last week / month?

What is the advertising cost of acquisition per customer?

What is the estimated annual gross profit from customer defections last week / month?

### Unique Core Differentiator

Why would a customer choose your product or service in preference to something similar offered by one of your competitors? Write down your answer in the space provided.

Does your advertising focus on:

Even when selling products and services through a number of ways including:

- Your customer service
- Guarantee / risk reversal
- Reputation
- Location / ease of access
- Staff expertise
- Your knowledge of the market
- After sales service
- Quality
- Complimentary services
- Environmental considerations
- Local connections and relationships
- Reliability and trustworthiness

### What Gets Measured Gets Managed

How many customers do you have?

What is your target?

What do you plan to do to achieve this target? How long will it take to achieve the target? Who will you report to, and how often in respect of progress? (Take into account actions in respect of new customers won and customer retention).

# ProfitSURGE—Business Owners Course Overview

## Outcomes

As a result of *successfully implementing* i this program a business owner will achieve a significant increase in profitability.

Good training produces a permanent change in behaviour, this cannot be achieved simply by placing information before people, the learner must engage in activities. Accordingly, one outcome of this program will be that participants engage in activities to assist them to implement the strategies taught.

Business Owners will:

- change their focus from sales turnover to profit
- establish a plan for improved profitability
- commit to actions that will deliver on the potential for improved performance, as well as establish new levels of accountability.

**ProfitSURGE** ■■

## How to Increase Profit & Cash Flow

For a business owner a shortage of cash will produce a range of emotions from frustration at lost opportunity through to the crushing heart ache of self-doubt - black times when some owners are forced to consider “What if this doesn’t work out?”

It is said money does not buy happiness. I expect this is true in life, but in business more money solves most, if not all, dilemmas. I have worked with small business owners for 32 years, each time I meet with a client for the first time, the scenario is similar. The owner is busy, cash flow is tight, competition is fierce, *and*, the obvious is overlooked.

I commence every profit improvement campaign by asking the program participant this simple question:

**Without having to invest more money or commit more time, what would you need to do to increase the profitability of your business?** It’s a fairly simple question, but few no the answer.

**Answer:** Increase Gross Profit. And what this means in plain English is generate more profit from your existing level of sales activity, before looking to increase sales volume.

You can achieve this by working on your Pricing Strategy, and through Segmentation of products/services & customers.

Do not confuse Pricing Strategy with increasing price they are different, as you will discover. Segmentation involves the separation of customers, products, and services into profitable and less profitable categories, so you can nurture the profitable and fix the less profitable.

*“...more money solves most, if not all, dilemmas.”*

Sales	\$650,000	
Materials	305,000	
Gross Profit	345,000	400,484
Expenses	258,500	258,500
Net Profit	\$86,500	\$141,984

**+\$1,067 per week**

## **Workshop Module #1: Profit Improvement—First Steps**

As a result of successfully completing this module you will calculate the profit earning potential of your business, establish a plan of attack and time frame for the achievement of significantly increased profitability and appoint a person, either a trusted employee, friend or family member with whom you will share your plans and charge with the responsibility of making you accountable for the actions you will commit to during this program.

You will also gain an insight into what is possible to be achieved through the implementation of the array of strategies to be presented throughout the remainder of the course and be instilled with confidence to introduce changes into your current processes.

You will be supplied with a simple to use piece of software to target realistic, but significant, profit improvement based on the underlying revenue drivers in your business. You will transpose your target onto a 5 step plan and detail the actions you will need to undertake in order to achieve the target.

At the completion of this course you will have a realistic plan in place for the achievement of higher levels of profitability.



## **Workshop Module #2: Pricing for Profit**

The price you charge more than any other business variable has the greatest impact on the profit you earn, unfortunately most business owners are reluctant to increase prices out of a fear of losing customers.

This module will give you the confidence to introduce pricing strategies successfully adopted by larger corporations; far from deserting you, your customers will be thankful for the opportunities and choices your new strategies will make available. You will learn how to combat and defeat competitors trying to win market share with discounts, and how to increase prices without affecting your more price sensitive customers.

You will receive support from other business owners that are implementing the same strategies in their businesses, and you will have access to templates that will make it easy for you to communicate with your customers and make them aware of the new pricing strategies.

## **Workshop Module #3: Measure What Matters**

At the completion of this module you will be able to clearly identify the main profit drivers of your business (they will be different to what you think they are); set weekly performance targets in respect of the profit drivers, monitor performance relative to the targets, and take corrective action as required.

You will also learn to segment customers, products and services into profitable, and less profitable categories, you will be encouraged to nurture the profitable and work on fixing the less profitable contributors.

## **Workshop Module #4: Building Customer Service Systems**

Think about businesses that you admire, ones that work like clockwork, have good employees, and seem to outperform their competitors. At the heart of their success will be a Customer Service System.

When you successfully complete this module you will have created a Customer Service System that will define how your business interacts with its customers at every point of customer contact; before the sale or service delivery, during the sales process, and after the sales or service delivery process.

## **Workshop Module #5: How to Find Good People**

Good people are found in places where there are good leaders.

As a result of completing this module you will have established a new way of working with your team. You will have met with them both individually and as a group to explain your plans for the business and your expectations of their role in the development of the business.

The process is likely to bring to your attention areas of employee frustration that need to be addressed in order for the business to operate most effectively.

## **Workshop Module #6: How to Win New “A Class” Customers**

For some businesses more sales are last thing the owner needs, and for others new sales revenue is critical for survival. This subject is for owners in either position.

As a result of completing this subject you will attract new “A class” customers and either transform or replace customers that do not fit your ideal profit profile.

You will learn that winning new “A Class” customers is mostly about structuring methodical sales and marketing campaigns and following through on your plans.

For those business owners that lack sales skills there is a section of the course that is devoted to providing some basic skills in this often neglected area. The material in this section would also be valuable for team members who are involved in the sales process.

## Program Creator & Presenter

The creator of the program is Philip Arnfield and he will also deliver the training and provide mentoring, support and advice.

Philip is a Chartered Accountant who operated his own city based firm for over 30 years. In 2011 he sold his practice so as to be able to concentrate on the creation of a profit improvement training program for small business owners.

Philip now specialises in this area and trains business owners, accountants and business advisors in Perth, Adelaide, Hobart, Melbourne, Sydney, Brisbane and Townsville.

In addition to his formal accounting qualification Philip holds a Bachelor Degree in Economics and a Certificate IV in Training & Assessment.

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