

# WELCOME



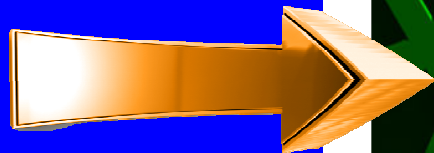
***Build Business - Build Community***

**TOTAL PROFIT ABILITY**  
**Presented by Michael Wynne**  
**International Management Consulting Associates**

# TOTAL PROFIT ABILITY

Hundreds of Ways to  
Grow Your Profits

By Michael Wynne



# THE JOB OFFER

**How would you like a job as CEO of a company overseas?**

**When does the flight leave?**

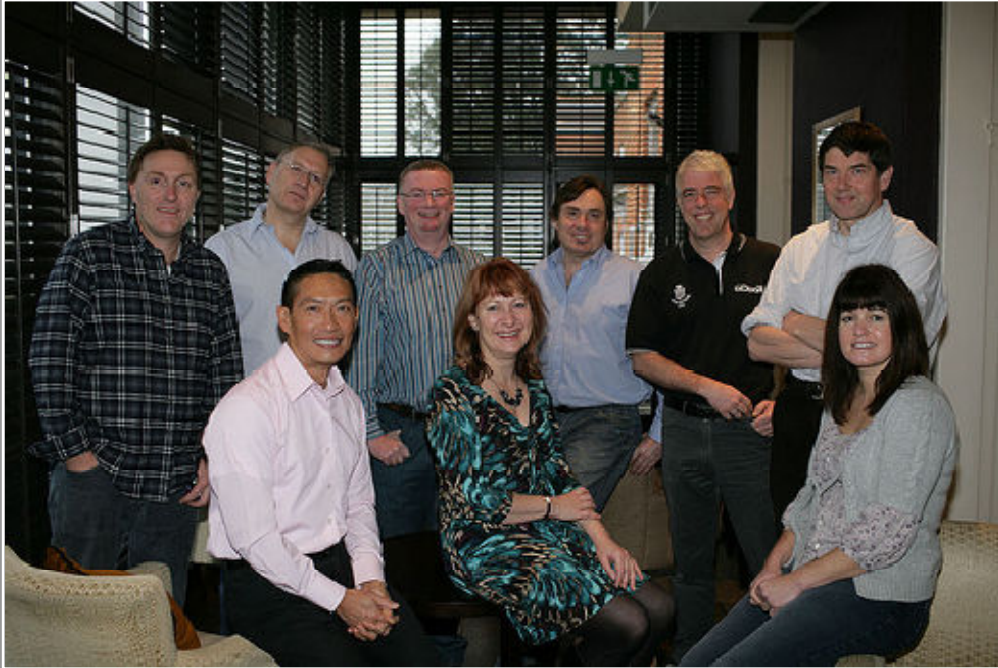


*WHEN YOU GET THERE*

**HI!!! WE'VE BEEN LOSING MONEY  
FOR FOUR YEARS!!!**



Not anymore! We're gonna make a profit



**In three months we did.**

**HERE'S HOW!**

**It was really simple ...**

**Grow sales**

**Cut costs**

**Reduce expenses**

**Leverage resources**

**EASY?**

**Not really.**

**That's the "WHAT"**

**But what's the "HOW"?**

**HOW = “it’s Complicated”.**  
**Far more complicated, detailed,  
fatiguing, and time consuming  
than expected.**

# “HOW”

## Requires both



**LEFT and RIGHT  
BRAINS**

**Left Brain = Analytical, Process focused,  
Efficiency emphasis, Detailed, Measuring**

**Danger = So busy managing operations that  
we fail to run the business.**

**Right Brain = Vision, Creativity, Innovation,  
Differentiation, Risk, Guts**

**Danger = Out of touch with reality**

**Most important profit factor?**

**PEOPLE**

**IT TAKES A TEAM TO WIN!**

**Companies don't make profits.**

**PEOPLE DO!**

**Total Profit Ability is the ability  
to achieve Total Profitability**

**It is what you have to do in order  
to develop profit – making focus  
and capability within your  
organization or company**

**Total Profitability happens when:**

**Every day, Every one & Everything  
contributes to the bottom line and ...**

**Everyone is focused on constantly  
improving the value provided to,  
and perceived by, customers**

**Profit Ability requires**  
**Profit-Generating People**

**inspired by**

**Visionary People-Focused Leaders**  
**who understand how to make profits**

**SO,**

**HOW DO YOU MAKE PROFITS?**

**WHERE ARE YOU  
NOT MAKING A  
PROFIT?**

**It may not be where you expect it to be. Let's look at a few of the many areas**

**Discounts**

**Low Profit Customers**

**Product Mix**

**Pricing**

# How many of you offer a 10% discount?

## Example – Before discount

<b>Net Sales*</b>	<b>\$1,000,000</b>	
<b>Costs</b>	<b><u>700,000</u></b>	
<b>Gross Profit</b>	<b>300,000</b>	<b>= 30%</b>
<b>S&amp;A Expenses</b>	<b><u>250,000</u></b>	
<b>Net Profit</b>	<b>50,000</b>	<b>= 5%</b>

\*10,000 units at \$100 each

# Impact of a 10% discount

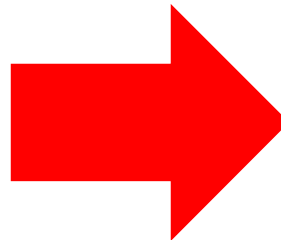
## Example

Net Sales*	\$1,000,000
Costs	<u>700,000</u>
Gross Profit	300,000 = 30%
S&A Expenses	<u>250,000</u>
Net Profit	50,000 = 5%

## Minus 10%

Net Sales*	\$900,000
Costs	<u>700,000</u>
Gross Profit	200,000 = 20%
S&A Expenses	<u>250,000</u>
Net Profit	(50,000) = - 5.5%

\*10,000 units at \$100 each



$$\frac{20}{30} = 67\% \text{ GP Reduction}$$

$$\frac{-5.5}{5} = 110\% \text{ NP Reduction}$$

\*10,000 units at \$90 each

**Low Profit Customers**

**Product Mix**

**Pricing**

**Where can  
you make  
more profits?**

# **Existing Customers**

**Retain more of them**

**Grow your share of each**

**Fill their funnels with variety**

**Offer new products & services**

**Cross Sell and Up Sell**

# **New Customers**

**Constant Innovative Effort**

**Analyze competition's values**

**Capture competitors' customers**

**Offer existing and new products**

**Exploit the power of referrals**

# EDIBLE ELEPHANTS



The Incredible Compounding Power  
of Small Increments

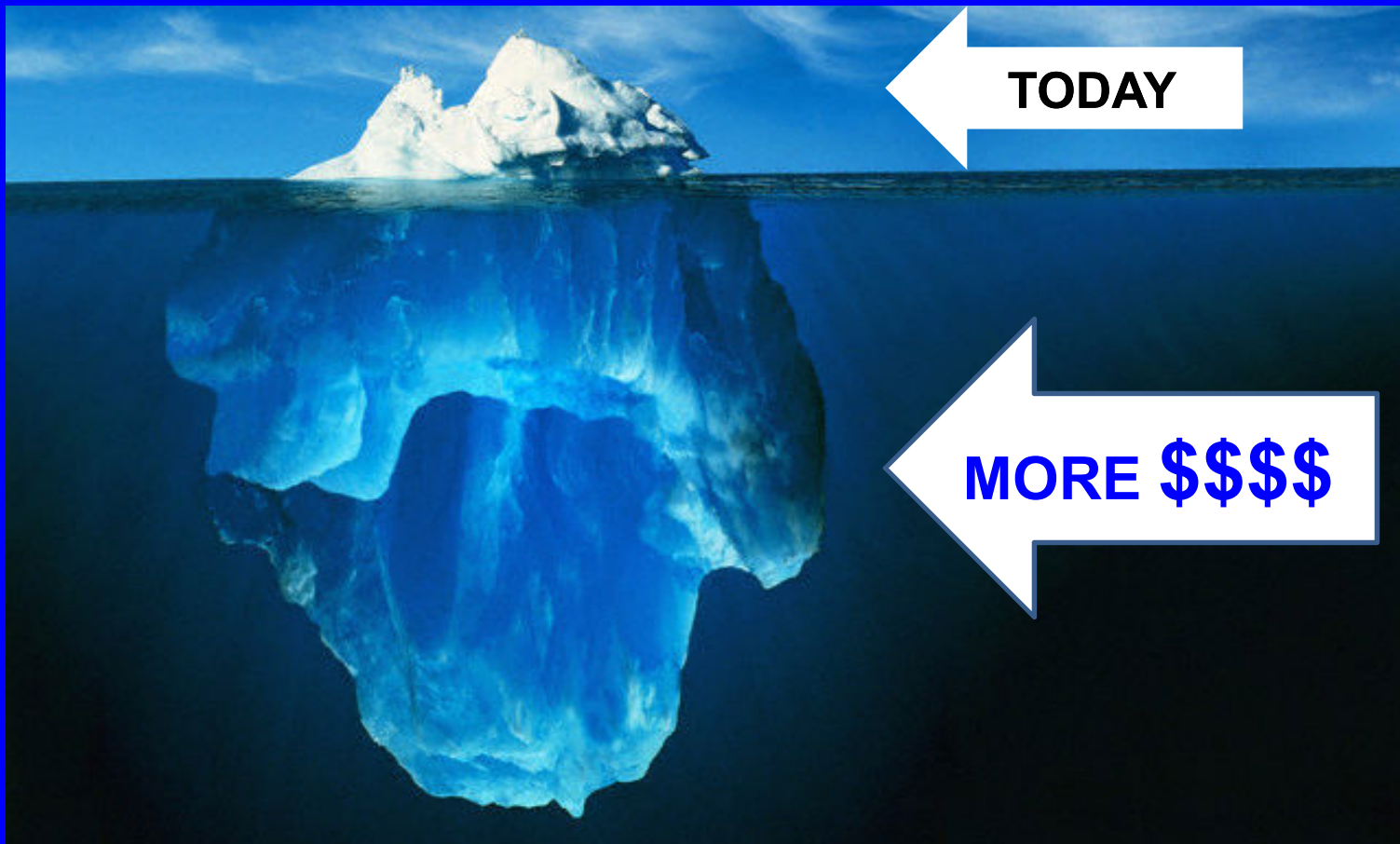
# THE AMAZING IMPACT OF A 1% CHANGE

Model	+1% Sales	-1% Costs	-1% Expenses	+1% Price
Sales 1,000,000	1.010,000	1,010.000	1 010.000	1,020,100
Costs <u>700,000</u>	<u>707.000</u>	<u>699.930</u>	<u>699.930</u>	<u>699,930</u>
GP <u>300,000</u>	303.000	310.070	310,070	320.170 = 10.67%
Exp. <u>250,000</u>	<u>250.000</u>	<u>250,000</u>	<u>247,500</u>	<u>247,500</u>
Profit 50,000	53,000	60,070	62.570	72,670 = 45.34%

## **We have looked at:**

- **Where you are not making profit,**
- **The negative effect of a 10% discount,**
- **Where you can make more profit,**
- **How to sell more to existing customers,**
- **How to capture new customers,**
- **Edible elephants and the incredible compounding power of small increments,**
- **The impact of a 1% change, and ...**

# WE HAVE BARELY SCRATCHED THE SURFACE OF TOTAL PROFIT ABILITY AND TOTAL PROFITABILITY



**FOR MORE PROFIT-MAKING  
STRATEGIES, YOU CAN DOWNLOAD  
MY E-BOOK FROM**

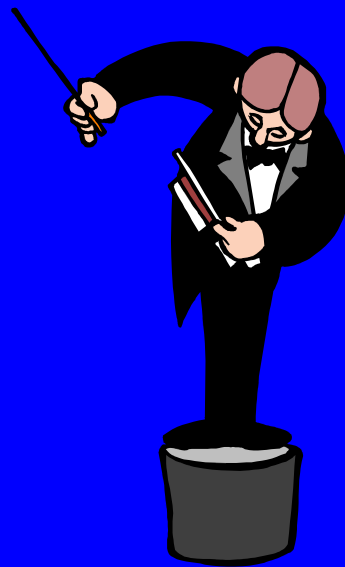
**[WWW.FreeProfitTips.Com](http://WWW.FreeProfitTips.Com)**

For complete Profit- Making training for you and the members of your team, plan to attend our full-day Total Profit Ability Seminar on

February 17, 2012.

For more details, please check the DG website.

**THANK YOU**



[mykwyn@aol.com](mailto:mykwyn@aol.com)