



TOOLKIT CONTENTS

INTRODUCTION

| | |
|--|-----------|
| Profit Really Is a State of Mind. In Fact, It's the Reason Companies Exist | 11 |
| Are You Ready to Profit? | 12 |
| Just How Much Can Negative Thought Impact the Profit Mindset? | 13 |
| A Checklist for Greater Profitability | 14 |
| Being a Hands-On Manager Is Critical to Maximizing Bottom-Line Profits | 14 |
| Span of Control and Its Affect on a Manager's Ability to Manage | 15 |
| The Simplest Way to Increase Profits Is to Charge the Right Price | 16 |
| The Five C's of Pricing | 16 |
| Effective Pricing Means Greater Profits | 18 |
| Pricing for Bottom-Line Results: The Relationship Between Price Changes and Sales Volume | 20 |
| How to Cost Products | 23 |
| Choose Profits Over Sales | 25 |
| How to Identify Winning Profit Centers and Dump the Losers | 33 |
| What Is the Pareto Principle | 33 |
| How the Pareto Principle Can Be Used in Any Business | 34 |
| How Profits Are Calculated | 34 |
| How to Analyze Your Break-Even | 35 |
| Increase Your Profits in Five Easy Steps | 36 |
| Worksheet: Start Profiting Now By Changing Your Profit Matrix | 39 |
| Worksheet: Profit Provoking Questions for the Business Owner | 41 |
| Worksheet: Creating Internal Guarantees | 45 |
| Worksheet: A Checklist for Greater Profitability | 47 |

SECTION ONE: FINANCIAL MANAGEMENT

| | |
|---|-----------|
| Survive and Be Profitable, Grow or Die: The Choice Is Yours | 49 |
| Financial Snapshots That Are Key to a Profit-Oriented Business | 50 |
| Develop and Monitor Key Ratios | 50 |
| Develop Regular Flash Reports | 51 |
| The Five Cardinal Rules of Financial Controls | 56 |
| Don't Let Consistency Become Contagious | 57 |
| Monitor Performance and Create "What If" Scenarios | 57 |
| Use Monthly Cash Flow Analysis to Forecast Financing Needs | 58 |
| Managing Receivables for Maximum Profits | 61 |
| Tighten Up Credit Practices | 61 |
| The Three P's of Credit: Profile, Performance and Product Value | 63 |
| Shore Up Listless Credit Practices | 66 |

| | |
|---|-----------|
| Always Check Credit Before Extending Credit to a New Customer | 70 |
| Ask Customers to Pay By Invoice, Instead of By Statement | 72 |
| Start Sending Out Semi-Monthly Statements | 72 |
| Use Pre-Stamped Envelopes to Speed Payments | 73 |
| Resolve Customer Billing Disputes Promptly | 74 |
| Charge Interest on Delinquent Accounts | 75 |
| Hire a Collection Manager to Boost Cash Flow | 75 |
| Use a Dunning Service to Avoid Collection Agency Fees | 76 |
| Making Your Banker Your Partner in Profit | 77 |
| Level With Your Banker About Financial Problems | 77 |
| Draw Up Contingency Financing Plans | 79 |
| Shield Your Personal Assets From Creditors | 81 |
| Refinance Debts to Trim Interest Costs | 82 |
| Cash In on Sweep Accounts | 83 |
| Make Daily Deposits to Boost Cash Flow | 84 |
| Use a Bank Lock Box to Maximize Interest | 84 |
| Trim the Cost of Credit Card Processing | 85 |
| Comparison Shop Banks to Lower Credit Card Fees | 86 |
| Use Spare Cash to Pay Down Lines of Credit | 87 |
| Exercise Dormant Lines of Credit | 87 |
| Where to Find Financing Outside of Banks | 88 |
| Tap Outside Investors for Capital | 88 |
| Address Critical Possibilities NOW With Buy-Sell Agreements | 93 |
| Worksheet: Is Your Business Too Complacent? | 97 |
| Financial Management Resource Guide | 99 |

SECTION TWO: OPERATIONS

| | |
|--|------------|
| Profit-Conscious Buying | 103 |
| Scale Back Orders But Pounce on Deals | 103 |
| Negotiate Special Terms to Stretch Cash Flow | 104 |
| Avoid Costly Equipment Buying Blunders | 104 |
| Shift to Short-Term Leases to Limit Exposure | 106 |
| Renegotiate Lease Terms to Mesh With Business Cycles | 108 |
| Sell Off Idle Assets | 109 |
| Realizing Additional Profits From Operations | 110 |
| Dispose of Slow-Moving and Obsolete Inventory | 110 |
| Reward Your Employees for Bright Ideas | 114 |
| Monitor Departmental Budgets | 115 |
| Sublet Unused Office Space | 116 |
| Guard Against Losses From Employee Theft | 117 |
| Lock the Supply Cabinet | 121 |
| Use the Fax Machine to Speed Collections and Trim Expenses | 121 |
| Double-Check Your Postage Scales and Cut Down on Postage Costs | 122 |
| Boosting Profits With Effective Cost-Cutting | 126 |
| Compare Increased Sales to Decreased Costs | 126 |
| Question Expenses and Sign Checks Personally | 127 |
| Limit Expense Authority to Upper Management | 127 |
| Eliminate Unnecessary Utility Costs | 129 |
| Eliminate Unnecessary Subscriptions and Review Spending on Organization Dues | 134 |
| Trim Travel and Entertainment Expenses | 135 |

| | |
|---|------------|
| Slash Your Paper and Printing Costs | 138 |
| Cut Out Paper Waste When Ordering | 140 |
| Cancel Insurance on Unused Vehicles and Equipment | 141 |
| Renegotiate Your Lease to Reduce Occupancy Costs | 142 |
| Renegotiate Your Equipment Leases to Reduce Costs | 143 |
| Take Advantage of Purchase Discounts | 144 |
| Comparison Shop When Purchasing Supplies | 144 |
| Plan for Fixed Asset Acquisitions | 148 |
| Secure Multiple Bids for All Major Expenses | 150 |
| Form an Internal Cost-Cutting Committee | 151 |
| Customer Relations That Pay Off Big | 154 |
| Put Yourself in Charge of Customer Relations | 154 |
| Maintain Quality Customer Relations | 155 |
| Worksheet: Inventory Management Checklist for Maximizing Profitability | 159 |
| Worksheet: Lease Bid Request Form for Business Owners | 161 |
| Worksheet: Lease Bid Request Form for Bidders | 162 |
| Worksheet: Materials Requirements Planning Audit | 163 |
| Worksheet: Attention Valued Employees! Help Us Improve Our Company | 167 |
| Worksheet: Fiscal Check-Up Worksheet | 169 |
| Worksheet: Membership and Subscription Approval Form | 171 |
| Operations Resource Guide | 173 |

SECTION THREE: EMPLOYEES

| | |
|---|------------|
| Cutting the High Cost of Good Personnel | 179 |
| Reward Employees With Non-Cash Compensation | 179 |
| Control Fringe Benefit Costs | 180 |
| Link Bonuses to Performance | 181 |
| Scale Back Retirement Plan Contributions | 183 |
| Give Your Employees a Raise With the Government's Money | 185 |
| Let the Government Pay a Portion of Your Labor costs With the <i>Work Opportunity Tax Credit</i> .. | 188 |
| Pay Bills When They're Due and Not Before | 189 |
| Farm Out Payroll Chores to An Outside Automated Service | 189 |
| Put a Freeze on Hiring and Routine Raises | 190 |
| "Lease" Your Employees to Other Businesses | 191 |
| Staff Your Company With Leased Employees | 191 |
| Worksheet: Employee Survey on Cafeteria Plan Benefits | 195 |
| Worksheet: Cafeteria Plan Survey Results Tabulation Form | 196 |
| Worksheet: Worksheet for Developing a Proposed Cafeteria Benefits Plan for Individuals | 197 |
| Worksheet: Keep or Cut Quiz | 199 |
| Worksheet: Future Profit Opportunities: Employee Exit Questionnaire | 201 |
| Employee Resource Guide | 203 |

SECTION FOUR: SALES & MARKETING

| | |
|---|------------|
| A Quick Review of Jay Abraham's Key Marketing Concepts | 207 |
| Host Relationships | 207 |
| Leveraging Your Expertise | 208 |
| Unique Selling Proposition | 208 |
| Risk Transference (Risk Reversal) | 209 |

| | |
|--|------------|
| Better-Than-Risk-Free Guarantee | 209 |
| Working the Back End | 210 |
| Front-End Break-Even | 210 |
| Lock in Sales in Advance | 210 |
| License Your Successful Concepts | 211 |
| Educate the Prospect | 211 |
| How You Articulate | 212 |
| Lead Generation — Getting Leads From Your Competitors | 213 |
| Lead Generation — Getting Vendors to Generate Leads for You | 213 |
| Joint Ventures | 213 |
| Endorsed Mailings | 214 |
| Persona | 214 |
| Piggy-Back | 214 |
| Pre-Emptive Advertising | 215 |
| Moving Parade | 215 |
| Use Direct-Response Advertising, Not Image Advertising | 216 |
| Test, Measure and Compare | 216 |
| Marginal Net Worth | 217 |
| Upselling | 217 |
| Tell the Reader Why | 218 |
| People Are Silently Begging to Be Led | 218 |
| Worksheet: The Lost Sales Report | 219 |
| Worksheet: Smart Sales Produce Profitable Results | 221 |
| Worksheet: Opportunities for New Business Development: A Questionnaire for Salespeople | 225 |
| Worksheet: How Are We Doing? A Questionnaire That Lets Customers Improve Our Business | 231 |
| Worksheet: Opportunities for New Business Development: A Questionnaire for Sales Managers | 235 |
| Worksheet: Internal Questionnaire for Salespeople | 239 |
| Worksheet: Sales Opportunity Questionnaire | 241 |
| Worksheet: Meeting Your Sales Goals | 245 |
| Worksheet: Marketing and Sales Checklist for Maximizing Profitability | 247 |
| Worksheet: Creating a Sales and Marketing Action Plan | 249 |
| Sales and Marketing Resource Guide | 255 |

SECTION FIVE: ORGANIZATIONAL MANAGEMENT

| | |
|--|------------|
| Creating a Profit Attitude Within Your Organization | 257 |
| Halt the Profit Torpedoes That Can Destroy Profit Opportunity Within Your Business | 257 |
| Start Using “Profit Team” Management | 259 |
| Form Your Own Kitchen Cabinet of Advisors | 260 |
| Question Your Key Management Team | 260 |
| How to Brainstorm With Key Management | 261 |
| How to Make Suggestion Boxes Work | 262 |
| Protect Your Company’s Most Valuable Asset: Yourself | 262 |
| Protect Your Company Against Executive Loss | 263 |
| Stamp Out Negative Attitudes | 265 |
| Eliminate Unproductive Meetings | 268 |
| Turning Your Organization Into a Profit-Enhancement Machine | 269 |
| Use Independent Contractors to Slash Payroll | 269 |
| Shave Labor Costs With Part-Timers | 271 |
| Reshuffle Staff Duties to Control Costs | 272 |

| | |
|--|------------|
| Hire In-House Mechanics to Service Vehicles and Equipment | 276 |
| Evaluate Staff Productivity Objectively | 276 |
| Seize Opportunities to Upgrade Staff | 279 |
| Cost-Effective Training | 284 |
| Attend Local Seminars to Trim Travel Costs | 284 |
| Use “Show & Tell” to Shave Staff Educational Costs | 285 |
| Cross-Train Employees to Handle Multiple Job Duties | 286 |
| Trim Training Costs With a Procedures Manual | 286 |
| Drafting an Effective Employee Handbook | 288 |
| Worksheet: Workteam Performance Evaluation | 291 |
| Worksheet: The Flaming Arrow Quiz | 301 |
| Worksheet: Attention All Managers: Help Us Improve the Company! | 303 |
| Worksheet: Is Your Business Being Over-Managed and Under-Led? | 305 |
| Organizational Management Resource Guide | 307 |

SECTION SIX: HOW TO IMPLEMENT YOUR PROFIT PLAN

| | |
|--|------------|
| Your Profit Game Plan | 309 |
| Spreadsheet: Your Tools for Implementing a Successful Profit Plan | 311 |
| Instructions for Implementing Your Profit Enhancement Plan | 319 |
| Worksheet: Project Planning Worksheet for Profit Champions | 321 |
| Worksheet: Profit Project Update Worksheet | 322 |
| Worksheet: Profit Project Team Member Status Report | 323 |

SECTION SEVEN: HOW TO WORK WITH THE PROFIT ADVISORS

| | |
|---|------------|
| Meet the Profit Advisors | 325 |
| Barry R. Schimel, CPA | 325 |
| Gary R. Kravitz | 326 |
| The Profit Advisors, Inc. | 326 |
| The Profit Opportunities Assessment Report | 327 |
| Phase 1 of the Profit Enhancement Process | 327 |
| Creating a Profit Team & An Inventory of Unrealized Profit Potential | 328 |
| The Profit Enhancement Process Workshop — Phase 2 of the Profit Enhancement Process | 328 |
| Implementation | 329 |
| Phase 3 of the Profit Enhancement Process | 329 |
| The Sales Opportunities Assessment Report | 329 |
| A Component of the Profit Enhancement Process | 329 |
| Monthly CEO Coaching | 330 |
| A Component of the Profit Enhancement Process | 330 |
| The InfoQuest Business Process Review | 331 |
| Working With an Institute of Profit Advisors Consultant | 333 |
| The 100 Ways: The Profit Enhancement Process | 333 |