

The 12 key ways to make more profits

There are hundreds of ways to make more money. Here are a few key ones:



1. Establish a profit target for your business. By creating a goal you provide a vision of how you want your business to be. The old song *'If you don't have a dream, how you're going to make your dream come true'* holds good here.
2. Think long term and start planning to make more money. Profit improvement is a process and needs planning. Do you know what your plans and goals are? It is surprising how once you know where you are going, you are more likely to get there. Don't just wait until you are in crisis
3. Get more income from your existing customers: why don't you sell more often, or increase the value to clients by selling more services. Getting more income from existing customers is easier and makes more sense from a customer care angle
4. Have you got the right sort of customers? Do they fit your future plans? Are you going for the right mix of customers through your marketing?
5. Review your systems, the way you do things. Document them in an overview chart to get the high level picture and make sure you cover all the key systems in the business: production, production administration and general administrative support including finance. Can you do things in a better way?
6. Ask where is the waste in your business?
7. Ask your staff. They are the experts in how your business runs and will know best how you can make more money.
8. Involve your staff more in the running of the business. Do you keep your staff informed? Do they feel involved and part of your future? Do they know your "Purpose", your "Why", the reason your business exists?
9. Don't underestimate the challenge of implementation. Make sure you have a structured process to making the agreed changes happen
10. Do you truly know if you are making money? Are your financial records up to date? Do you have up to date key financial figures and also management accounts? Do you monitor trends in financial numbers? With this detailed information, you know where to take action
11. Prepare financial forecasts. You can use these forecasts to compare how you are doing to your original plans. The exercise highlights where things haven't gone to plan and where immediate action is required.
12. Benchmark your business. How do you compare to your competitors? It is important you compare to independent measures which you can get from benchmarking.

Want to find out more on how you can benefit from these tips and make your business better? Get in touch with Mr & Mrs Accountant now!