GATEWAY TO SUCCESS

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4 Key Ways to Build Profit & Business Value

By Jim Kahrs

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Introduction

Jim Kahrs
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31 years of office systems sales, operational, executive management experience at dealership, manufacturer, consulting levels.

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Introduction

Started Prosperity Plus - 2001

- Achieve your goals by improving profit, cash flow & growth
- We are YOUR outsourced marketing department
- Mergers, acquisitions, succession plans
- Customized consulting plans based on 31 years of industry experience and…
  - Hubbard Management System
  - Value Builder System

VALUE Builder™
CERTIFIED

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What Creates Profit & Business Value?

- Let's hear your thoughts

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Today's Agenda

Four Key Tools

- #1 - Driving profit all year long
- #2 - Focusing on three main parts of the business
- #3 - Profit through efficiency and production
- #4 - Fine tuning the engine that drives your results
- Questions

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Strategy #1

Driving Profit All Year Long:
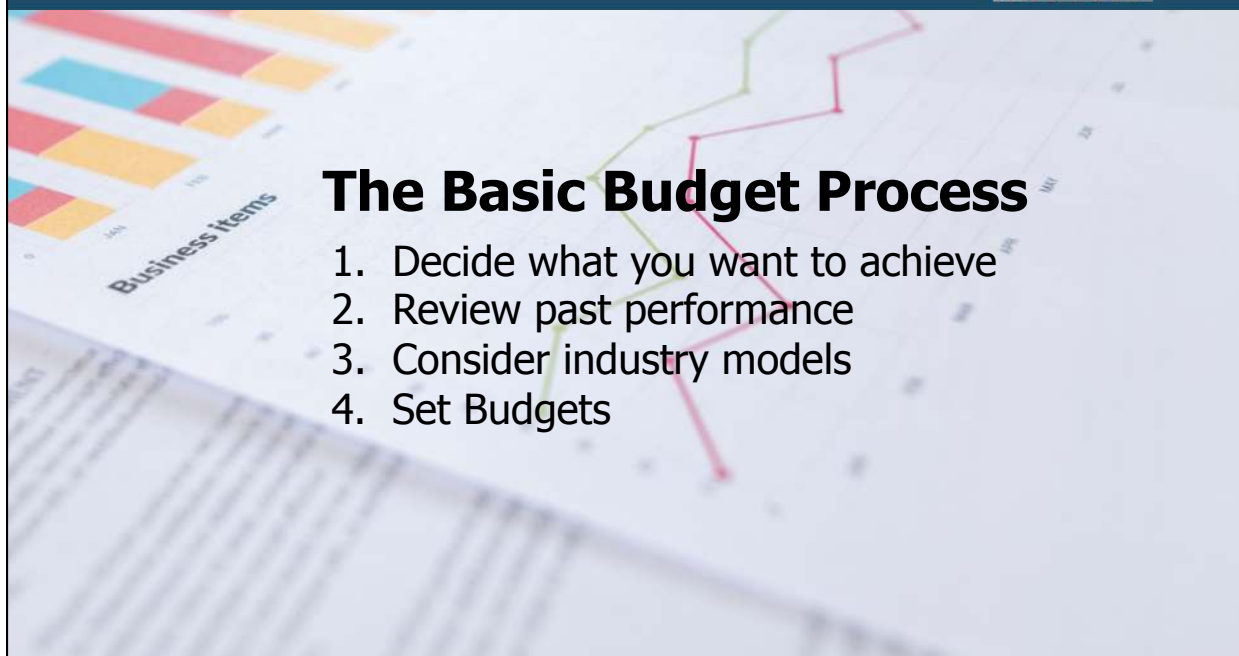Create and Manage with a Budget
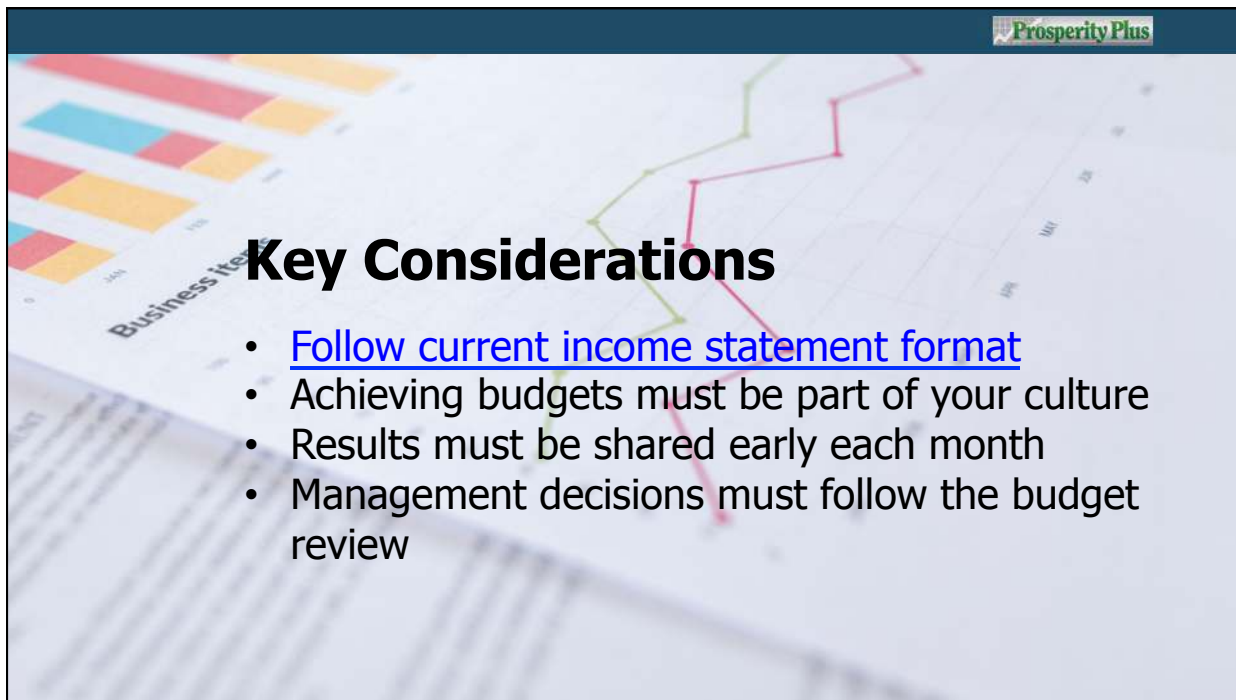
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Why Bother with Budgets?

- People don't plan to fail, some fail to plan
- If you create budgets & use them to manage the company, your results will be better
- Have you ever played a game without keeping score?
  - How well did you do?
  - Was it any fun?

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Business items

The Basic Budget Process

1. Decide what you want to achieve
2. Review past performance
3. Consider industry models
4. Set Budgets

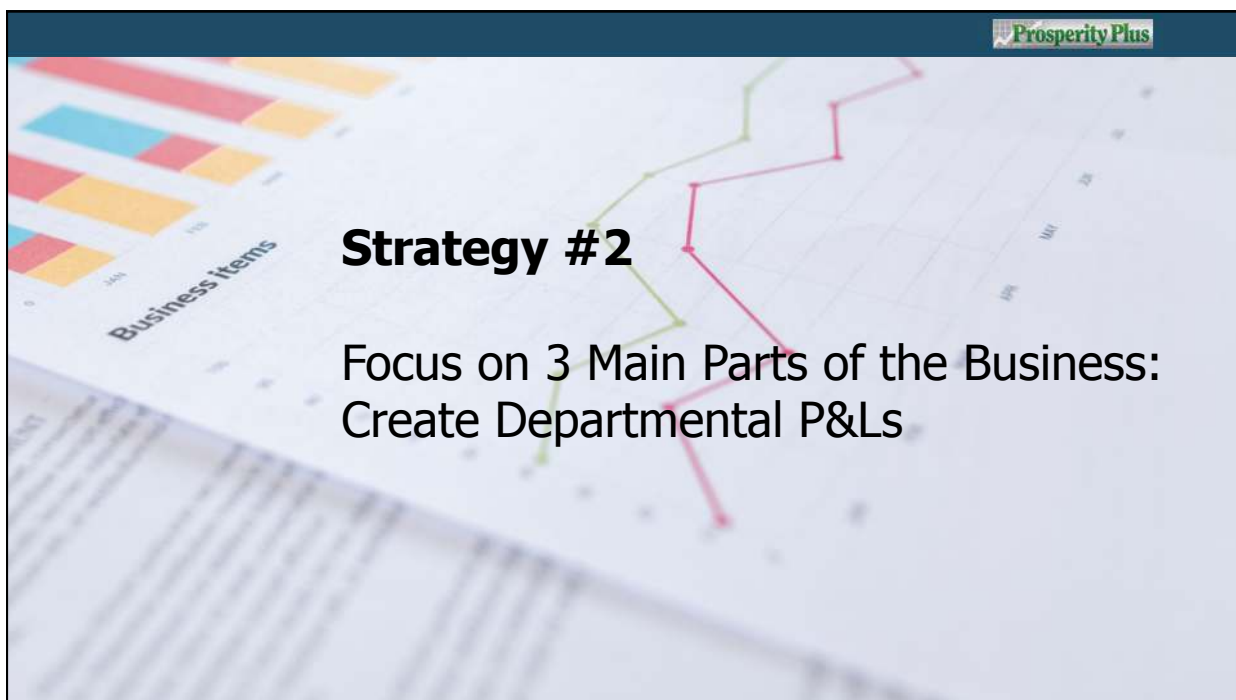## Key Considerations

- Follow current income statement format
- Achieving budgets must be part of your culture
- Results must be shared early each month
- Management decisions must follow the budget review

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Strategy #2

Focus on 3 Main Parts of the Business: Create Departmental P&Ls

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Why Departmental P&Ls

- Key managers of the business (Admin, Service, Sales) can get activity and transaction tunnel vision
- True profitability comes from a daily focus on financial results
- By creating financial accountability you change management thought processes and behaviors
- Departmental P&L must only include financial items in the managers' control

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Key Considerations for Success

- Make the process simple by mirroring the budget worksheet
- Managers will need to be trained to understand financials
- Question managers on the financial impact of decisions they make
- Never let a month go by without reviewing the departmental P&L
- Tie managers' compensation to financial results

Strategy #3

Profit Through Efficiency and Production:
Understanding and Driving Service Efficiency

Service Department Efficiency

- Much of your profit will come from service
- Daily and weekly efficiency creates profit
- Measure and manage key performance indicators weekly
  - # of calls
  - Start time / End time
  - Incomplete calls / Repeat calls
  - Travel time / Customer time / Other time
  - $ parts usage
- Create incentives for service team

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Key Considerations

- Data is key, garbage in = garbage out
- [Understand the reports](#)
- Take time to step back weekly to analyze and manage
- Technician time is like an empty basement
- Almost every dealer we've worked with is overstaffed in service

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Strategy #4

Fine Tuning the Engine that Drives Your Results: Creating an Effective Sales Plan

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Create a Sales Plan

- How productive and efficient are your sales people?
- Do they make enough calls to succeed?
- Can you tell me exactly what activities each has done?
- Is this being tracked and reported in your CRM?
- Is it being managed with a weekly one-on-one meeting?
- Is your program able to be duplicated with new reps?

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Key Considerations for Success

- Have a formalized plan
- A good plan can be applied to new and seasoned reps alike
- Hold new reps accountable from day one
- Encourage seasoned reps to increase their prospecting activity
- Most importantly...
  - Do a full weekly one-on-one meeting every week

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Wrap Up

- There are key actions that are senior to all others
- We all get pulled into the vortex of daily problems
- Creating success is a conscious effort by all

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Need/Want Help?

- Leave me your business card and I'll send you the supporting files
- Email me to set up a free 1 hour consultation after the conference
- Commit to yourself that you'll incorporate one or two things you've learned today

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Upcoming Events

- June 21 Webinar
  - Matching Financial and Organizational Models

- Owner Prosperity Summit in conjunction with BTA National Meeting
  - 3 presenters:
    - Mergers and Acquisition specialist
    - Business and Wealth Management specialist
    - Private equity partner

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Questions?

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Thank You!