



THE PROFIT MULTIPLIER

6 WAYS TO **TURBOCHARGE** YOUR
PROFITS IN THE NEXT 90 DAYS



BUSINESS
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Congratulations...You Are About to Make More Profit!

Congratulations on downloading your **Profit Multiplier** guide.

This guide contains one of the most powerful business secrets you will ever learn. It will help you identify the best strategies to grow your business so you can multiply your profits in the next 90 days.

At Business Success Educators, we help business owners who feel stuck in their business working too many hours and not making the money they want.

We help them Profit More and Work Less.

Enjoy this guide and if you need any help implementing these strategies be sure to reach out.

To your success

Rueben

Introducing Your Profit Engine

Every business is built on a Profit Engine. You can use this engine to drive a Corolla or you can use it to drive a Ferrari. Understanding how your Profit Engine works will transform the way you do business.

Firstly, a business needs to generate a **Lead** (or enquiry). Next, your job is to convert that lead into a customer measured by your **Conversion Rate** (out of all your enquiries, what % turn into sales). Your Leads x your Conversion Rate gives you your number of customers.

Once you have a customer your job is to get them coming back again and again and spending more with you each time. These are the next drivers of your Profit Engine – **Average Sale Value** and **Purchase Frequency** (how often your customers come back)

The number of customers multiplied by your Average Sale Value multiplied by your Purchase Frequency gives you your **Revenue**.

Is revenue the most important thing in a business? No! You are in business to make a Profit! So we multiply your Revenue by your **Gross Margin** to give you your Gross Profit. Subtract off your **Expenses** (or overheads) and this gives you your **Profit!**

Most business owners want more profit or more revenue or more customers. These are results. The way to increase these is to increase the drivers. For example, if you want to improve profits, cut expenses or improve your margins. If you want to improve revenue, improve your average sale value purchase frequency. And if you want more customers get to work on your conversion rate or generate more leads.

And that's how your Profit Engine works! You can see how the numbers work below.

The true power of your Profit Engine comes from the power of multiplication. Most businesses focus on Revenue or Profit so they only grow around 10% per year. But when you go to work on your Profit Drivers, you start to multiply (not add) to your bottom line.

See how this works in the table below. With just a 10% improvement in each of the drivers this business has been able to increase Revenues by 46% and Profits by a massive 772%!

	Baseline	Target	% Change
# Leads X	400 X	440 X	10%
Conversion Rate =	33% =	36% =	10%
Customers x	132 X	158 X	21%
Average Sale Value X	\$1250 X	\$1375 X	10%
Purchase Frequency =	1.0 =	1.1 =	10%
Revenue X	\$165,000 X	\$241,577 X	46%
Gross Margin =	60% =	66% =	10%
Gross Profit -	\$99,000 -	\$159,440 -	
Expenses =	\$90,000 =	\$81,000 =	-10%
Profit	\$9,000	\$78,440	772%

Step 1 – Know Your Numbers

Now it's your turn, let's get to work on your Profit Engine...

Firstly, to shift any result you need to know the base you are starting from. If you are already measuring these numbers, then great. If not, simply have your best guess and then start to measure each of these going forward. This information can often be found in your accounting software, database or CRM system.

Follow the Profit Engine formula to work out your current numbers below:

# Leads	
X	X
Conversion Rate	
=	=
Customers	\$
x	X
Average Sale Value	\$
X	X
Purchase Frequency	
=	=
Revenue	\$
X	X
Gross Margin	
=	=
Gross Profit	\$
-	-
Expenses	\$
=	=
Profit	\$

Step 2 – Set Your Targets

Now that you know your baseline, your next step is to set targets for each area. You may want to simply start by increasing each area by 10%. In some cases, you may be able to get a bigger increase or may not be able to shift the number as it is already high.

Follow the Profit Engine formula to set some targets below:

	Baseline	% Change	Target
# Leads			
X	X		X
Conversion Rate			
=	=		=
Customers	\$		\$
x	X		X
Average Sale Value	\$		\$
X	X		X
Purchase Frequency			
=	=		=
Revenue	\$		\$
X	X		X
Gross Margin			
=	=		=
Gross Profit	\$		\$
-	-		-
Expenses	\$		\$
=	=		=
Profit	\$		\$

Step 3 – Pinpoint Your Key Profit Drivers

While every business has these profit drivers, you should focus your efforts on the ones that have the greatest opportunity to shift your profits.

As a rule of thumb, targeting **Expenses** or your **Gross Margin** are a great place to start. These are generally easy to shift, and you will make more profit on the revenue you are doing already.

Next look at some of your sales opportunities such as improving your **Conversion Rate** or **Average Sale Value**. Again, this is all about optimising what you are already doing.

And when it comes to marketing, it generally is 6-7 times easier to get your previous customers to come back so target **Purchase Frequency** before generating additional **Leads**.

Of course, if you do not have enough customers to start with then it may make sense for you to target more leads right away.

Now it's your turn. Based, on the targets you set and where your business is at, what do you believe are your top 3 Profit Drivers to focus on?

Your Key Profit Drivers
1.
2.
3.



“Since working together, our revenue is up 11 times and I gone from working 50 hours a week to 30 hours.

Sam Rogers, The Cushion Factory

Step 4 – Choose Your Strategies

Now work out how you are going to get the % increases. To help you, here are 74 of the most effective profit boosting strategies to implement in your business:

Leads	Conversion Rate	Average Sale Value	Purchase Frequency	Gross Margin	Expenses
Search Engine Optimisation	Define sales process	Add on sale	Run a promotion to database	Put prices up	Cut unnecessary expenses
Facebook Ads	Use sales scripts	Upsell	Inform customers of your entire range	Stop discounting	Ask for a discount / better rate
Google Adwords	Sales training	Use checklists	Service / Rebooking reminders	Sell more high margin goods / services	Change suppliers
Google maps listing	Follow up leads/quotes	Impulse buys	Stickers	Negotiate a better deal	Negotiate a better deal
Strategic Alliances / Partnerships	Improve quality of quotes	Package deals	Plan future purchases	Buy direct	Review wage structure / mix
Host Beneficiary	Define your uniqueness	Sell extra warranties / insurance	Client events	Improve efficiencies	Set budgets with accountability
Linkedin	Offer a Guarantee	Stickers and tags	Newsletters	Analyse gross profit margins	Refinance to better rate / terms
Referral System	Testimonials / Case studies	Set minimum order size / amount	Have a VIP/ Frequent buyer program	Sack C and D Customers	Stop running marketing that doesn't work
Flyers / Letterbox Drop	Collect Google / online reviews	Target higher value customers / jobs	Closed door sales	Reduce duplication / rework	
Signage	Use offers	Set an average sale value goal	Offer service contracts	Promote idle / quiet times	
Networking	Make it easy to buy		Sell other people's products / services to your customers	Invest in technology	
Direct Mail	Offer payment terms / options		Stay in regular contact		
Telemarketing	Capability Statement		Set up timeline of communication		
Tender Lists					
Run a competition					
Run events					
Content marketing					
Youtube videos					
Use influencers					
Business development					

From this list and based on your top 3 Profit Drivers, identify your top 10 strategies to work on:

Your Top Strategies	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Step 5 -Create Your Action Plan

Finally, choose your Top 3 strategies to implement in your business in the next 90 days.

Consider what are the easiest to implement and what will give you the greatest return:

Create your action plan below:

Your Action Plan				
	Strategy	Who	When	Done
1				
2				
3				



“I started with 3-4 staff and now have 25. And turnover went from \$30K per month to \$500K per month”

Ben Chambers, Hoseright