

OnePage Performance Improvement Plan



Where are you now	Where you want to be	How you get there
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Your key numbers		Which ranks you...	Your targets	Your action plan
Sales growth	9.5%		Sales – What would you like your sales growth and margin of safety to be? NB: Improving your sales growth to match the upper quartile – i.e. to 21.4% - could add £177,592 in extra profit.	Sales - As a first step use Business Potential to calculate the impact of working on each of the key sales drivers, and use SSTW to generate hundreds of ideas for improving your sales and marketing processes.
Margin of safety	8.0%		Profit – What would you like your profits to be? NB: Improving your gross margin by 10% – i.e. to 71.7% - could add £150,000 in extra profit.	Profit - As a first step use Business Potential to calculate the impact of working on each of the key profit drivers. Pay particular attention to pricing - since pricing is often the biggest single factor driving the profitability of many businesses.
Gross margin	65.2%			
Operating margin	13.0%		People costs and productivity – What would you like your sales per £ of employee costs to be? NB: Improving your sales per £ of employee costs by 10% - i.e. to £10.12 - could add £150,000 in extra profit.	People costs and productivity - Systems are the key to productivity and efficiency. So as a first step, watch Michael Gerber’s video. Then evaluate the System Builder software as a means of systemising your business. Identify areas of waste and inefficiency. Map out more effective systems and document them. Involve the team in creating better systems, then train the team in following the business systems and processes.
Net profit margin	5.2%			
Growth in net profit	-20.0%			
Sales per £ of employee costs	£9.20		Assets – What would you like your asset turnover, debtor days, stock days and debtors to total asset ratio to be? NB: Improving your asset turnover to match the upper quartile – i.e. to 3.24 could add £1,306,531 in extra profit. And improving your stock days to match the upper quartile - i.e. to 7.4 days could add £103,835 to the amount of cash you have in the bank. And improving your debtor days to match the upper quartile - i.e. to 6.5 days could add £209,031 to the amount of cash you have in the bank.	Assets - As a first step, identify ways of getting paid on time, in full, every time. Then you could use System Builder to create the operational and financial systems you need to reduce debtors, work in progress and stock.
Average employee costs	£25,000			
Sales per employee	£230,000		Cash and gearing – Explore refinancing options, and consider invoice discounting, factoring and asset finance. Also, review your credit control systems and processes for paying suppliers, and renegotiate the interest paid on borrowing. Avoid nasty surprises by producing regular high quality cashflow forecasts.	Return on investment - Much of the above will have a big impact on your return on investment. Think about ways in which you can generate more profits from the assets you have.
Profit per employee	£29,850			
Asset turnover	1.73		Return on investment - What would you like your return on investment to be? NB: Improving your return on investment to match the upper quartile - i.e. to 54.8% – could add £608,953 in extra profit.	
Stock days	54.8			
Debtor days	39.7			
Debtors to total assets	18.80			
Current ratio	1.50			
Quick ratio	1.13			
Interest cover	1.66			
Return on investment	9.0%			
Return on capital employed	11.9%			