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Description automatically generated**Check List for Creating a Profitable Business**

If you want to ensure your business is profitable and, more importantly, ensure that you’re able to adapt to whatever is thrown at you, it will be important for you to know your numbers inside out.

More than this, you’ll need to continually review the elements of your business or service that will affect your profitability including customer trends, competitor proposition, socio-economics as well as your own processes.

Below we’ve created a check list with elements for you to consider on a regular basis (aim for quarterly): -

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| **Action** | **Purpose** | **Check** |
| 1. Create a 12-month budget, itemising your anticipated sales per month, per product or service (see template provided) and list every expense you might encounter during the year (including an allowance for repairs, replacement items, development of your product and service) | * This will highlight where you may have cash flow issues throughout the year * This will give an indication of how profitable your business really is * This will highlight areas you may be spending more than is considered normal or necessary for your industry * This will highlight if and where you need to make adjustments in your business |  |
| 1. Check out your competition. Are there any new entrants in the market? Is anyone doing anything differently that customers are loving? Has anyone made any price changes? | * You want to make sure your unique selling point (USP) is still your USP * If everyone else has dropped their prices or increased their prices, do you need to follow suit or can you use this to create advantage? * Can you learn from others’ innovations and introduce new things to your business? |  |
| 1. Check out the latest research conducted by Visit Britain [Latest England research reports | VisitBritain](https://www.visitbritain.org/latest-england-research-reports) and listen out for other news on trends, the economy, government policies etc | * All of these things affect your business. If you can see that the cost of living is rising, and disposable income is down, how will this affect you? * If you know that people are still showing signs of being cautious into next year what can you do to capitalise on this? * If you know it's hard to recruit good staff right now, how can you protect your business? |  |
| 1. Review your costs | * Is your spending effective? * Are all your suppliers (including contractors performing and providing excellent service to you all the time?) * Are there other new suppliers you could be connecting with that could add more value to your business? * Have you negotiated favourable payment terms? |  |
| 1. Review your processes | * What’s working and what’s not working in your business. How can you maximise efficiencies and reduce waste and cost? |  |
| 1. Review your product | * Does it still deliver and delight your target customers? * Can it be improved? * What opportunities are there to sell add ons? |  |

And if you’d like any help as you work through these steps contact us at Business Lincolnshire <https://www.businesslincolnshire.com/contact/>.