

26 SECRET WAYS TO INCREASE YOUR PROFIT MARGIN

Unlock higher profit margins with these 26 quick tips



INFLUENTIAL
MINDS

1.

Measure and track **every step** in your customer's journey so you can test and learn.

2.

Find out where your customers **drop out** at each stage of your process, work out why and how to reduce drop outs.

3.

Figure out your gross profit margin % on every service or product. *All good accountants can do this for you depending on your agreement.* Work out a plan for what your **gross profit margin %** should be and how to grab your profit margin % for your business. What tactics do you need to focus on?

4.

Know your actual costs and analyse your profit margins on ALL services and products. **Log all expenses** and determine how to keep the same quality or improve your quality while reducing costs.

5.

Increase your **average order value**.

6.

Increase the **average number of products** and services each customer buys.

7.

Don't compete with anyone on price. Focus on **adding free value** that adds to your profit margins.

8.

Work out the 20% of your products and services that deliver 80% of your profits and **plan your tactics** accordingly.

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9. Receive payment **upfront** before delivering service/product.
10. Increase your prices by **10% every year**.
11. **Charge interest** for a finance facility. Don't lend out cash for free. You are NOT a charity!
12. **Retain** your amazing clients and **fire** unprofitable clients.
13. **Negotiate** cash discounts and a minimum of 30 day payment terms with your suppliers.
14. Prevent theft and **use inventory systems** to manage this.
15. **Strategic innovation** – Just like Netflix, Instagram and Apple have done, what could you do?
16. Create an **incredible team**. *Zappos are an awesome role-model for this.*
17. Reduce all **operating expenses** by 10%.

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18. Fine tune your **production processes** and automate everything if possible. Identify and eliminate waste and bottlenecks.
19. Review and track **efficiency, productivity** and **time management** for everything.
20. Grab low hanging fruit and prioritise/deliver **higher end products** with higher profits.
21. Increase **efficiencies**. *For example, conduct an energy audit on your building.*
22. **Invest in technology** in order to speed the sales process. Deliver the production and billing and payment cycle.
23. Train your team to ensure **all sales have a profit** and they are efficient in their delivery.
24. Take full advantage of **100% free credit** and **government grants**.
25. **Don't discount**. No matter what.
26. Focus on **personal development** and master the art of generating profit.