

MAXIMIZING YOUR COMPANY'S POTENTIAL

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Whether you are the owner of a company that is highly profitable or struggling to break even there are certain business practices that you can apply to maximize your company's potential and profits.

1. Develop a budget – Gather information and input from relevant parties and develop a budget. Communicate the budget to the appropriate employees.
2. Monthly financial statements – Generate monthly financial statements in a timely fashion and compare these to your budget. This will provide you with timely information that you can utilize when making business decisions.
3. Accountability – Hold your employees accountable for the tasks you assign them. Don't get so caught up in your business and pass this by. Holding your employees accountable will ultimately increase your profits.
4. Marketing – Never stop marketing your company. Everyday there are opportunities to market your business. Ask your current clients for referrals or develop ways to increase sales to existing customers. Reactivate your inactive customers by going through your customer database and seeing who you have not done business with in a while. Contact these lost customers or leads.
5. Margins – Where possible, increase the price of your products and services especially in the case where your costs have been or are expected to increase. When analyzing expenses start with your highest cost first and go down from there. Take a second look at purchasing contracts that have been in place for an extended period of time.
6. Cash receipts – Collect receivables quicker and pay payables slower. Assign someone to follow up on past due receivables. Correspondingly, make sure you are taking full advantage of your supplier's payment terms. The combination of these two items will improve cash flow.
7. Teamwork – It takes teamwork to have a profitable company. Make sure your management group is on the same page as far as goals and the means to achieve them. Align employees with those goals. Having members on your team that are not headed in the same direction will only spread a negative tone to other employees and ultimately affect the bottom line.



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It all boils down to developing a plan, owning the plan and working the plan. There is no point in waiting. Take action now and maximize your company's potential!

If you have any questions about this or any other business or tax issue, please contact your Account Manager or [Dan Velcheck, CPA](mailto:dvelcheck@connerash.com), at (314) 205-2510 or via email at dvelcheck@connerash.com.