



\$ Profit Builders Inc.

BUSINESS CONSULTANT

Good solutions for your business!

Helping You Out-Think, Out-Perform and
Out-Earn the Competition-Risk Free & Guaranteed!

The Business Profit Formula



[1]: Three Ways to Grow Your Business Profit Formula

The genius behind these strategies and their success is that as they optimize and leverage your marketing assets more fully, your business grows in three ways all the time.

- Increase the prospects
- Increase the conversion rate of prospects to customers
- Increase in the value or worth of each customer.

Can your business experience more growth? Perhaps even exponential growth? Absolutely! The following exercise will tell you:

Define your present situation.

Present Gross Sales \$ _____

Desired Growth _____%

Desires Gross Sales \$ _____

Know your key ratios. It is important to determine as closely as possible your current average customer worth and closing or conversion rate. These ratio help you define your present situation and determine your growth potential.

Average customer worth or value over one year: \$ _____. Many times this information can be captured and tracked by computer. If you don't have the capacity, make a rough calculation as a starting point. (Take the number of times a customer buys from you during a year and multiply that by the about of the customer's average purchase.)

Closing or conversion rate: _____% (within your current marketing and sales effort, at which rate you convert prospects – those who come into or inquire by phone about your business – into customers or clients).

Number of customers last 12 months _____ (gross sales/ average customer worth)

Number of prospects last 12 months _____ number of customer closing rate)

Compute Your Projected Growth in Next 60-90 Days!

Activity	No of Prospects Annually	Closing Ratio	No of Buyers	Average Customer Worth	Gross Sales
Present situation	_____	_____	_____	_____	_____
Desired situation	_____	_____	_____	_____	_____
Increase Prospects	_____	_____	_____	_____	_____
Increase Closing Ratio	_____	_____	_____	_____	_____
Increase Customer Worth	_____	_____	_____	_____	_____
Do All Three	_____	_____	_____	_____	_____

Total net growth you will realize: \$ _____
 Net growth \$ _____/
 Present Gross Sales \$ _____ * 100 =
 Actual Exponential Growth Achieved _____%

What is the Amount of Growth Your Business Can Grow In Each Area? What is the Amount of Guaranteed Profit You Want?

Example of a \$1,000,000 with a 20% Change in the Next 60-90 Days!

Activity	No of Prospects Annually	Closing Ratio	No of Buyers	Average Customer Worth	Gross Sales
Present situation	1500	30%	450	\$2,222.22	\$999,999
Increase Prospects	1650	30%	495	\$2,222.22	\$999,999
Increase Closing Ratio	1500	36%	495	\$2,222.22	\$999,999
Increase Customer Worth	1500	30%	450	\$2,666.66	\$999,999
Do All Three	1650	36%	544	\$2,666.66	\$1,727,996

Total net growth you will realize: \$ 727,996 .00
 Present Gross Sales \$ 1,000,000 * 100 =
Actual Exponential Growth Achieved 73%

Results From Change & Conversion Numbers

If you can improve in each of the three areas, then you can see dramatic growth overall. Here is the exponential growth you will achieve at various levels of improvement in each area.

Growth in Each Area	Exponential Growth Achieved
10%	33%
15%	53%
20%	73%
25%	95%
30%	120%

**What is the Amount of Growth Your Business Can Grow In Each Area?
What is the Amount of Guaranteed Profit Growth You Want? When?**

[2]: Cost Reduction Business Formula

1. Cost reduction systems assure profit.
2. Controlling operating expenses and reducing costs yields profits.
3. Revise your operations make profits happen.
4. Cost Reduction is established by application of the 14 Business Ratios.

Cost Reduction Profit Formula Questions:

- A. What is your profit rate?
- B. How many new sales do you need to gain \$1,000 in profit?
- C. How much cost reduction do you need to gain \$1,000 in profit?

A	B	C
Net Profit	Required Sales	Required of
%	Increase	Cost Reduction
15	\$6,667	\$1,000
12	\$8,333	\$1,000
10	\$10,000	\$1,000
8	\$12,500	\$1,000
6	\$16,667	\$1,000
5	\$20,000	\$1,000
4	\$25,000	\$1,000
3	\$33,333	\$1,000
2	\$50,000	\$1,000
1	\$100,000	\$1,000



Cost Reduction Profit Formula Questions for Your Business:

1. What is your profit rate?
2. How many new sales do you need to gain \$1,000 in profit?
3. How much cost reduction do you need to gain \$1,000 in profit?
4. Have you applied the 14 Critical Business Ratios to your business?

Remember: We Only Accept You as a Client if We Are Sure We Can Help You!

1. 48% of companies we analyze go on to our management services
2. For those companies that use our management services come into our practice
3. If you ever have a problem with one of our installations, we're just an email away
4. If you require a site visit to fix a problem with one of our installations, we will provide you with a staff member free of our regular hourly billing – all you have to do is pay for normal travel, lodging and per diem expenses. There are no additional fees for client services.

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