

Shorten Cycle Times	Eliminate Mistakes	Improve Business Model & P/L
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A Ways to improve your Sales Cycle			
1			
2			
3			
4			
5			

B Ways to improve your Make/Production & Inventory Cycle			
1			
2			
3			
4			
5			

C Ways to improve your Delivery Cycle			
1			
2			
3			
4			
5			

D Ways to improve your Billing & Payment Cycle			
1			
2			
3			
4			
5			

Profitability Analysis: Increasing Cash Flow



Instructions:

- Rank in order of priority (1 = high, 5 = low) the areas to improve profitability more rapidly

_____ Customers

_____ Product (lines)

_____ Locations

_____ Channels (sales reps)

_____ Other, please specify: _____

- List the top 5 profitability contributors for the above #1 highest ranked area above (e.g. top 5 customers)

1. _____

2. _____

3. _____

4. _____

5. _____

- Graph the top 5 profit/loss contributors in the highest ranked area (from the left)



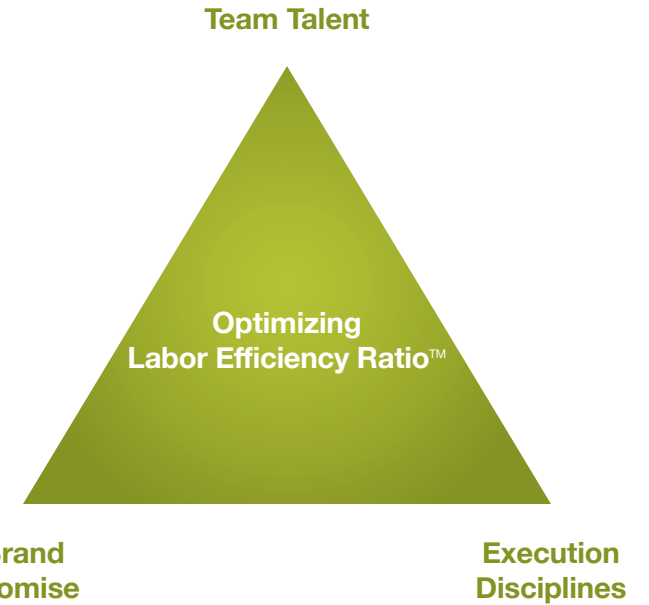
- NEXT STEP:** Identify action to take and an accountable leader

ACTION	
LEADER	DATE

Labor Efficiency Ratio™: Fine-Tuning Labor Productivity

Income Statement	YEAR
Revenue	
COGS	
Gross Profit	_____
Direct Labor	_____
Operating Exp.	

Income Statement	YEAR
Revenue	
COGS	
Gross Profit	_____
Direct Labor	_____
Operating Exp.	



Labor Efficiency Ratio™ (LER) = $\frac{\text{Gross Profit}}{\text{Direct Labor}}$

LER [YEAR] = $\frac{\text{[]}}{\text{[]}}$ = []

LER [YEAR] = $\frac{\text{[]}}{\text{[]}}$ = []

Rank order of impact (1,2,3) to improve Labor Efficiency Ratio™

- _____ **Increase % of "A" Performers**
(Team Talent)
- _____ **Strengthen Execution Disciplines**
(Priorities, Metrics, Communications)
- _____ **Optimize Product Performance**
(Refine Brand Promise/KPIs)

Your Power of One

Net Cash Flow \$

EBIT \$

Your Current Position

Your Power of One

Change you would like to make

Annual Impact on Cash Flow \$

Impact on EBIT \$

Price Increase %

 %

Volume Increase %

 %

COGS Reduction %

 %

Overheads Reduction %

 %

Reduction in Debtors Days

 days

Reduction in Stock Days

 days

Increase in Creditors Days

 days

Your Power of One Impact

Your Power of One

Net Cash Flow \$

EBIT \$

Your **Adjusted** Position

1-10 Score
1 = Low 10 = High

1. Executive Management Team

- Track record of success
- Relevant experience
- Continual learners

2. Business Model

- Recurring revenue
- Identified competitive advantage
- Growing market and customer base

3. Core Values and Operating Plan

- Purpose/Vision/Values
- One-Page Strategic Plan
- Rockefeller Habits checklist proficiency

4. Domain (Industry & Niche) Experience

- Competitive landscape
- Industry leadership

5. Exit Strategy and Plan

- Potential acquirers identified
- Valuations and multiples researched

6. Keep Your “House” in Order

- Capitalization structure clear and documented
- Record keeping and agreements
- Clean and validated financial statements

7. Consistent Execution of Growth Plan

- Predictable quarter over quarter results
- Quarter over quarter revenue **and** profit growth

8. Protect Business Assets

- Patents, trademarks, copyrights
- Recognized thought leadership
- Unique product or service

Top 3-5 Fundability Attributes to Optimize:

1.	LEADER
	QUARTER
2.	LEADER
	QUARTER
3.	LEADER
	QUARTER
4.	LEADER
	QUARTER
5.	LEADER
	QUARTER

Company Value: The Hierarchy of Recurring Revenue



Instructions:

- Individually, assess your company's strength in the 6 areas of recurring revenue value and mark with an "X"
- Working as a leadership team, discuss your individual assessments and agree upon your team's group rating of all 6 areas

	None	Weak	Solid	Exceptional
Long-term Contracts				
Auto Renewal Subscriptions				
Capital Investment Subscriptions				
Subscriptions				
Capital Investment Consumables				
Consumables				

Collaborate as a team:

- Choose and rank in priority order (up to) your top 3 recurring revenue priorities in the next year

	Create	OR	Improve
1.			
2.			
3.			

