



PRACTICAL HOW-TO INFORMATION TO HELP YOU IMPROVE YOUR BUSINESS RIGHT NOW!

An award winning publication, **The Business Owner** provides straight-to-the-point how-to information for business owners that you can put to use immediately to improve the financial picture of your business.

SOME OF THE TOPICS COVERED...

- **RISK MANAGEMENT:** A BUSINESS OWNER IMPERATIVE
- **BUSINESS INTERRUPTION INSURANCE COVERAGE** ESSENTIAL FOR MANY
- **HIDDEN RISK IN INDEMNITIES:** READ BEFORE YOU SIGN!
- **PEER BENCHMARKING:** #1 TOOL FOR IMPROVING YOUR BUSINESS
- EMPLOYEE **NON-COMPETE, NON-SOLICITATION** AND **ANTI-PIRACY** AGREEMENTS
- A FOOL AND HIS MONEY ARE SOON PARTED (**INVESTING VS. GAMBLING**)
- **HARVEST CASH** BY REDUCING INVENTORY
- OPTIMIZE YOUR ORGANIZATIONAL STRUCTURE TO **ELIMINATE WASTE, INCREASE PROFIT**
- **COST REDUCTION:** SETTING PRIORITIES, WHERE TO LOOK FIRST
- **BEWARE OF SCAMS** USING IRS NAME AND LOGO
- **HAVE TO LET AN EMPLOYEE GO?** READ THIS FIRST!
- **THE LOGICAL BUYER** FOR YOUR SMALL BUSINESS

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THE **Business Owner**
Expertise
for the
business
owner
since 1977

FOR MEMBERS OF THE



Assess Organization-Wide Productivity to Maximize Profit

The basics of business are not very complex. Institutions, organizations and individuals have a virtually insatiable need for "stuff." The concept of business is simply to "make the stuff" and sell it to them for more than the costs you incur. Similarly, the basics of business management are pretty simple. Find ways to continually sell more at a profitable price and cost structure.

Overwhelmed? I don't think so. There's value in keeping a focus on the big picture. Organization-wide productivity analysis is a "big picture" analysis of the overall productivity and profitability of a business. It's easily performed using information that's readily available. Just gather the following:

Annual Revenue
Annual Gross Profit
Annual Operating Profit
Number of Employees
Total Annual Payroll Expense
Total Annual Non-Payroll Operating Expense

Once you have these data, just make seven calculations:

Revenue per Employee
Revenue per Payroll Dollar Spent
Revenue per Non-Payroll Operating Expense Dollar Spent
Gross Profit per Employee
Gross Profit per Payroll Dollar Spent
Gross Profit per Non-Payroll Operating Expense Dollar Spent
Operating Profit per Employee

Here's an example. Stunner Bumpers, LLC manufactures noise machines. They're like Harley-Davidson motorcycles without the wheels. Just put your Stunner in the back of your pickup or park continued on page 3

ALSO IN THIS ISSUE

- Opportunity in the Economic Downturn
- States Raising Tax Rates
- Good Works Can Be Good Business
- Enhancements Coming to The Business Owner Journal!
- Security Doesn't Mean Making of Communication
- The Key to Reducing Business Growth
- Business Basics: Gross Profit and Gross Profit Margin and Success
- Companies Whack 401(k) Benefit Programs
- Business Owner Imperative: Ensure Continuity
- Do You Have the Eyes of a Leader?

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