



Improving Your Business Performance

There are at least 7 critical things that every business owner should know about their business.

- What are your most profitable products/services?
- Who are your most profitable customers?
- What are your expense drivers?
- How do you keep control over your cash flow?
- What critical success factors apply to your business – both strategic and operational?
- How do you identify, measure and monitor Key Performance Indicators that directly relate to those critical success factors?
- How do you use a management control plan as a management tool?

As well as giving you ideas about how to work ON your business, this is another list of “Good Practice” management matters that ought to provide assurance to your bank manager that your business is being prudently managed.

Economic Outlook

Whilst we would agree that business life has become less difficult for the majority of our customers (the mid winter period was noticeably poor) we remain cautious about the future outlook. A good number of our customers are currently trading very well and are producing acceptable levels of profit. We are urging those customers, where applicable, to pay off as much bank debt as they can afford because we believe that the outlook for both inflation and interest rates is not encouraging. The monetary policies adopted by the current Government are indicating that the UK's credit rating will deteriorate rapidly from 2010 onwards which means that it will have to pay ever increasing levels of interest on its gilts to fund the burgeoning budget deficit. This will inevitably cause both interest rates and inflation to soar. Whilst the “Banks” are saying that they are open for business, it is jolly hard to get them to lend even on really good commercial propositions. The gap between base rate and 3 month LIBOR is remaining stubbornly high – which indicates a reluctance by the banks to lend to each other and hence does not produce a “pump primer” to the economy in general.

Wicked Wisdom

Faults – What people discover they have after they get married.

Advice – Like Castor Oil, easy enough to give but dreadfully uneasy to take.

Have a great summer break.

Peter

10th July, 2009

BUSINESS IS GREAT AND WE ARE READY FOR MORE. WE WOULD REALLY APPRECIATE REFERRALS TO YOUR BUSINESS ASSOCIATES.