

THE ANATOMY OF PROFIT – AN INTERACTIVE WORKSHOP

AN UNDERSTANDING OF BODYSHOP ACCOUNTS

Welcome to the Time Machine	<p>In this session we ask “What does your bodyshop do”? We explain how time is a fluid commodity where the skill with which it is bought and sold determines the level of success for the business. There are interactive exercises that provide evidence of how the productive efficiency of the workshops needs to be monitored and managed. And how management have responsibility to the correct utilisation of that ‘Time’ if the business is to gain its greatest advantage from it.</p>
Financial Engineering For Profit	<p>This session focuses on the ‘Component Parts Of Turnover’. It is then explained to the candidates why management accounts are a vital part of the process. How it is the owners or managers, responsibility to interpret these figures. And how understanding these component figures are essential, as they will contain the “Generators of Profit”, or the “Destroyers of the Bottom Line”!</p>
The Estimators Role	<p>This session provides the background of the company’s first definitive factor in its fortunes. In brief we explain how the level of <u>opportunity</u> for profit is determined by one department’s abilities and procedures. We provide evidence that one man can be responsible for £1.6 million of sales and how a 5% error can wipe out any chance profit.</p>
Controlling the Cost of Sales	<p>In Identifying the Cost of Sales, it is vital to understand what actually has an influence on those Costs. This session provides evidence on the “Silent Killer of Profit” through underestimating the effect on the cost of sales that poor management of <i>Overtime, Bonus Systems, Time Keeping, Quality Control, Materials Wastage, Subcontracting, Discounts and the Management of Parts</i> has on the bottom line. We show how the management of all of these areas is vital in retaining profit in the company.</p>
The Importance of Gross Profit	<p>Gross Profit is the first real money a bodyshop sees. So this session explains its importance and the importance of understanding it. How its achieved and how it has to be maximised and its direct effect on Cash Flow. Also in this session we explain the “Net Worth” of a customer and how to access this information, how important that information is and how to use that information in deciding the value in terms of £’s in relation to contracts held. It asks ‘Is it possible to double profit with the same turnover’? This session provides some gritty answers!</p>
Breakeven and the Profit Gap	<p>Explaining that the “business of business is profit” this session provides the tooling for the bodyshop to calculate its breakeven point. This session also emphasises once more the importance of Gross Profit and the higher the Gross Profit percentage is, the wider the profit gap and the quicker the bodyshop can enter it!</p>
Designing and Implementing a Plan for Profit	<p><u>Setting the course</u></p> <p>No athlete, hoping to win a gold medal, would simply turn up and trust to luck that they had done enough training to be successful? The true winner starts at the other end, mapping out exactly the level of performance needed to secure Gold. Having got the true destination, they then map out the training regime that will take them to that level of performance. Setting the budget calls for exactly the same philosophy. Start at the end, and imagine the gold medal is already won.</p>
Staying on course with the Daily Operating Control	<p>Planning is essential, and the bodyshop must accurately determine what it is going to achieve in any given year. Having done that, it must measure the progress, daily, to ensure the objective is reached. Yet this can only be half of the story, because turnover is not profit, and the real secret is to understand how the figures can be regulated, to produce the desired level of bottom line net profit.</p>
The Closing Sessions	<p>Practical Exercises Questions & Answer</p>

Improve Your Skills Increase Your Profit