



ems e-news

Profitability Drivers

If your organisation has experienced a downturn in profitability recently then it is time to commence the hunt for the hidden profits by understanding the profitability drivers. The approach should include a critical review of:

- > Sales
- > Internal costs
- > Supply chain

Hidden Profits

After a decade of growth the tougher economic times brought on by the US Sub Prime Crisis requires a different approach.

Over the past year many industries have seen the beginnings of an economic slowdown and the financial analysts are predicting difficult times ahead. For many companies the past decade has been one of unprecedented growth. In this environment the ability to take measures that maximises profitability for many companies has become a secondary activity to sales growth. However, as the economy turns and top line growth slows these companies now face the prospect of slower or negative earnings.



Finding the Hidden Profits

We believe the forecast economic downturn over the next few years will require a more focussed approach to identifying the key drivers to profitability within organisations. Quite likely there will be quick impact profits that have been overlooked for various reasons.

Our approach is to work with the company Board and senior management to understand these key drivers and to work over a period of time to identify initiatives that will deliver profit improvement. Based on our experience with clients over 30 years the initiatives come from three different areas including:

- revenue increases,
- internal cost reduction and
- Supply chain reductions.

We will commence the program by benchmarking performance against your competitors, identifying the best practise processes and prioritising initiatives that have the greatest impact on profitability.

If you would like to know more about our Hidden Profits program we would be pleased to assist.

Article written by:

John Scutt – Managing Director
The Lindfield Partners Pty Ltd

The Lindfield Partners Pty Ltd
Suite 6, 12 Tryon Road
Lindfield NSW 2070 Australia
Phone: 61 2 8407 9372
Fax: 61 2 8407 9472
Email: john@lindfieldpartners.com.au
www.lindfieldpartners.com.au