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New Year's Resolutions:

- Give up smoking
- Go on a diet
- Make my business more profitable!

On the face of it, going on a diet and even giving up smoking may seem to be easier resolutions to stick to than improving the profitability of your business, and while counting calories or putting on a patch may help your chances of success, there are, equally, some useful tools and practices that can help to make your bottom line healthier in 2008.

For example, we are always being bombarded with information about which energy supplier is cheapest, or how much money we can earn on our current account – these things apply equally to business: when was the last time you shopped around for electricity, or considered changing your bank (some banks offer good incentives such as free banking – you may even be able to re-negotiate with your current bank if you go armed with an offer from a rival).

Another important thing to consider is how much money your business has tied up in stock. Obviously, for a lot of businesses, sales are generated from products in stock, but if you sell 1-2 widgets a week, do you really need to have more than a month's supply at any one time? (Clearly, there are case-size and ordering restrictions, but the point here is to try and stream line, wherever possible, stock levels). If you don't currently have one, some kind of stock control system, however basic, should improve your profitability by having less cash tied up in goods within your business.

And how often do you look at the deals you are getting from your suppliers? It is all very well taking advantage of special offers, but, as with everything else, sometimes it pays to shop around. However good a relationship you think you may have with a supplier, remember, they are in business too – try testing the relationship, especially if you can find similar goods cheaper from another source.

Finally, for now, consider how much you are paying to have your waste removed. This is a cost that will only continue to increase. As well as shopping around, consider how your business could produce less waste, or recycle more – could you be taking all that cardboard to a recycling centre, or would it even be worthwhile investing in a cardboard compactor? How practical is it to compost food waste? Even printing documents on both sides of A4 (if they need to be printed at all!), will ultimately reduce the amount of waste being produced, meaning less bin collections, and, ultimately, more profit.

You will notice that all of these suggestions for increasing profit have one thing in common – they involve looking at the costs to your business rather than the sales you are generating. There are opportunities to save costs in every area of your business, the important thing is to find out where those opportunities lie, and, most importantly, to manage on a regular basis the costs that your business incurs.

As always, please feel free to give me a call or send me an e-mail if you would like to discuss any aspect of running your business in further detail, on 01209 722099 or 07792 908856, [mp@cprregeneration.co.uk](mailto:mp@cprregeneration.co.uk)

Happy New Year to you all, and here's to a profitable 2008!

