LOCAL BUSINESS GROWTH

7 Practical Ways
to Improve Profit and Regain Control

A practical guide for local business owners who are working harder, carrying more pressure and wondering why the rewards no longer feel the same.

Free guidance. Practical action. Local impact.

Part of the GMS FC Get & Give £100m initiative

Helping local businesses grow - and using that growth to help create positive impact around the world.

RUNNING A BUSINESS SHOULD FEEL REWARDING - NOT RELENTLESS

We know how hard it is, because we are business owners too.

The pressure is real: wages, energy, finance costs, customer expectations, tax bills, difficult decisions and the quiet knowledge that everyone is looking to you for the answer.

Many good businesses are busier than ever, yet their owners are taking home no more than they did a few years ago. Turnover may have risen, but so have costs, complexity and stress. It now takes more effort, more discipline and smarter decisions simply to protect the same profit.

The answer is rarely one dramatic change.

More often, it is a series of practical improvements: a better price here, a faster invoice there, less wasted time, fewer unprofitable jobs and clearer priorities. Small changes, applied consistently, can create a very significant result.

HOW TO USE THIS GUIDE

- Read all seven sections once, without trying to fix everything immediately.
- Mark the ideas that feel most relevant to your business right now.
- Choose no more than three actions for the next 90 days.
- Put an owner, deadline and measure beside each action.
- Review progress monthly. What gets reviewed is far more likely to get done.

A useful question to keep asking

> ***"Is this activity helping us make more profit, generate cash, serve the right customers or reduce pressure on the owner?"***

THE SEVEN PRACTICAL WAYS

Where stronger profit and greater control usually begin

1. **Know the numbers that actually drive your profit**
   Replace guesswork with a short, useful view of margin, cash and owner reward.

2. **Review your prices and protect your margin**
   Make sure today's prices reflect today's costs, value and expertise.

3. **Do more of the work that is genuinely profitable**
   Recognise the customers, services and jobs that create value - and those that destroy it.

4. **Win more value from the customers you already have**
   Improve retention, repeat purchases, referrals and the value of trusted relationships.

5. **Stop the small leaks that quietly drain profit**
   Challenge waste, rework, subscriptions and inefficient habits without damaging service.

6. **Turn profit into cash more quickly**
   Improve invoicing, collection, stock and payment timing so the bank balance catches up with the accounts.

7. **Remove the owner bottleneck and regain control**
   Build systems, responsibility and confidence so everything no longer depends on you.

01

Know the numbers that actually drive your profit

Turnover may flatter you. Profit, cash and owner reward tell the truth.

Why it matters

A business can be busy, growing and still becoming less rewarding. Without a small set of timely numbers, decisions are driven by the bank balance, instinct or the loudest problem of the day.

PRACTICAL ACTIONS

- Choose five to eight measures that explain the health of the business. Typical examples include sales, gross margin percentage, labour cost, overhead recovery, debtor days, cash and owner drawings.
- Review actual results against a simple monthly target. Do not wait until the year-end accounts tell you what happened months ago.
- Measure profitability by customer, service, product or job wherever possible. Total profit can hide serious underperformance.
- Separate profit from cash. A profitable month can still create a cash crisis if invoices are late, stock is high or tax has not been reserved.
- Create a one-page monthly scorecard and discuss it at the same time every month.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
A 2% improvement in gross margin on £750,000 sales	£15,000
Reducing debtor days by 10 days on £600,000 annual credit sales	about £16,400 cash released

These are simplified illustrations, not forecasts. The actual effect will depend on your costs, capacity, customer response and circumstances.

QUESTIONS WORTH ASKING

- Which three numbers would warn you earliest that the business was drifting?
- Do you know which customers or services create the strongest contribution?
- What does the business need to earn each month before the owner is properly rewarded?

02

Review your prices and protect your margin

A busy business can still go backwards when prices fail to keep pace with costs.

Why it matters

Absorbing every cost increase gradually erodes the owner's return and the business's ability to invest. Fair pricing is not greed; it is what keeps good businesses capable, reliable and alive.

PRACTICAL ACTIONS

- List every significant price or fee and record when it was last reviewed.
- Calculate the true cost of delivery, including labour, travel, management time, finance, warranty work and rework.
- Segment customers. A sensible increase does not always need to be identical for every customer or every service.
- Improve the way value is explained before discussing price. Customers compare price most aggressively when the difference in value is unclear.
- Introduce a regular review date so pricing becomes a process rather than a difficult one-off event.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
A 3% price improvement on £500,000 sales, with volume unchanged	£15,000
Recovering one previously uncharged hour per week at £75	£3,900

These are simplified illustrations, not forecasts. The actual effect will depend on your costs, capacity, customer response and circumstances.

QUESTIONS WORTH ASKING

- What has increased in your costs, expertise or service since prices were last reviewed?
- Where are you giving away extras that customers would reasonably expect to pay for?
- Which customers value you enough to accept a fair, well-explained increase?

03

Do more of the work that is genuinely profitable

Not every sale is a good sale - and not every customer deserves equal attention.

Why it matters

Low-quality revenue consumes capacity that could be used for better work. Growth becomes easier when the business deliberately chooses the work, customers and channels that create the strongest return.

PRACTICAL ACTIONS

- Rank customers, services or job types by contribution, payment behaviour, repeat potential and management effort.
- Identify the work that creates complaints, rework, delays, scope creep or excessive owner involvement.
- Reprice poor-fit work where it can be made worthwhile. Politely stop work that cannot.
- Shape marketing and sales activity around the work you genuinely want more of.
- Create a simple acceptance checklist before taking on unusual, low-margin or high-risk work.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
Replacing £50,000 of 10% margin work with 30% margin work	£10,000
Removing five hours of weekly rework at £30 internal cost	£7,800

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QUESTIONS WORTH ASKING

- What work leaves the team energised and the customer delighted?
- What work looks busy but adds very little to profit?
- Which customers repeatedly demand exceptions, discounts or unpaid time?

04

Win more value from the customers you already have

The easiest next sale is often to someone who already knows and trusts you.

Why it matters

Existing customers already understand your quality and are cheaper to serve than strangers. Better retention and a thoughtful next offer can produce growth without constantly increasing marketing spend.

PRACTICAL ACTIONS

- List the additional problems you can solve for existing customers. Make the next useful step obvious.
- Build a simple follow-up rhythm after a sale or completed job rather than waiting to be remembered.
- Ask satisfied customers for introductions at the point their confidence is highest.
- Track customer retention and the reasons customers leave. A small improvement in retention compounds over time.
- Make it easy to buy again: reminders, service plans, repeat ordering, annual reviews or relevant bundles.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
One additional £1,000 sale to 20 existing customers at 35% margin	£7,000
Retaining four customers worth £3,000 contribution each	£12,000

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QUESTIONS WORTH ASKING

- What else do your best customers already buy elsewhere?
- When do you naturally have the strongest opportunity to ask for an introduction?
- Which customers have not heard from you recently but would welcome a useful conversation?

05

Stop the small leaks that quietly drain profit

Costs rarely explode overnight. They creep in, renew automatically and become normal.

Why it matters

Individually, small leaks feel harmless. Together they can remove the entire owner's profit. The goal is not indiscriminate cutting; it is to stop spending time and money that creates no meaningful value.

PRACTICAL ACTIONS

- Export twelve months of spending and review it line by line, including card payments and direct debits.
- Challenge subscriptions, duplicated software, unused licences and contracts that have rolled forward unnoticed.
- Measure the cost of waste that does not appear neatly in the ledger: rework, waiting, avoidable travel, errors, poor scheduling and excessive meetings.
- Negotiate important supplier terms while protecting quality and reliability. Cheap failure can be far more expensive than a fair price.
- Set a clear approval rule for new recurring expenditure.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
Removing £600 per month of unused or duplicated costs	£7,200
Saving 30 minutes per day for six team members at £20 per hour	£15,600 capacity value

These are simplified illustrations, not forecasts. The actual effect will depend on your costs, capacity, customer response and circumstances.

QUESTIONS WORTH ASKING

- What are you paying for because nobody has challenged it recently?
- Where does the team repeatedly lose time because the process is unclear?
- Which errors or delays create the most expensive rework?

06

Turn profit into cash more quickly

A profitable business can still feel frightening when the cash arrives too late.

Why it matters

Cash pressure takes away choices. Improving working capital can strengthen the bank balance faster than chasing new sales, and often without changing the underlying business model.

PRACTICAL ACTIONS

- Invoice as soon as value has been delivered - ideally on the same day.
- Use clear payment terms, deposits, staged billing or direct debit where appropriate.
- Review debtors every week and make follow-up a normal business process, not an awkward personal confrontation.
- Identify slow-moving stock, work in progress and purchases made too far in advance.
- Maintain a rolling 13-week cash forecast and reserve tax as money is earned.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
Reducing debtor days by 15 days on £900,000 annual credit sales	about £37,000 cash released
Reducing average stock by £12,000	£12,000 cash released

These are simplified illustrations, not forecasts. The actual effect will depend on your costs, capacity, customer response and circumstances.

QUESTIONS WORTH ASKING

- How many days pass between completing work and sending the invoice?
- Which customers regularly exceed terms, and what action happens automatically?
- What cash commitments are coming in the next 13 weeks?

07

Remove the owner bottleneck and regain control

The business cannot give you freedom if every decision, customer and problem still depends on you.

Why it matters

When the owner is the permanent safety net, success creates more work rather than more freedom. Control improves when knowledge, decision-making and responsibility are designed into the business.

PRACTICAL ACTIONS

- List everything that currently needs the owner's approval. Decide what can be delegated with clear limits.
- Document the ten processes that create the most risk, delay or repeated questions.
- Give people outcomes and authority, not just tasks. Then agree how performance will be measured.
- Create a regular leadership rhythm so problems are raised early rather than arriving as emergencies.
- Protect time for thinking, customers and improvement. Owner time should not be consumed entirely by work others can learn to do.

A SIMPLE ILLUSTRATION

Illustrative impact	Annual value
Releasing five owner hours per week valued at £100 per hour	£26,000 capacity value
Preventing one £2,500 avoidable error each quarter	£10,000

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QUESTIONS WORTH ASKING

- What still depends on you because "it is quicker to do it myself"?
- Which decisions could the team make safely with a simple rule or spending limit?
- What would you work on if one day each week were protected from routine operations?

YOUR 90-DAY PROFIT AND CONTROL PLAN

Turn useful ideas into three clear commitments

Insight only creates value when it becomes action. Choose the three improvements that would make the greatest practical difference over the next 90 days. Keep them realistic, measurable and owned.

Priority action	Expected impact	Owner	Deadline	Measure

KEEP THE PLAN ALIVE

- Begin now rather than waiting for perfect information.
- Give every action one named owner and one deadline.
- Decide how success will be measured before work starts.
- Review progress every month and remove obstacles quickly.
- When one action is complete, choose the next highest-value improvement.

Your first step

Block 30 minutes in your diary this week. Complete the three priorities above while the ideas are fresh.

YOU DO NOT HAVE TO WORK THIS OUT ALONE

What could one focused hour reveal about your business?

A fresh pair of eyes can reveal opportunities that are difficult to see when you are inside the business every day.

As part of our Local Business Growth - Get & Give £100m initiative, GMS FC is offering local owner-managed trading businesses a free one-hour Business Growth Planning Session.

We will help you step back from the day-to-day pressure, examine where profit and cash may be leaking, explore realistic growth opportunities and identify your most valuable next actions.

WHAT WE WILL EXPLORE

- How to improve income, margin and cash flow.
- Which customers, services and activities create the best return.
- Where cost, time or working capital is being lost.
- How to reduce pressure on the owner and regain control.
- Your three most valuable priorities for the next 90 days.

No cost. No obligation. No pressure.

What have you got to lose - other than one hour of your time?

BOOK YOUR FREE BUSINESS GROWTH SESSION

localbusinessgrowth.co.uk | calendly.com/chris-gmsfc/local-business-growth

GMS

Growing local businesses. Giving back globally.

GMS FC is a member of B1G1: Business for Good. As our local impact grows, we use giving through B1G1 to help create positive, measurable impact around the world.

B1G1 profile: account.b1g1.com/business-profile/2880

Important note: This guide provides general business ideas only. The financial illustrations are simplified examples and are not guarantees. Tax, legal, funding and investment decisions should be based on advice specific to your circumstances.