

OnePage Performance Improvement Plan



Where are you now		Where you want to be		How you get there
Your key numbers	Which ranks you	Your targets	Your action plan	
Sales growth	14.3%	Sales - What would you like your sales growth and margin of safety to be? NB: Improving your sales growth to match the upper quartile - i.e. to 25.0% - will add £37,108 in extra profit.	Sales - As a first step calculate the impact of working on each of the key sales drivers, i.e. getting more sales leads, converting more sales leads, keeping customers for longer, selling more to each customer and selling more often.	
Margin of safety	30.0%	Profit - What would you like your profits to be? NB: Improving your gross margin to match the upper quartile - i.e. to 79.9% - will add £109,600 in extra profit.	Profit - As a first step focus on pricing - since pricing is often the biggest single factor driving the profitability of many businesses. Look at the sales mix by carrying out gross margin analysis by customer and/or product group. Review costs control. And investigate process inefficiencies (see below).	
Gross margin	35.0%			
Operating margin	10.5%			
Net profit margin	10.5%	People costs and productivity - What would you like your average employee costs, sales per employee, sales per £ of employee costs and profit per employee to be? NB: Improving your sales per £ of employee costs to match the upper quartile - i.e. to £2.46 - will add £21,309 in extra profit.	People costs and productivity - Systems are the key to productivity and efficiency. Review the systems and processes. Identify areas of waste and inefficiency. Map out more effective systems and document them. Involve the team in creating better systems. And then train the team in following the business systems and processes.	
Growth in net profit	50.0%			
Sales per £ of employee costs	£2.14			
Ave employee costs	£46750	Assets - What would you like your asset turnover, debtor days, stock days and debtors to total asset ratio to be? NB: Improving your asset turnover by 10% - i.e. to 4.44 - will add £24,000 in extra profit. Improving your stock days to match the upper quartile - i.e. to 5.1 days - will add £14,271 to the amount of cash you have in the bank. And improving your debtor days by 10% - i.e. to 1.7 days - will add £28,208 to the amount of cash you have in the bank.	Assets - As a first step, identify ways of getting paid on time, in full, every time. Then create the operational and financial systems you need to reduce debtors, work in progress and stock.	
Sales per employee	£100045			
Profit per employee	£10500			
Asset turnover	4.04	Return on investment - What would you like your return on investment to be? NB: Improving your return on investment to match the upper quartile - i.e. to 49.1% - will add £94,678 in extra profit.	Return on investment - Much of the above will have a big impact on your return on investment. What else can you do?	
Stock days	5.62			
Debtor days	1.92			
Debtors to total assets	2.12			
Current ratio	3.83			
Quick ratio	3.17			
Interest cover	0			
Return on Investment	42.4%			
Return on capital employed	45.2%			