



FLP Session 5 Working Group:

- TTM Review & Analysis
 - How and why to get Gross Margin and Profit Margin Consistent
- How to use Break-even formula to help your business
- Three ways to affect profitability in your company
- Putting it all together in monthly routines

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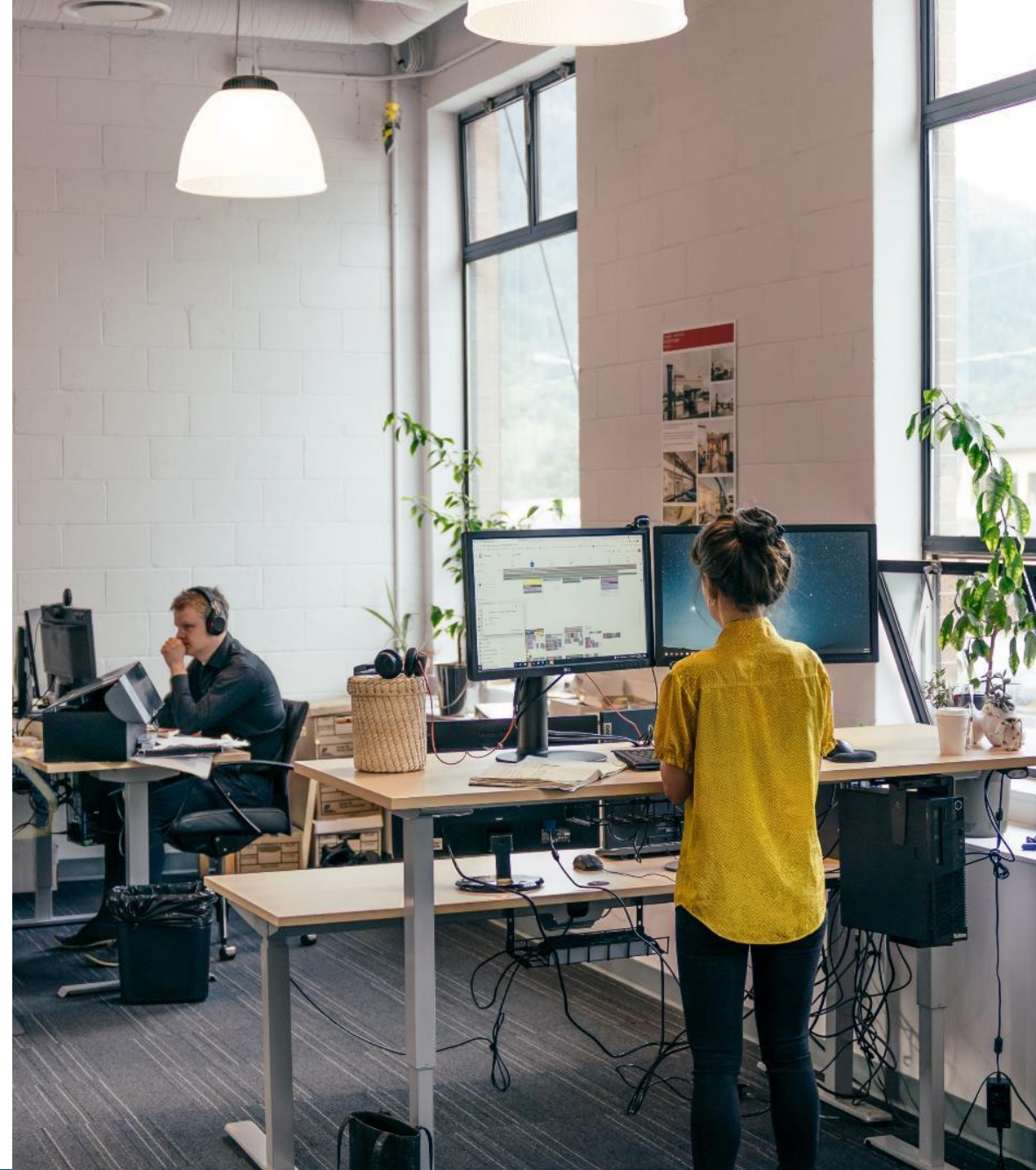
What we hope you learned

- WHY knowing your financials is important
- Inventory vs COGS
- Mark-up vs Margin
- Where you are most profitable
- Margin analysis to know what to market
- The importance of your Gross Margin!!
- Break even analysis and how it helps you run the business
- When you'll have enough money to buy x
- How many units to sell to pay yourself
 - Take \$50, 80K, 100K?



How this can help you manage in lean years

- Our current environment
 - Non –Growth
 - Higher Interest Rates
 - Supply Chain Issues
 - Inflation
 - Higher Cost of Debt
 - Tighter Cashflow
 - People Spending Less
- A good strategy is to manage your business well, hold your margins, manage debt
- We are likely headed for a few lean years
- Manage well, you will be poised to grow later
- Will likely gain market share in a few years





Homework

- Know your average monthly revenues
- Know your average GM
- Know average monthly expenses
- How can you take the lumpiness out of your expenses? (Important to note WHY?)

**For 1 on 1 Advisement or
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Thank you!

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