



# Profit Focus

Putting Profits on the Bottom Line SM  
Allen Ray Associates

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## Happy New, New Year

Happy New Year and to a new decade! Good riddance to 2008 and 2009!

For many, the real business questions center around what do I do next? Ask yourself the following questions:

- What if you could run faster the more you ran?
- What if you could learn more the more you learned?
- What if you could increase the rate of profit the more you grew?

Would you do it? Then read on...

The upside of this recession is that you have a chance to look at your business (both the back and front office) and reset your business priorities. Some areas are affected more, and some are affected to a lesser degree. Therefore, the new and emerging opportunities are unlimited but not equal. Every competitor and customer you have has to face a new "New" level of business.

In late 2009, many distributors participated in series of interviews and a survey entitled "The Repositioning of Distribution." Look for results in articles in the *Electrical Wholesaling and Industrial Supply* magazine.

Here are some of the key findings we learned from the survey:

- If you add variable cost on the upside, it is hard to cut on the backside.
- You need to flatten the Variable Cost line with productivity improvements.
- You must learn key productivity measures in each department and then how to drive them with the business system.
- You must focus on a core business where you can dominate and get the productivity equation right with that core segment. Then you should plan growth around that core strength with multiple growth initiatives.

Can you turn the same revenue into higher profits? Yes! That is what the good performing distributors are doing.

Are you interested in finding out more? Go to [Growth Wizards.com](http://GrowthWizards.com)

Best wishes for this year,  
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