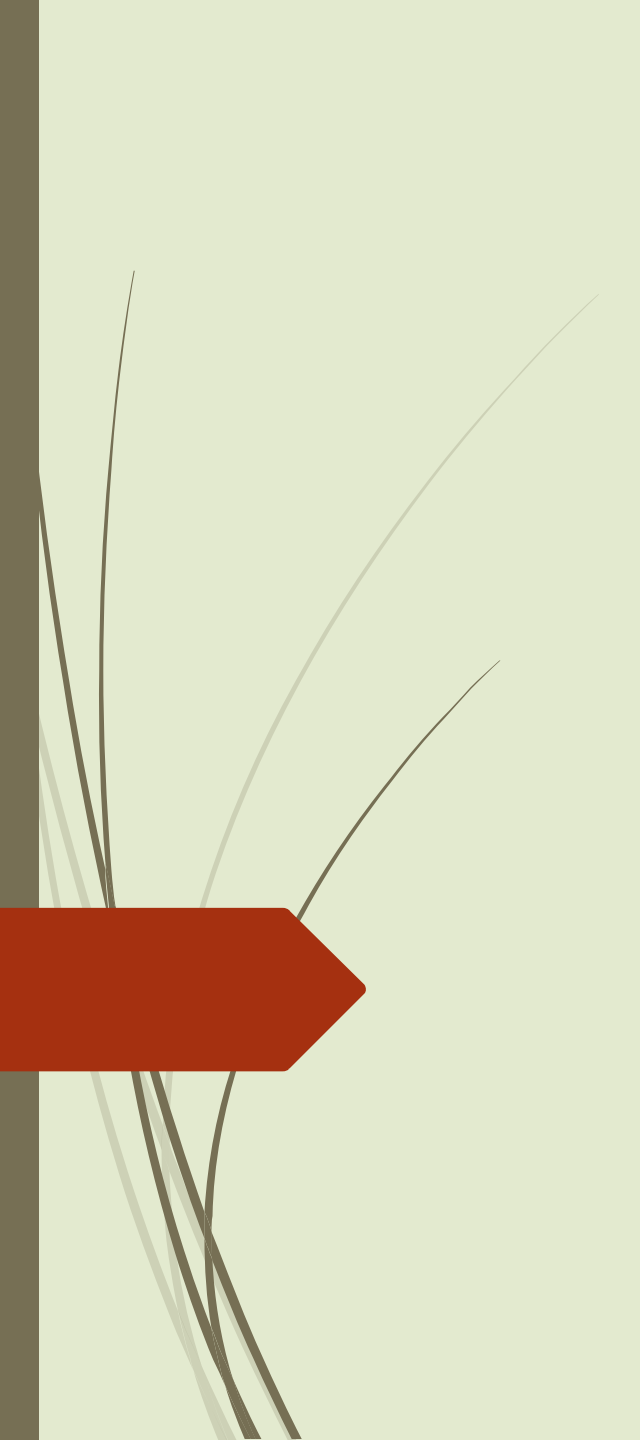




The Business of Entrepreneurship

Warehouse Training Academy



3 Universal currencies:

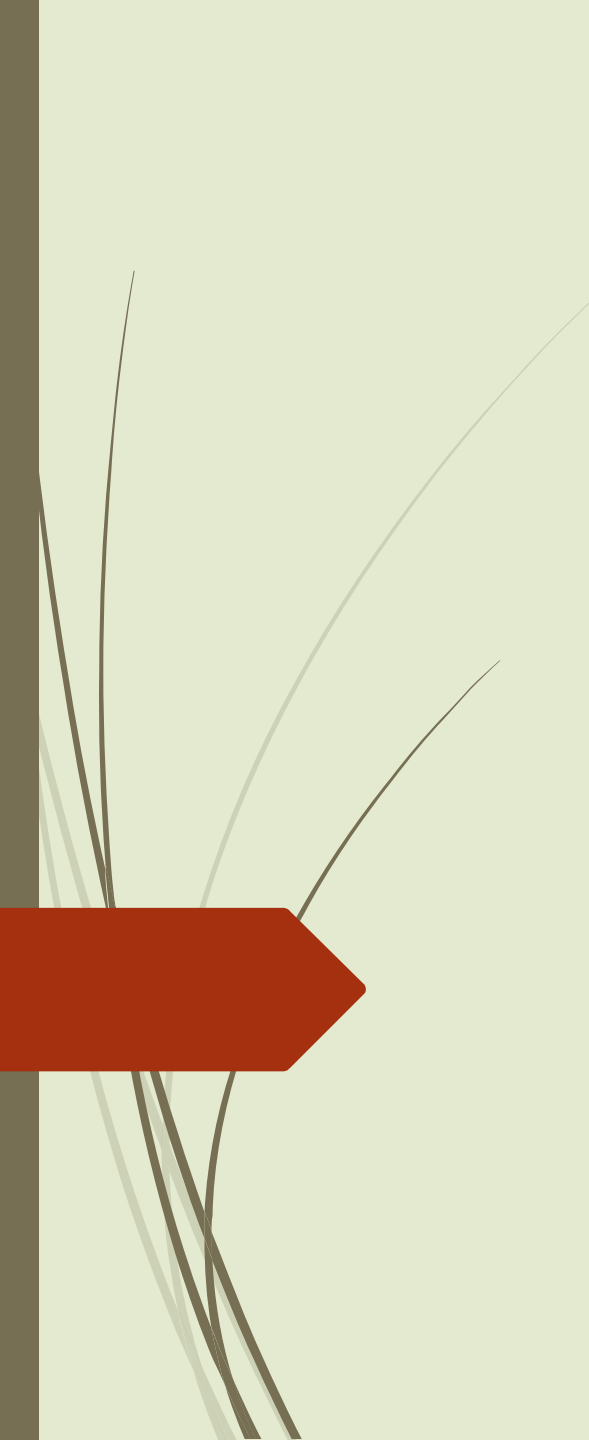
1. Resources
2. Time
3. Flexibility

The new definition of wealth is
Discretionary time.



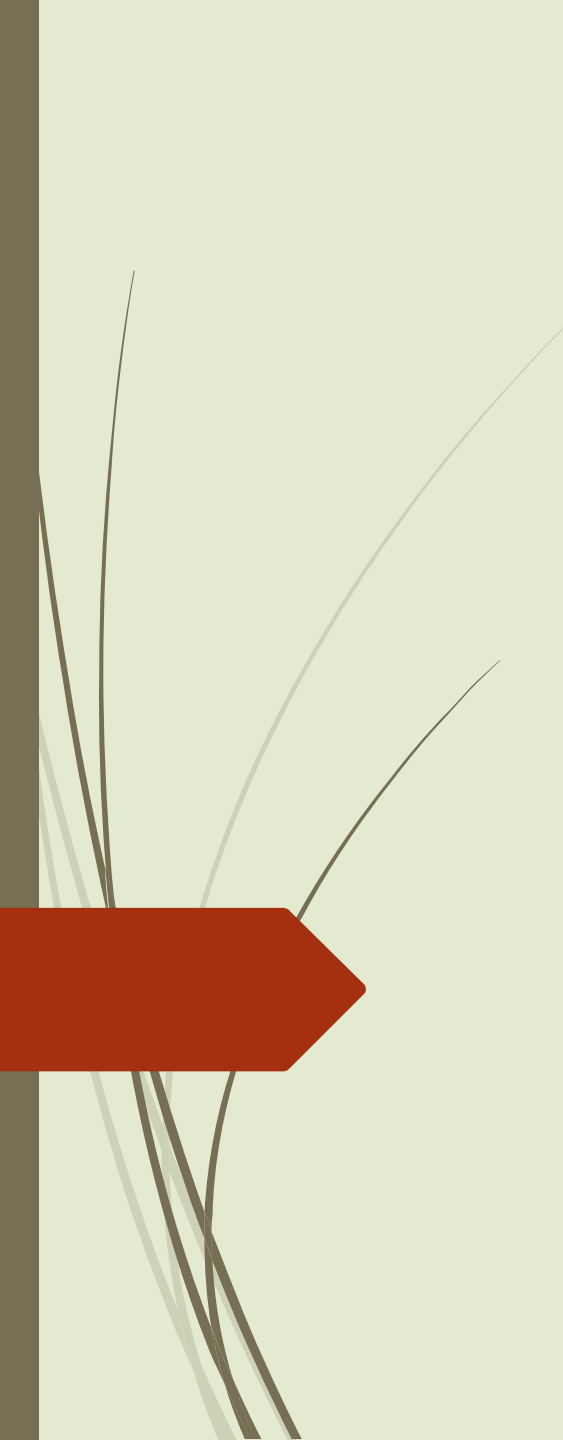
Standard forms of value:

1. Create a Product
1. Provide a Service
2. Resale a Product



Ways to evaluate a market

1. Urgency
2. Market size
3. Pricing potential
4. Cost of customer acquisition
5. Cost of value delivery



Ways to evaluate a market

6. Uniqueness of offer

7. Speed to market

8. Up front investment

9. Up sell potential

10. How much work will it take to keep selling

“Revenue is not profit”

Terms to remember:

Revenue – income generated by the sale of a product or service before costs or expenses are deducted.

Gross profit – total revenue minus the cost to produce the product without deductions (variable costs).

Net profit – gross profit minus any deductions.

“Revenue is not profit”


Terms to remember:

Profit margin – the higher the sale price and the lower the cost the higher your profit margin.

Mark up – the amount added to cover expenses and profit.

Four ways to increase revenue:

1. Increase the number of customers
2. Increase the average transaction size
3. Increase the frequency of transactions
4. Raise your prices




The marketplace has evolved and
the focus has changed from a
(sales focused) push ideology to a
(customer focused) pull ideology.



Old school sales (push):

1. Customer contact
2. Qualify the prospect
3. Present product or service
4. Close the sale




New school (pull) is called relationship selling

1. Start the conversation, build trust and begin a relationship
2. Identify customer *needs*
3. Present your product or service
4. Ask the customer to make a decision



What's important to the customer

1. Quality
 2. Price
 3. Reliability
 4. Convenience
 5. Availability
- 



What's important to the customer

Failure of any of these points can result in:

1. Delayed sale
2. Lost sale
3. Lost customer

The 5 parts to every business:

1. Creating a product or service people want.
2. Attracting attention and building demand.
3. Turning prospects into customers.
4. Getting the customers what they want.
5. Paying for it all.



Key positions:

1. Outside or field sales
2. Inside sales
3. Purchasing
4. Accounts Payable
5. Accounts Receivable

Inside Sales:

Inbound sales – customer calls us to purchase or to get information and assistance.

Outbound (proactive) sales – cold calling, soliciting customers, initiating the conversation and building relationships. (This should not be confused with telemarketing).

Basic sales skills:

1. Prospecting
2. Building relationship (trust)
3. Identifying needs
4. Presenting product or service
5. Answering objections
6. Closing the sale or asking for a decision
7. Getting resales or referrals

Purchasing/procurement:

Purchasing is reactive/transactional
Procurement is proactive/relational

1. Generating purchase orders.
2. Sourcing products and services.
3. Bidding.
4. Vendor management.

Accounts payable (shown as a liability on the balance sheet):

Processes vendor invoices and pays our bills.

Pays money owed according to –

1. Purchase orders issued by company
2. Receiving documents
3. Invoices
4. Contracts

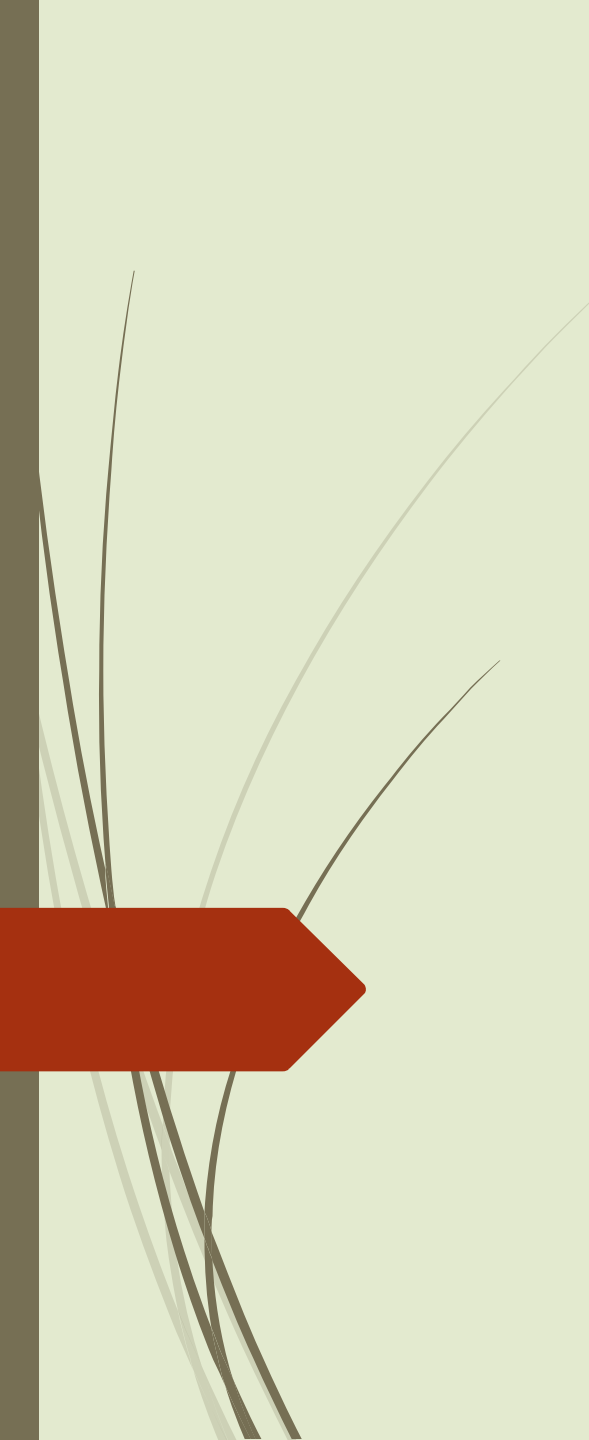


A/P responsibilities include:


Timely and accurate payment of invoices.

Accurate accounting to proper accounts.

Monitoring unprocessed or open expenses and obligations.



An account payable is another
companies account receivable.

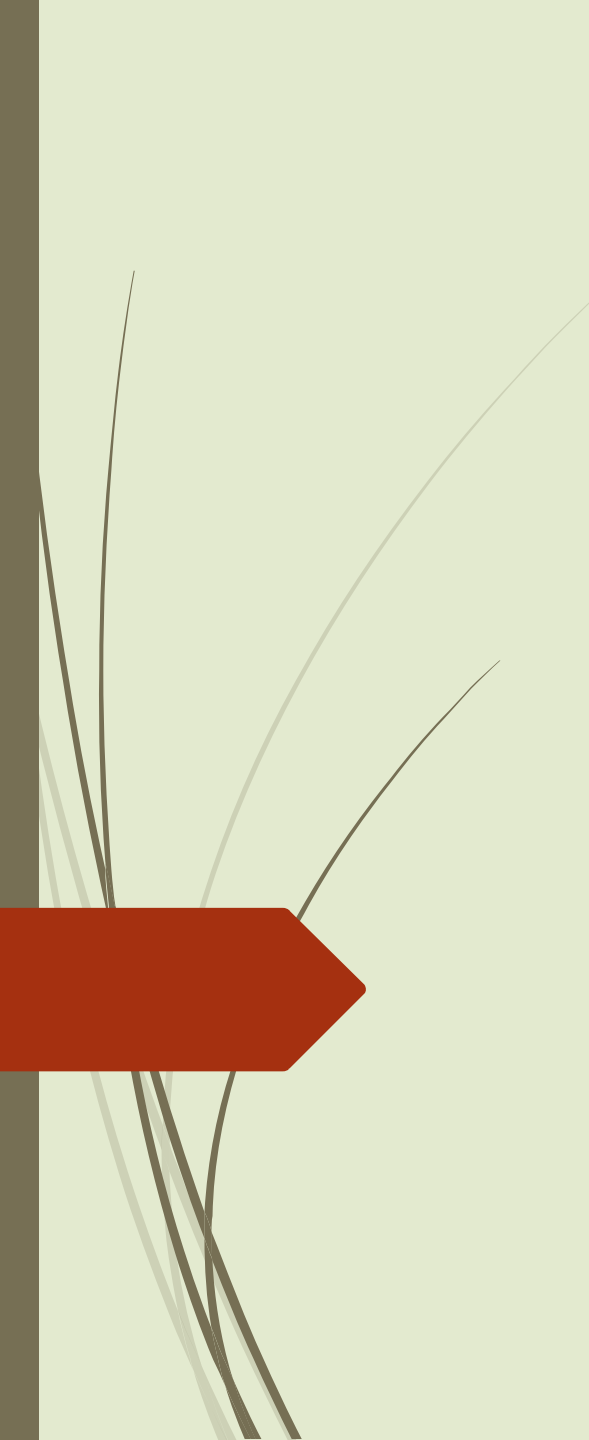


The A/R department is responsible for receiving the funds owed the company and applying to the proper pending balances.

Accounts receivable (shown as an asset on the balance sheet):

A/R is the money owed to the company for goods or services sold.

A/R responsibilities include monitoring and recording the sales the business makes.



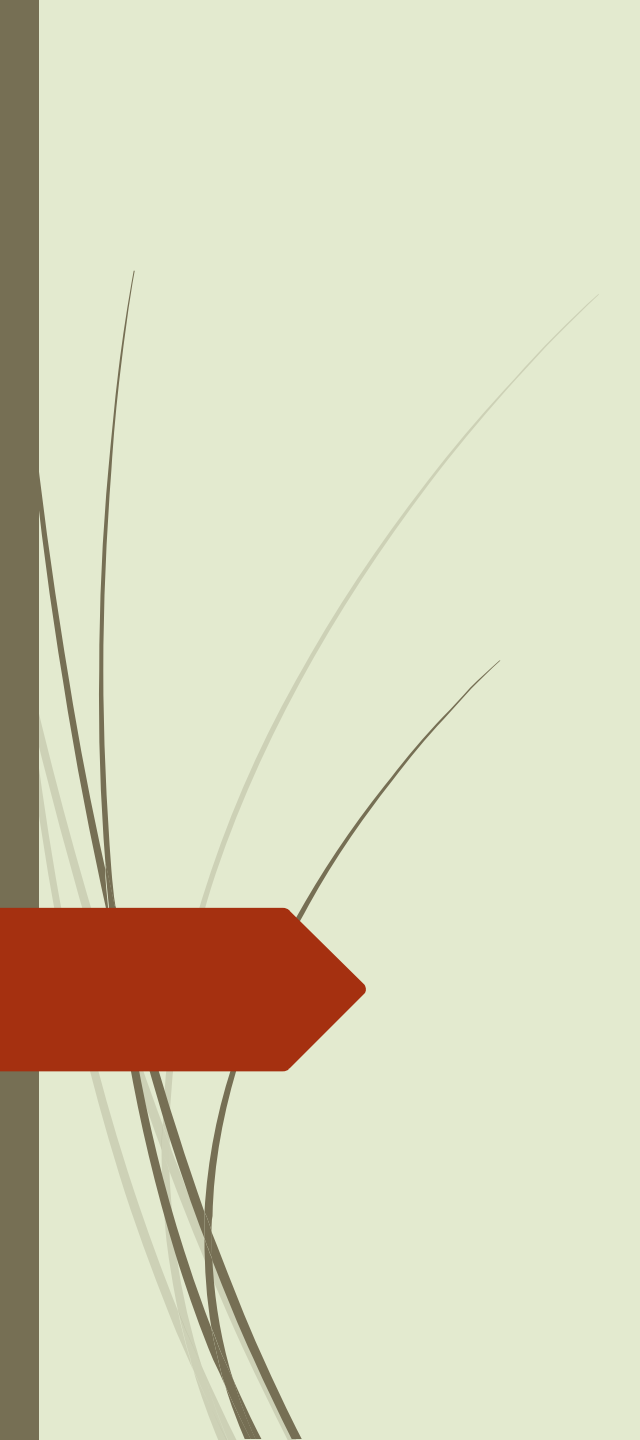
The four P's of marketing

1. Product

2. Place


3. Promotion

4. Price



There are two types of proof
Of concept:

1. Does it work
2. Will the market accept it



Getting the right product to the right **place**.

You should consider:

How will you sell it wholesaler, retailer, directly.

How will you get market exposure.

What kinds of stores you need and their locations.

How will you transportation and store your product.

What service levels you will offer.

How many ground level employees, personnel or staff you'll need.

Making our target market aware (**promotion**) of our product or service.

You should consider:

What kind of salesforce will you need , how many people, and how will you hire and train them.

What kinds of advertising will you use, who will you target, what kinds of media and who will do it.

How will you generate publicity.

What kinds of sales promotions.



When setting your **prices** you should consider:

Your competitors prices

How will the customers react

What are current markups, discounts, etc. used by others

Your products life cycle

Where your selling it



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