

## Your starting Point.

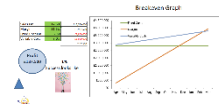
“You have to know where you are (Your starting point), and where you want to be (Your Vision), before you can plan your journey (Your strategy)”

So how do we work out where you are! and it’s not just about how much money is in the bank.

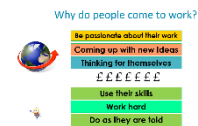


We will explore each area in more detail over the next few weeks, but for now:

**Financial:** What is your operating profit as a percentage of your turnover. How do you measure up against the best of your competitors? Does everyone who is driving growth in your company, understand where you make money, and where you don’t? That’s a long way from just knowing what the gross margin is for a particular product or service.



**People:** We will discuss why people come to work in my next post, but for now, once they are here, do you fully engage with them, and truly listen to what they have to say? do they feel empowered, including having permission to fail? (Innovation depends on this). How many people in your organisation can tell you what the company values are? You may consider a staff survey to find out what your employees really feel. This will help you to understand your starting point and to plan your journey ahead.



**Capacity:** Can you do more with what you already have? Are you making the best (most profitable) use of existing capacity? Simple modelling can help to show the current position and to uncover new more profitable opportunities.



**Productivity:** This is much more than just how many widgets you can make in an hour. Does it cost more to sell or to count your products and services, than it does to make or provide them? What are your sales and administration cost of each transaction?

**Sustainability:** This is both environmental sustainability, and long-term business sustainability. Some short-sighted decisions now, may improve short-term profitability, but they may also have a significant negative impact on your long-term financial sustainability.



You must now be seen making environmentally friendly decisions. For example, with rising energy costs, the payback period for things like solar panels on your roof, just got significantly shorter. Is business and environmental sustainability, part of your current formal budgeting and capital expenditure process?

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