

10 Ways to Increase Your Profit

For all those in business "profit" is the reward for all the work and effort you put into the operation.

However, many businesses have suffered during difficult times and businesses which had previously been producing good profits have run into difficulties and sustained losses. So how can you maintain and increase your profits?

1. **Market**

Make sure you know your market and are technically able in all aspects of the business.

2. **Product**

Take measures to ensure that your product knowledge is complete and that your service is of high quality.

3. **Sales**

Maximise your sales by taking advantage of cost-effective means to increase sales - advertising, recommendations, promotions, leaflets.

4. **Pricing**

Be wary of reducing prices as a way to increase sales or get more work. The increase in sales needed to offset the reduced price is often much greater than you think.

5. **Direct costs**

Look to keep your direct costs to an absolute minimum. This may well involve looking carefully at the rate charged by your suppliers, compared with those from your competitors.

Before changing your supplier, consider the service that you are receiving and whether or not this will deteriorate if the supplier is changed.

The objective of the above is to expand sales income while controlling and, if possible, reducing direct costs so as to produce an overall increase in gross profit.

6. **Rates**

For all those involved in charging a rate for a job it is important to ensure that your working time is used effectively. The average self-employed person should aim to charge for 35 hours per week, and as a useful discipline, a timesheet should be kept. This will help in identifying whether you're using your time in the most profitable way. Research the rates charged in your industry by your competitors.

7. **Overhead expenses**

Ensure that business expenses are maintained at an absolute minimum and that any additional overheads assumed by the business result in increased profitability and efficiency. Are you satisfied that for all new overheads you have reviewed the market to establish the best place for your orders? Reliability and backup service are important factors to take into account.

8. **Where assets are acquired on finance**

Be sure that you have obtained and compared quotations for your finance from your supplier, your bank and a finance company.

9. **Books and records**

Having tried to set out a few very basic principles, you must be aware of your business income and expenditure. Keeping proper, up-to-date accounting books and records is absolutely essential if you are to monitor the overall trends and patterns of income and expenditure relating to your business activities.

10. **Professional advice**

Use your advisors to avoid pitfalls that can cost you dearly.

Call now

To see how we can help you to increase your profit call Seamus Parfrey today on **021 431 0266**.

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