



THEXTON ARMSTRONG LILLIE

BUSINESS SUCCESS PROGRAMME

“Unlock the true potential of your Business and provide a positive future for you and your family”



“Makes your Business stronger, more profitable and more valuable”

Client Programme Details

Every Business needs to be steered towards the “Owners Vision”

Most Business Owners either start up or buy a Business so that they can...

- Create a better life for themselves and their family
- Make more money
- Have more free time
- Utilise their skills
- Work for themselves instead of others
- Do something they are passionate about
- Have the personal freedom to do what they want, when they want
- Build an asset



However, what many Business Owners are saying is...

- It's taking a lot longer than I thought it would
- It's harder than I anticipated
- It's actually costing me money
- There are more ups and downs than I planned
- The money's not great for the effort I'm putting in
- The staff issues are on-going
- I'm always busy and often stressed
- I have to fix most of the issues myself
- I feel quite alone and isolated
- I don't really have anyone I can turn to for help
- I feel like I have a good business, but need some new ideas to take it to the next level



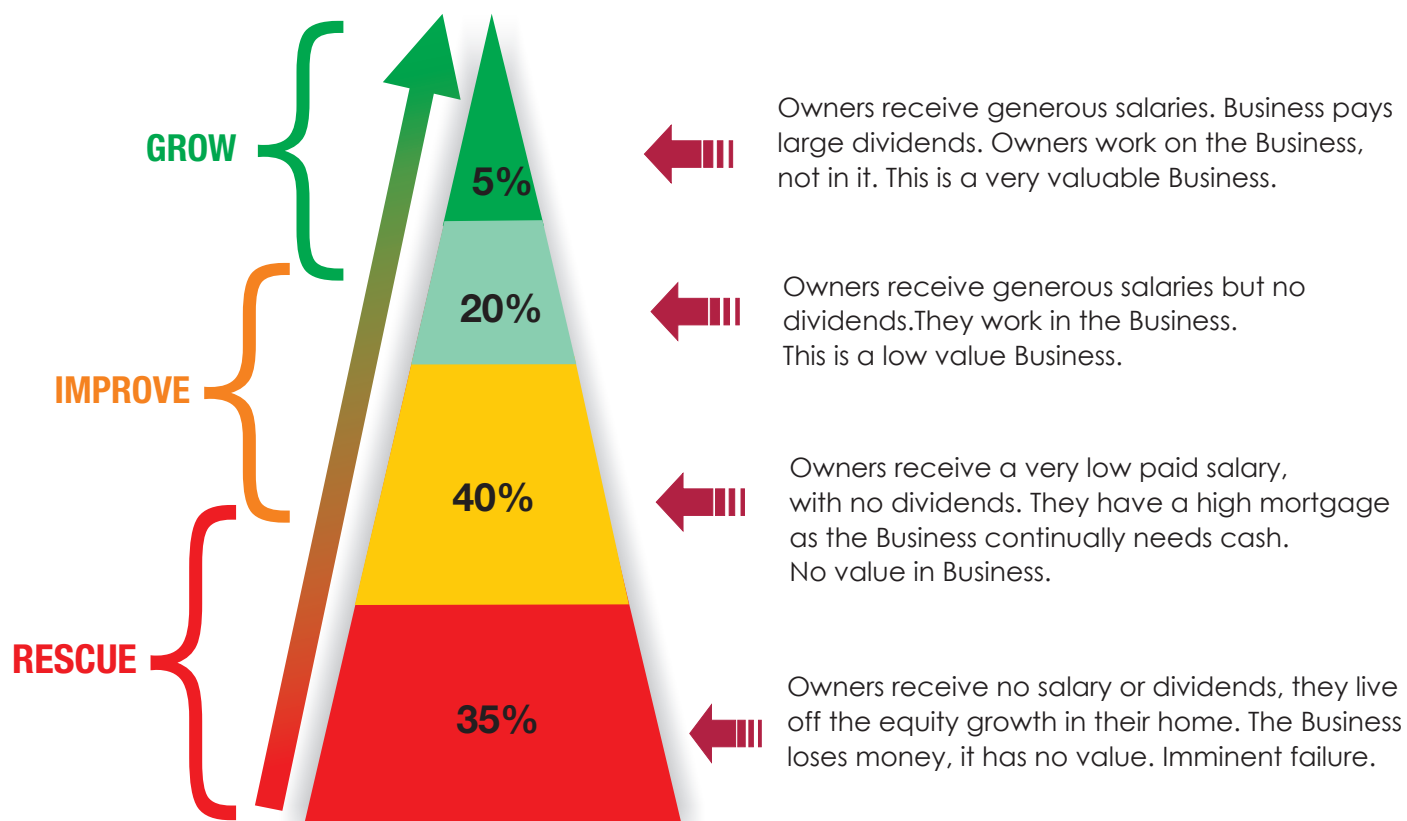
So what happened to the dream??

In many cases, the Owner of a Business starts out as a “technician”, being highly skilled in a certain field, product or service. As the Business grows the Owner needs other skills that they may not have.

Over time the Business moves from being a profitable small operation to a larger one that either loses money, or only pays basic wages to the Owner, with no additional profits or dividends. In many cases the Owner often has to dip into their home equity or borrow on credit cards hoping that tomorrow will be better. Without a clear understanding of all the principles that make a Business successful, the financial situation often doesn't change and the Business just drifts from year to year.

“The following pages tell the story that many Owners experience, being in Business”

Where does your Business fit... Rescue, Improve or Grow?



From the above Diagram, you will have an idea of where you are on the triangle. Do you feel like a **WORKER**, **OWNER** or **DIRECTOR** in your Business?. Your answer to this often reflects whether you are in Rescue, Improve or Grow

If in *Rescue*, then:

RESCUE

You feel like the **WORKER** in your Business.

- Not earning much money
- Sometimes having to put money in
- The Business is basically you
- Most time spent working IN the Business putting out fires
- FOCUS: Juggling Cash

The Business requires immediate attention with a number of strategies required to release cash into the Business.

The Profit Leakage needs to be identified and fixed first so that the Business can be stabilised before it's too late.

If in *Improve*, then:

IMPROVE

You feel like the **OWNER** in your Business.

- Makes money but not reaching it's potential
- Stable cash flow
- Well established Business
- You'd like to have more time to work ON the Business
- FOCUS: Stability and Staff

Profit Leakage can be identified more readily and put back into the Business and the Owners pocket.

The options then become available to properly strategise the growth path of the Business and work on all the critical areas to make it successful and more profitable.

If in *Grow*, then:

GROW

You feel like the **DIRECTOR** in your Business.

- Making good money
- Excellent cash flow
- The Team is running the Business
- You have time to work ON the Business
- FOCUS: Strategy and Planning

Opportunities exist to take the Business to the next level. The right strategy needs to be developed with a clear plan, proper management and implementation of the tasks across all areas of the Business.

If this isn't done correctly many Businesses lose profits and slip backwards from Grow to Improve.

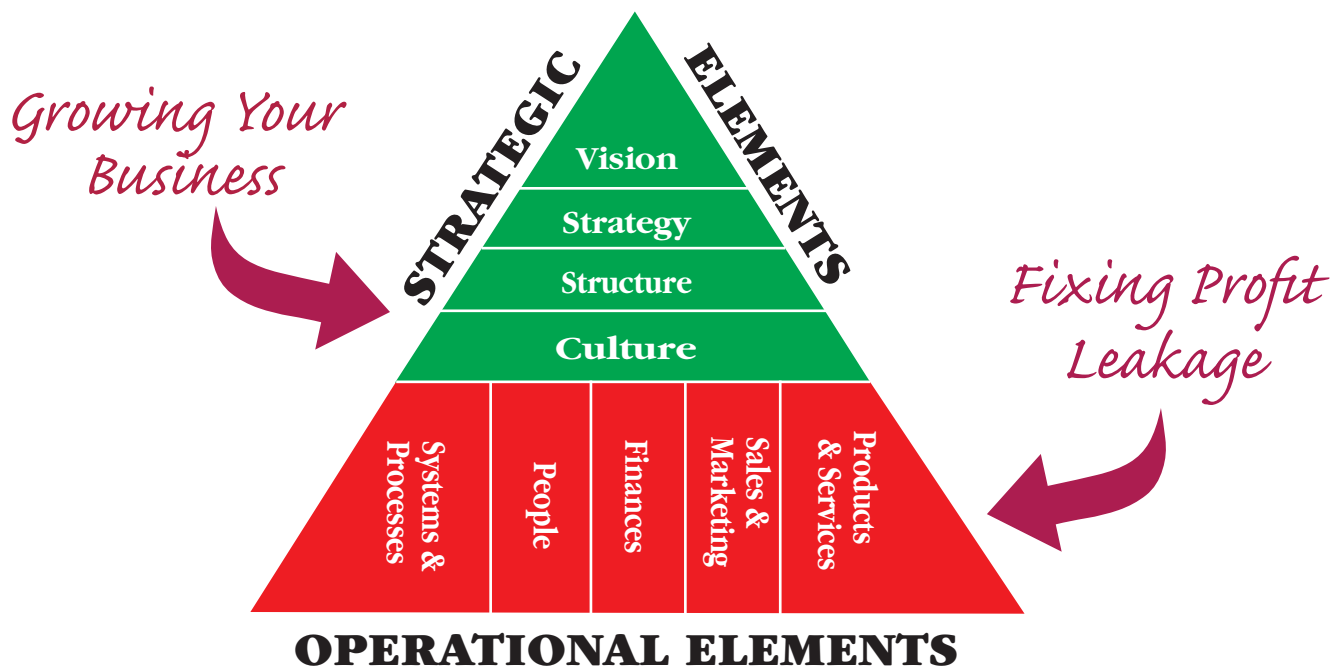
Read on to see how this is reflected in your cash flow...

So how should a successful Business be put together?

Most Owners start their Business with a Product or Service (at the base of the triangle) they find customers to buy them e.g. using word of mouth and yellow pages. Once these Sales and Marketing tactics have established the Business, the Owner finds they need to manage their Finances as expenses and wages start to eat away at their profits. This is when the Owner needs to start controlling all areas of the triangle otherwise the Business will start controlling the Owner.

Because most Owners start as a "technician" in their Business, the focus is usually on the day-to-day Operational Elements (red areas). Often this leaves very little time to plan for growth by working on the Strategic Elements (green).

THE BUSINESS TRIANGLE



Strategic Elements (Planning)

The "Strategic Elements" (green) are where the Owner works ON their Business starting with a clear path for growth towards their Vision. The Strategy needs developing to take the Business towards its Vision. Getting the rest of Business on-board is achieved by getting the Structure and Culture aligned to this new direction. This planning process will change the way the day-to-day activities are approached and improved.

Without time spent on the Strategic Elements, Businesses tend to get bogged down in the day-to-day running and not achieve their growth potential. Not only is the Owner unclear on how the Business will grow, there is usually no plan that spells out to the staff where the Business is going and the role they will play in getting it there. In this scenario, the Owner finds themselves fighting fires rather than pro-actively growing the Business.

Operational Elements (Day-to-Day)

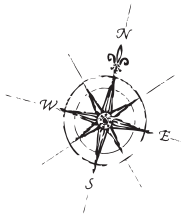
This is the day-to-day running of the Business that takes up most if not all of the Owner's time. The Operational Elements are where the majority of Profit Leakage occurs as this is where money flows through the Business. Depending on the available time, skills and knowledge of the Owner, Profit Leakage can often be substantial especially if left to leak over a long period of time.

Read on... See how the Business Success Programme can help.

What is Profit Leakage and how much is it costing you?

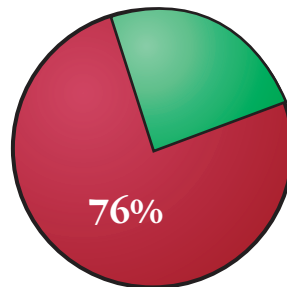
Many Businesses have a reasonable turnover, but, most of the money that comes in the front door gets spent out the back door. Every Business Owner has the opportunity to put more of this money into their back pocket. But to do this, they need to know where the Profit Leakage is occurring, and what to do about it.

The Profit Leakage Calculator identifies how much is leaking across the 8 core areas in which profits leak from every Business

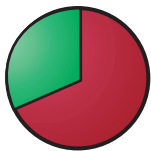


THEXTON ARMSTRONG PROFIT LEAKAGE CALCULATOR

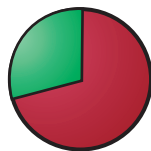
Profit
Leakage
Calculator



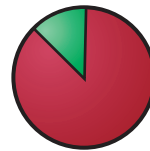
Your overall result broken down by key areas....



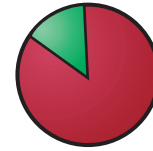
PRICING SYSTEMS



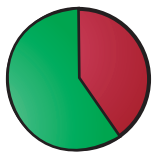
COST REDUCTION



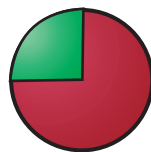
PRODUCTIVITY



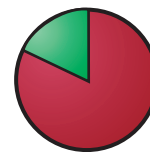
STAFFING LEVELS



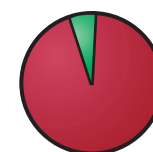
DEBTORS



STOCK CONTROL



SALES & MARKETING



BUSINESS GROWTH

Every Business Leaks Profit!

Here's what the Profit Leakage Calculator will help identify in your Business...

1. How much profit is leaking and is it significant?
2. Which areas are the profits leaking from?
3. How do we fix it?

The Profit Leakage Calculator shows you the strategies you will need to redirect the Profit Leakage back into your pocket

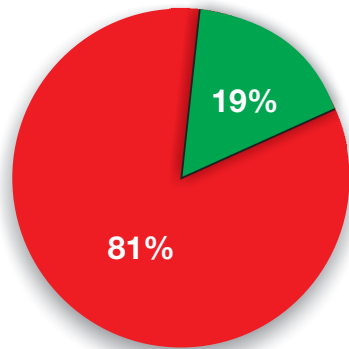
The Business Success Programme provides a structured framework to fully overhaul your Business...



The Business Success Programme has been designed to transform any Business whether in Rescue, Improve or Grow

Here's how the Profit Leakage Calculator & Business Success Programme deliver the Owner's Vision...

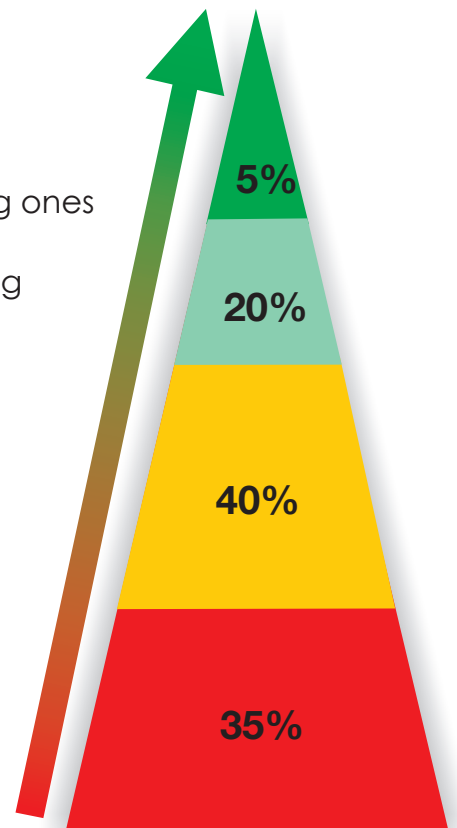
Identifying Profit Leakage + a clear plan for the Future = the Opportunity to move up the Triangle



Once you've seen the Profit Leakage Calculator you'll have a far better understanding of where your Business sits in the Business Triangle and how to build a Plan that takes your Business into the top 5%.

With the right Plan, everything changes:

- You make more right decisions and less of the wrong ones
- You have a clearer direction of where you are going
- You are more accountable
- So your Team is more accountable
- So your Business is more accountable
- Your Business provides a better lifestyle for you and your family
- It grows into a valuable asset



Work with a qualified Thexton Armstrong Consultant and let them help you build a stronger more profitable Business...

CASE HISTORY #1

Bob's Bakery Holdings Pty Ltd

THE PROBLEM...

Bob was an apprentice Baker in a regional town and had just become a tradesman; he longed for his own Business. He was married with two children and a nice house in a nice part of town. Bob decided to go into Business and found an old petrol station on the main road that was for lease. He took the lease and borrowed money from the bank against his house to get started. The money borrowed was used to buy the bakery equipment and fit out the shop.

Bob's Bakery was an overnight success and he became a local celebrity (local lad does good etc). Bob bought two new cars and paid for them with cash. Soon Bob's Bakery was at capacity and he wanted a second store so he found one in a local shopping mall and he took the lease with a further loan from the bank to buy the equipment. The second store was nowhere as good as the first and he found himself stretched between two stores which caused the performance of the first store to drop. There were many problems with quality, wastage, employee issues and eventually the cash ran out and Bob was in trouble.

Bob did not have any systems in place and did not produce monthly financial reports to measure the performance of the Business; nor did he have a clear understanding of the correct way to cost products to make a profit. Bob's Business turned over almost \$2m per year and due to his lack of Business experience he had taken it to the brink of bankruptcy. This caused Bob and his wife huge stress and they did not know what to do. Bob called Thexton Armstrong.

THE SOLUTION...

The Consultant suggested that immediate action be taken to avoid the loss of the Business and his house, and that Bob appoint Thexton Armstrong as the Business consultancy for Bob's Bakery. The Consultant proposed that the Business Success programme be delayed for a few weeks to concentrate on the very urgent financial issues at hand:

- Immediate upgrade of the handling and control of cash within the Business.
- Immediate stock take and establishment of the exact financial position of the Business.
- Visit to the bank to meet the Manager and outline the Business Success Programme and the plan to improve the Business.
- Sale of both cars to release cash into the Business.
- Meetings with major creditors to enlist support and to outline future plans of the Business.
- Once the Business was stable the Business Success Programme commenced for long term growth and improvement.

The eventual outcome was the Business slowly got back on its feet again and began making profits around six months after the crisis.

Today Bob has six outlets and dominates the local area and is working with his Consultant to franchise his brand.



CASE HISTORY #2

Sunshine Shade Sails Pty Ltd



THE PROBLEM...

Sunshine Shade Sails was started by Jackie in 1992 and had grown to a turnover of \$1.5m per year. They produced shade sails for domestic and commercial use and Jackie worked the Business with her two sons. Jackie was referred to Thexton Armstrong by her accountant who was observing a steady drop in earnings over the last few years and was concerned with a sudden drop in the last financial year to the point that the Business was approaching insolvency. Jackie was really in a state of depression and confided in the Consultant that she had really hit rock bottom emotionally.

On the surface things seemed OK but once the Consultant did a Business Diagnostic many negative issues surfaced:

- Family members had given themselves a substantial pay increase without any financial forecasting being done to ascertain whether this could be afforded.
- Products being manufactured were being quoted based on a competitor's price list from 2002.
- There was no systematic way to actually produce a quote and the wastage being cut off whole rolls of fabric was not charged to the job.
- There were no financial controls at all and no monthly reports being produced.
- Jackie had a limited understanding of the financial requirements of running a Business.
- There was no marketing plan to develop more Business and they just waited for it to come in the door.
- The financial crisis caused a drop of 30% in sales.

THE SOLUTION...

The Consultant commenced the Business Success Programme and established what Jackie actually wanted out of her Business. This is called a 'Business Vision' and it is usually a set of five year goals. The diagnostic uncovered a number of important areas that needed prompt attention:

- Establish the exact financial position of the Business.
- Reduce the income of the family members to what it was previously.
- Introduce a comprehensive product costing and quoting process to ensure every job made a profit.
- Gross profit was increased by 24%.
- Introduce an accurate monthly financial and KPI reporting system.
- Develop a total marketing plan to gain more customers.
- Re brand the Business and products as the brand looked tired and out of date.
- Developed budgets and cash flow forecasts for presentation to the bank.
- Get all suppliers to requote resulting in a saving of 9%.

It took 12 months for the Business to turn around and then salaries were restored. The Owners now understood the value of accurate timely financial reporting and learnt how to make products cheaper and sell them for more than they had previously. The stress and pressure was off Jackie and she actually enjoyed coming to work every day. The next twelve months they planned to acquire a loss-making competitor with a turnover of \$800k for almost no investment as the Owner would accept a job with them as payment. Turnover is expected to reach \$2.7m with profits increasing 400% since the time of crisis.

Frequently asked questions...



HOW MUCH WILL THE BUSINESS SUCCESS PROGRAMME COST?

This varies from Client to Client depending on your Business size and how much work has to be done. As a general rule the investment you make is returned many times over in the first few months of us working together.

WHY IS THE BUSINESS SUCCESS PROGRAMME OVER A LONG TERM?

The Business Success Programme is a comprehensive Business consulting programme that improves your Business profitability and value over a multi year time frame. It takes time to smoothly make permanent changes in your Business that will dramatically improve the profitability and value.

DO I NEED ANY SPECIAL TRAINING?

No, our Consultants are intensively trained to help you in every area of your Business.

WHY DO I NEED A BUSINESS CONSULTANT?

We find many of our Clients are very good at what they do but lack expertise and experience in the finer points of running a successful Business. These finer points are the ones that make the real money in your Business and your Business Success Programme consultant is trained in these important Business skills.

HOW QUICKLY WILL I SEE RESULTS?

The Business Success Programme has been designed to start delivering results to the Business Owner very quickly, in fact you will see noticeable progress within 3 months of commencement.

HOW CAN YOU BE SO CONFIDENT THAT YOU CAN HELP ME?

Because nearly all Businesses are structurally similar, we believe that with our unique skills in creating successful Businesses and your industry specific skills, we can jointly make a huge success of your Business.

ARE YOU A BUSINESS COACH?

A Business Coach tends to work with the Business Owner on the Business Owner. However we work with the Business Owner on the Business itself. We are Business improvement specialists. Experience and skills in Business are necessary to get a Business performing at its best and most coaches lack these necessary attributes.

I'VE HAD CONSULTANTS BEFORE – THEY JUST WRITE UP A PLAN AND THEN NOTHING HAPPENS. I WANT THINGS TO HAPPEN.

Some consultants only help write plans as they often lack the experience to turn the plan into reality. Also implementation, or rather the lack of it, is a problem with many small and medium sized Businesses and it's true that most plans sit on the shelf or in a drawer after they're written. Thexton Armstrong Consultants take a different approach - we help get a good but simple plan prepared and then we help turn it into reality. We stay with you to make things happen. When a plan is done properly, it makes the Business Owner consider the things that are necessary to make the Business run much more effectively and profitably.



THEXTON ARMSTRONG LILLIE

BUSINESS SUCCESS PROGRAMME



PER LILLIE - THEXTON ARMSTRONG LILLIE

Business Consultant

NEWTOWN – NEW SOUTH WALES – AUSTRALIA

B. SC. ENGINEERING, B. COMMERCE

After 25 years in senior management positions in Japan, Denmark, Germany and Australia, Per has taken up a new challenge as a Business Consultant with Thexton Armstrong.

Per has demonstrated analytical, strategic and conceptual thinking – a robust framework for strategy development 'outside the box'.

He has initiated and spearheaded the development of quantum leap growth strategies for the Australian market and has a track record of leading and developing successful management teams in Australia and internationally.

In key management roles, Per has gained a wide range of skills including specialist skills in:

- Business Strategy development
- Business performance management
- Sales and marketing planning
- B2B Sales management
- Sales account management
- Strategic marketing
- New business development
- Merger and acquisition

"I am committed to ensuring the success of small and medium sized businesses by providing expert advice and service - building stronger, more profitable and more valuable businesses"

Per lives locally in Newtown Sydney and is married and has 3 children, who are now pursuing own careers.

Per Lillie

Thexton Armstrong Lillie

Business Consultant

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