

2015 Profitability Workshop Increasing Profitability

Through

Performance Profit

By:

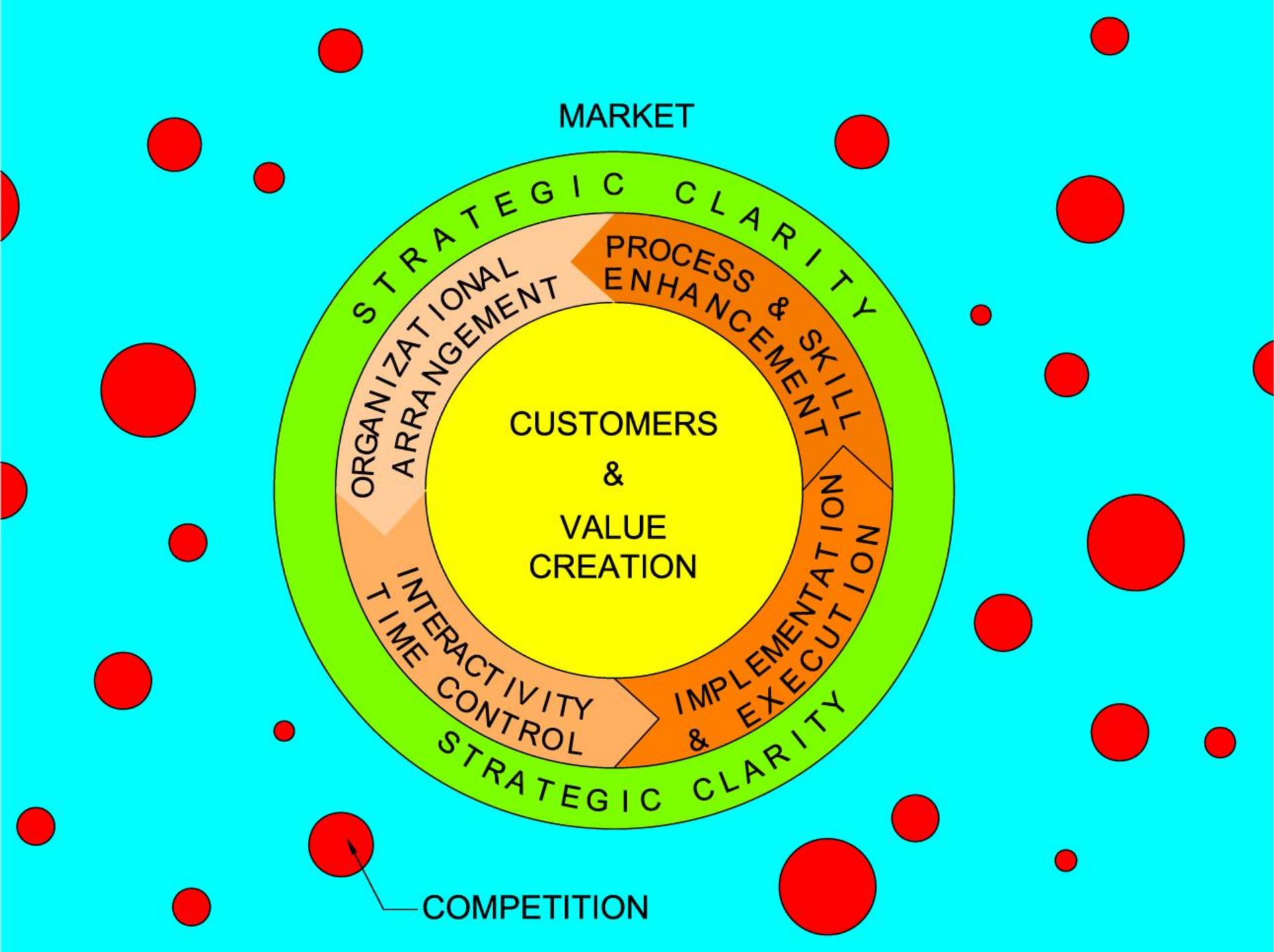
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Some Background on Service Business Management

- Optimum Provision Management
- OPM Principals



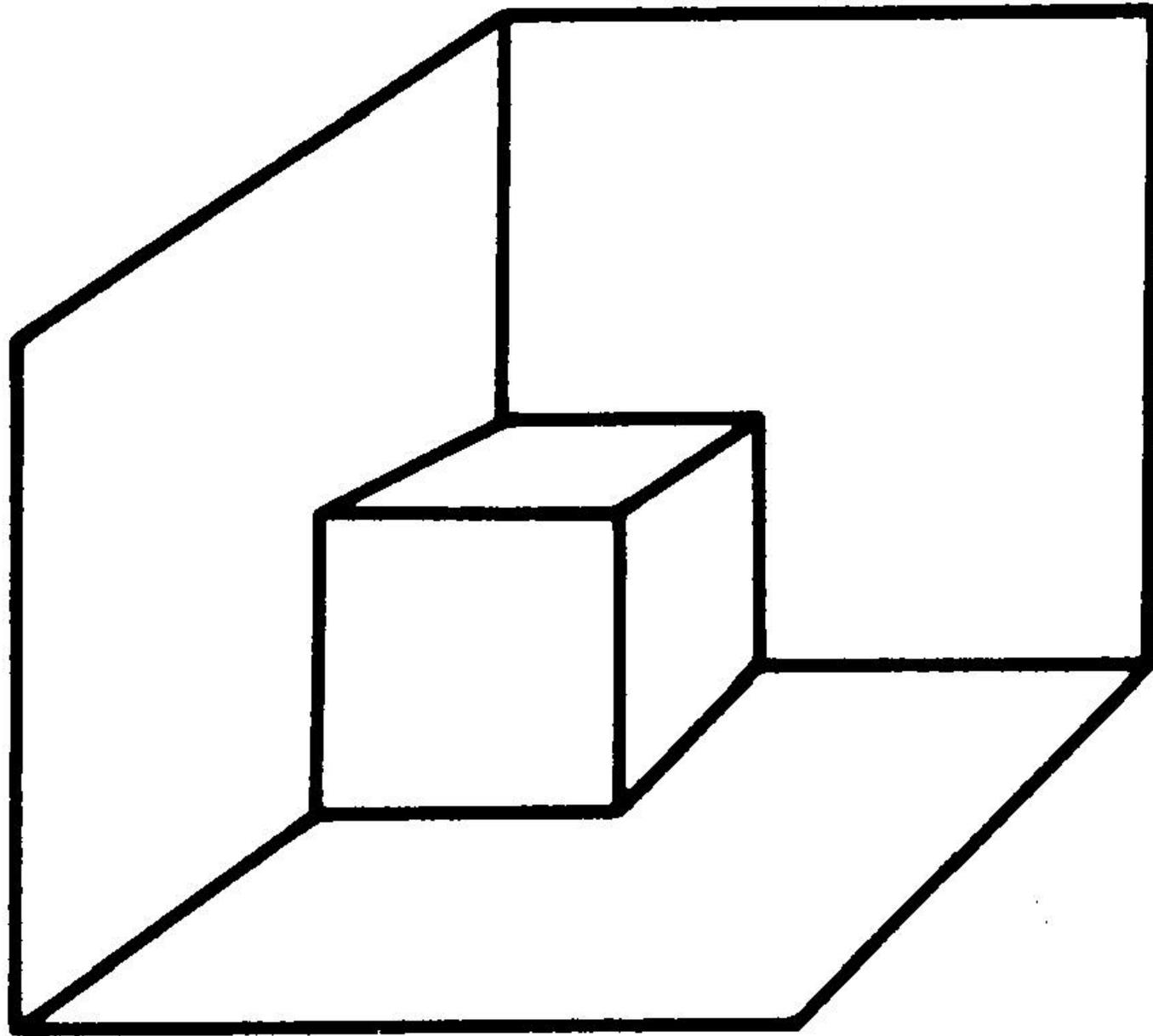
“Performance” Can be Viewed Differently







**So Performance Profit Requires
Seeing Profit Differently**





How should we define profit?

- Prof-it (Noun): Money made in business, after all cost and expenses are paid.
- This definition seems transitional, emotionless, limiting, and short term

Performance Profit = Service + Value

- This is a different way of seeing profit. It allows you to gain not only money from business transactions, but accumulate value for your customers, employees and company.
- It is customer-centric. Providing you gain for property allocating your efforts, assets, and resources in creating value for your customers.

Landscape Service Business must be created to serve and built to perform

- That's where performance profits are born
- Performance Profit = Service + Value

Let's Establish The Business Framework for Performance Profits

- Profitability is a result, not a process
- Performance Profit is not about market share, rate of company growth, number projects or customers, nor thinking transactionally
- It is about
 - Knowing what's most important to your customers
 - What you do to deliver you customer's needs and expectations
 - How well you are sized, organized, and function as a company

Performance Profits also reveal myths about company profitability and growth. Growth is important, but how you achieve growth is much more important.

- In fact growth for the sake of growth destroys value quicker and is very difficult to manage
- Growth rates are directly related to fixed cost, number of employees, equipment and stresses operational systems

Performance Profit Companies Focus on Four Key Objectives

1. Customer Selection
2. Value Capture
3. Behavioral and Operational Control
4. Offerings

These objectives are at the core of running their business

- Is this potential customer one we are best able to serve? Can we meet or exceed their expectations?
- Will we be rewarded (be profitable) for the value we deliver to this customer?
- Does our service culture (the we perform) match what this customer requires?
- Is our capacity, skill, and offerings aligned with this opportunity?

**Each company here today is different, but
are the service business.
Why should you focus on
Performance Profit?**

- This approach to profitability benefits more than your bottom line. It creates gains for your company, employees and customers.

Its clear that the ultimate goal in business includes top line revenues, bottom line profits, natural customers, reputation and right sized growth. These are all easily measured. But what happens before you can achieve your ultimate objectives?

- You Must Create Optimum Value Through Service**

Conclusion:

- When you compete on lower prices, then anyone cheaper can beat you. When you compete with a newer product, anyone's newer product will grab the spot light. But when you compete with valued service that shapes your company's entire culture, then you compete on the quality of relationships you build and the experiences you provide. You stand out for your commitment to actions creating greater value for others.

“ Not everything that counts can be counted, and not everything that can be counted counts”

Albert Einstein

Via William Bruce Cameron

References

- The Profit Zone, Slywotzky & Morrison
- Uplifting Service, Ron Kaufman
- Optimum Provision Management, Robert Hayter