

## *Financial training For non financial staff*



*The financial training specialists*

### **The toy distribution business (profit & cashflow)**



On Boxing Day I interviewed a tired and hung-over gentleman in the toy distribution business.

He works on “The 3 Ps” model of time management. Put it off; Procrastinate; Panic. “There’s always a big push to hit my end of year targets, and I usually feel like I do a year’s work in just one day”.

This plays havoc with his distribution costs. If he planned better he could spread these costs more evenly over the year. As it is, his fleet of vehicles lies idle for much of the time, and is in overdrive for the end of year rush. “What I’d do if I had a major mechanical breakdown in December, I don’t know. That’s why I’m with the AA, RAC, and Green Flag.”

He also has to pay premium rates for same day parcel delivery at the most expensive time of the year.

Warehousing and stock levels are a problem too. He stockpiles goods throughout the year, so his cashflow is a disaster, and his warehousing costs are exorbitant.

In addition, he does a year’s invoicing in one go “usually after my hangover has worn off”. Further cashflow catastrophe!

As he runs a pan-European business (he has franchised the US operation) Brexit will play havoc with his business. “Passport control queues will slow me down. I’m considering franchising the EU operation as well.”

I asked him what his biggest business headache was. “Vehicle emission regulations.” He gave me a shovel and said “Let me show you the stables...”