

## *Financial training For non financial staff*



*The financial training specialists*

### **Accidental giveaways (Profit)**

My best tip for damaging our profit is to not charge for the things we sell and the work we do!

But that's daft - who'd do that?

Well, lots of us. Most businesses have some accidental holes in their sales systems. We've all experienced occasions when we've bought something and it hasn't made its way onto the bill. Not often, maybe, but often enough.

I reckon most businesses have up to a 1% hole in their billing process. I stayed abroad on business, and had to get a work shirt laundered: £7. The total hotel bill was £700, but the laundry charge never made it to the final bill. 1%.

A colleague described a contract where the client had promised to do certain things, and then didn't. My colleague had to do them, and couldn't charge them, despite having reduced the price in light of the client's preparation work.

I forgot to invoice half my mileage on one client job, and got my day rate wrong on another.

1% isn't much from our sales line, but suppose we make 10% profit. £100,000 of sales and £90,000 of costs gives £10,000 profit. But if we fail to invoice 1% of those sales, we have £99,000 sales, and only £9,000 profit.

That 1% lost sales loses us 10% of our profit.

So those holes in our sales processes are worth hunting for and closing! Where do you do work that you should be able to charge for, but don't?