PROFIT INCREASE CALCULATOR



	Current performance	Improvement factor	Improved performance
Number of potential customers		%	
Conversion rate	%	%	%
Number of customers			
Number of transactions per customer		%	
Average value of each sale		%	
Total turnover			
Net profit percentage	%	%	%
Resulting net profit			

How to use the Profit Increase Calculator

By entering your existing business data and then developing strategies to improve each factor by a small percentage, you can see how a number of incremental steps can lead to a significant increase in net profit. The factors are:

- Increasing the number of potential customers
 Look for ways to increase awareness, promote to new
 customers, look for referrals and advertise.
- Increasing the number of conversions into customers
 Set up sales campaigns or offers to improve the chance a customer will convert into sale.
- Increasing the number of transactions per customer
 Add on complementary products or services, or partner
 with other businesses to move customers from buying
 one item, to two.
- Increasing the average sales transaction value
 Either increase prices, or sell higher margin products
 and services.
- Increasing net profit percentage

 Reduce costs and overheads as a proportion of sales without impacting on quality.

The profit increase calculator automatically computes the number of paying customers, total turnover, and resulting net profit based on the figures you enter.

As you enter various improvement factors, pay attention to how the resulting net profit improves compared to your current net profit. The concept is to have all five of these elements working together, rather than focusing on one element.

