PROFITABILITY RESET

10 Levers to Increase Profit Without Increasing Sales

A practical 30-day operations tune-up for small business owners

Business Optimization Group

IMPORTANT NOTE (READ FIRST)

This guide is educational and intended to help you think clearly about profitability. It is not legal, tax, or financial advice. Always confirm decisions with your CPA, attorney, and other licensed professionals as needed.

SECTION 1: WHY REVENUE CAN GROW WHILE PROFIT SHRINKS

If your business is busy but the bank account does not reflect it, you are not alone. Profit often drops for predictable reasons:

- A. Your pricing does not match your true delivery cost
- B. Your team time is not translating into billable, productive output
- C. You are taking the wrong work
- D. Small operational leaks compound
- E. Cash flow pressure forces reactive decisions

> **Note:** These are intentionally high-level signals. The levers in Section 3 show the practical fixes behind each one.

Profit vs Cash (quick clarity)

Profit is what remains after expenses on your P&L. Cash is what you actually have available to pay bills. This guide addresses both.

The goal of a “Profitability Reset”

Not “more marketing.” Not “more hustle.” A reset means you build a system that makes profit predictable:

- A. Work is intentionally profitable
- B. Delivery is controlled and efficient
- C. Numbers are tracked weekly

SECTION 2: THE PROFITABILITY SNAPSHOT

Use this section to identify where your profit is leaking. You do not need perfect numbers. Use best estimates.

Step A: Quick Numbers

A1. Avg monthly revenue:

A2. Gross margin (%):

A3. Net profit margin (%):

A4. Avg monthly payroll:

A5. Overhead monthly:

A6. Accounts receivable:

A7. Weeks of cash runway:

Step B: Profit Leak Score

0 = Not true | 1 = Sometimes | 2 = Often

B1. We discount to close deals. ___

B2. Projects take longer than planned. ___

B3. Rework due to unclear scope. ___

B4. Best people on low value tasks. ___

B5. Don't know margin by project. ___

B6. Don't track weekly KPIs. ___

B7. Too many low margin clients. ___

B8. Cash stress (late payments). ___

B9. Rely on "busy" not process. ___

B10. No standard pricing system. ___

TOTAL SCORE (0-20): ________

Interpretation:

- **0–6:** Tighten a few areas, you are close.
- **7–13:** Leaks are real and fixable.
- **14–20:** You need a reset. Your business is running on effort instead of systems.

SECTION 3: THE 10 PROFIT LEVERS

1 PRICING & PACKAGING

Most profit problems start here. If your price does not reflect complexity and delivery cost, you can "sell more" and still lose.

SIGNS THIS IS YOUR ISSUE

- You quote based on competitors, not your cost and risk
- "One price" covers wildly different scopes
- Your team says yes to custom work without a change order system

QUICK WINS (7 DAYS)

- Define 3 packages: Starting Point, Next

Step, Ongoing Support

- Add a complexity factor: simple, standard, complex

DEEPER FIXES (30–90 DAYS)

- Build a pricing model tied to time, cost, and risk
- Create a written intake process

TRACK WEEKLY

- Average deal size
- Margin estimate at time of sale

2 COST OF DELIVERY (COGS)

Even small cost increases crush profit if pricing stays the same.

SIGNS THIS IS YOUR ISSUE

- Vendor costs drift up without review
- You are paying rush fees

QUICK WINS (7 DAYS)

- List your top 10 delivery costs and renegotiate 2
- Remove recurring tools that are not used weekly

TRACK WEEKLY

- Delivery cost percentage
- Vendor spend variance

3 LABOR PRODUCTIVITY

Payroll is often the largest expense. Convert time into productive output.

SIGNS THIS IS YOUR ISSUE

- High payroll but deadlines still slip
- The owner is the bottleneck for approvals

QUICK WINS (7 DAYS)

- Time audit for 5 days: what is actually done
- Clarify roles: who owns what outcome

DEEPER FIXES (30–90 DAYS)

- Create standard operating procedures (SOPs)
- Implement a daily/weekly production plan

4 CAPACITY & UTILIZATION

Capacity is the ability to deliver without chaos.

SIGNS THIS IS YOUR ISSUE

- Too many projects at once
- Constant context switching

QUICK WINS (7 DAYS)

- Limit work in progress
- Create a weekly scheduling rule

TRACK WEEKLY

- Work in progress count
- On-time delivery rate

5 LEAD QUALITY

Bad leads and poor fit clients create operational stress.

SIGNS THIS IS YOUR ISSUE

- Lots of inquiries, low close rate
- You spend time on proposals that never close

QUICK WINS (7 DAYS)

- Create a “fit filter” intake script (5 questions)
- Define a minimum engagement size

TRACK WEEKLY

- Lead source performance
- Conversion rate by stage

6 RETENTION

Retention reduces acquisition cost and increases predictability.

SIGNS THIS IS YOUR ISSUE

- Repeat business is inconsistent
- You finish work and never follow up

QUICK WINS (7 DAYS)

- After-service check-in: 7 days after completion
- Ask for a review and referral

TRACK WEEKLY

- Repeat revenue percentage

- Customer churn

7 DELIVERY & REWORK

Rework is invisible theft of profit.

SIGNS THIS IS YOUR ISSUE

- Work is redone due to unclear requirements
- There is no standard checklist for delivery

QUICK WINS (7 DAYS)

- Install a “Definition of Done” checklist
- Create a scope confirmation step before work begins

TRACK WEEKLY

- Rework count

- Rework hours

8 OVERHEAD EFFICIENCY

Overhead is not “bad,” but it must scale correctly.

SIGNS THIS IS YOUR ISSUE

- You add tools/costs without review
- Back office tasks take too long

QUICK WINS (7 DAYS)

- Cancel unused subscriptions
- Automate one admin task (invoicing, scheduling)

TRACK WEEKLY

- Overhead as a percentage of revenue
- Admin time per week

9 CASH FLOW

Cash stress forces bad decisions: discounting, rushed work.

SIGNS THIS IS YOUR ISSUE

- Late payments are common
- You complete work before being paid enough

QUICK WINS (7 DAYS)

- Collect a deposit or upfront payment
- Send invoices immediately, not “when you have time”

TRACK WEEKLY

- Accounts receivable aging
- Cash runway weeks

10 WEEKLY SCORECARD

What gets tracked gets managed.

SIGNS THIS IS YOUR ISSUE

- You review numbers monthly (too slow)
- The team is not aligned on priorities

QUICK WINS (7 DAYS)

- Create a weekly scorecard with 8–12 metrics
- Hold a 30-minute weekly operating meeting

TRACK WEEKLY

- Weekly revenue and gross margin
- Leads, appointments, proposals, closes

SECTION 4: 30-DAY RESET PLAN

Week 1

Diagnose and Stabilize

- Complete the Profit Leak Score and identify top 3 levers
- Build a simple weekly scorecard (template below)
- Implement one cash rule: deposit or upfront payment policy

- Implement a “work in progress limit” rule

Deliverable: A one-page scorecard and a list of top 3 profit leaks with owners.

Week 2

Fix the Offer and Pricing Structure

- Define 3 offers: Starting Point, Next Step, Ongoing Support
- Standardize scope boundaries and change request policy
- Build a simple qualification script so you stop taking bad work

Deliverable: A standard proposal structure and intake script.

Week 3

Improve Delivery and Reduce Rework

- Create a checklist for “Definition of Done”
- Install 1–2 quality checkpoints
- Map the workflow and remove one bottleneck

Deliverable: A written delivery checklist and workflow.

Week 4

Lock in the Operating Rhythm

- Run the weekly operating meeting 2 times
- Assign improvement projects for the next 30 days
- Set monthly reporting and optimization cadence

Deliverable: A repeatable system: scorecard, meeting rhythm, improvement list.

SECTION 5: TEMPLATES & CHECKLISTS

Template A: Weekly Scorecard

Revenue collected this week:

Gross margin estimate:

New leads:

Qualified appointments:

Proposals sent:

Deals closed:

Work in progress count:

On-time delivery rate:

Rework hours:

Accounts receivable total:

Cash runway weeks:

Template B: Lead Qualification Script

- What is the outcome you need and by when?
- What is driving urgency right now?

What have you tried so far?

What is your budget range or investment comfort?

Who needs to approve the decision and what is the timeline?

Qualification rule: If urgency is low, budget is unclear, and approval is uncertain, pause before proposing.

Template C: Scope Boundary

"This engagement covers the deliverables and scope described above. Any additional requests, changes in requirements, or added complexity will be reviewed and priced through a written change request before work continues."

SECTION 6: IMPLEMENTATION

1. DO NOT FIX EVERYTHING AT ONCE

Pick 3 levers only. Most businesses can recover meaningful profit by fixing pricing structure, delivery process, and cash discipline.

2. MAKE IT VISIBLE

Your team should see the weekly scorecard. Not to shame. To align.

3. PROTECT FOCUS

If everything is a priority, nothing is. Limit active projects and enforce scope.

4. USE “SIMPLE, CONSISTENT”

SYSTEMS

A basic scorecard every week beats a perfect report once a month.

BONUS: PROFIT LEAK CHECKLIST

PRICING AND PACKAGING

☐ We have 3 clear offers

☐ We have scope boundaries and change requests

☐ We price based on cost and risk

DELIVERY AND REWORK

☐ We use checklists

☐ We have quality checkpoints

☐ We track rework hours

CASH AND COLLECTIONS

☐ We collect deposits or upfront payments

☐ We invoice immediately

☐ We follow a consistent collections policy

SCORECARD AND RHYTHM

☐ We track weekly KPIs

☐ We hold a weekly operating meeting

☐ We assign owners and deadlines for fixes

NEXT STEPS: OPTIONAL SNAPSHOT CALL

If you want help applying this in your

business, Business Optimization Group offers a Profitability Snapshot.

What you get:

- A focused review of your top 3 profit leaks
- A recommended 30-day action plan aligned to your operations
- A simple scorecard tailored to your business model
- Clear next steps for pricing, delivery, and cash flow structure

"If you want a clear, structured profit plan for your business, request a Profitability Snapshot. Reply **'SNAPSHOT'** and we will send the next steps."