

The Numbers Tell the Story: Profit Mastery Performance Group Members

Homecare Industry

“In my honest opinion, this program is BY FAR (Franchisor’s) most valuable initiative. As confident as I was about my ability to manage and control my office’s financial and operational metrics, I was very humbled as soon as I saw my financial and KPI results compared to the other owners in our group, as well as once I learned more about how I could improve the various metrics of the Profit Mastery model.

The improvements in our business have been dramatic across the board – financial improvements, operational improvements, process improvements, quality improvements and employee satisfaction improvements. The breadth and extent of the improvements are both humbling and inspiring!”

The following data will give you a sense of the benefits of the program in only one of these areas – owner profits (arguably the most important metric to most owners):

- Our 2011 ODP (owner’s discretionary profit) was **11.6%**
- In the 4 quarters since we started the Profit Mastery program (2012 Q2,Q3,Q4 and 2013 Q1) our ODP averaged **15.4%**
- This increased ODP % equals an actual increase in **\$170K** in ODP dollars for the prior 4 quarters (compared to what my ODP dollars would have been if I was still at my 2011 ODP % level).
- And, in the past 2 quarters (2012 Q4 and 2013 Q1) my OPD % increased to **16.7%**, which equals an annualized increase in ODP dollars of **\$238K** (compared to 2011 ODP % levels).

*Thank you, thank you for introducing this program to franchisees!
~Franchise Owner of a Profit Mastery client*

Jewelry Industry

- Median sales increased by more than \$370,000 in 2007 – a 42% increase since 2005 for performance group members.
- Higher gross margin: 3% for the top performers vs 1.4% for those in group less than 3 years
- More productive staff: sales per employee increased 27% for the top 25%, 7% for companies new to performance group
- Sales per selling square foot *increased* 8.5% while inventory per square foot *decreased* 8.5% for companies new to performance group process

Jewelers who have been in a performance group for three or more years have 5%, or \$332,000, more in Owners Discretionary Profit than those who were not. (Based on 2007 FIT Financial Operating Study)

Printing Industry

- Median sales for performance group members increased by 8% between 2002 and 2006, vs 4% for non-group members
- Median gross profit margins of performance group members increased by 2.2% of sales between 2002 and 2006, vs 0.4% for non-members
- Performance group members had 17% higher sales per employee than non-members in 2006
- Members increased productivity by 11% from \$105,204 per employee in 2002 to \$116,268 in 2006, (vs. 8% for non-members)
- Performance group members increased their return on investment from 48.8% in 2002 to 76.0% in 2006 (vs. non-members increased their ROI from 20.8% to 27.8%)
- Performance group members paid their vendors faster, improving from 71 days in 2002 to 58 days in 2006 (vs. non-members who improved their payment rate only slightly, from 75 days to 70 days)

Printer group members showed a 74% increase in Owner's Discretionary Profit Dollars vs. 30% increase for non-group. (Based on benchmark study performed by printing industry franchise client.)