

## Small Business Productivity Studies

I am periodically asked him about our small business productivity studies that would they could do for the average small business. Typically a small business owner has a rough idea of what the productivity isn't his business but really doesn't have a firm handle on the actual productivity of his employees. What we do with our [productivity studies](#) is to meticulously audit the production and sales the profits of the business on a week by week basis throughout the year and contrast these with the figures back and forth to come up with the actual productivity figures. Once we complete our work will be able to show the business owner exactly what his productivity percentage is along with what a small increase in that percentage could amount to in additional sales and/or profits. Most business owners are quite surprised at how low the actual productivity of their business and their employees actually is and they are also very surprised at what a small increase in this productivity figure can amount to in reference to sales and profits. Improved productivity will [increase business profits](#) and additional profits will increase [business value](#). If you [sell business by-owner](#), these additional profits can really amount to a sizeable sum.

We start this procedure with a simple form to be completed by the business owner or his clerical staff where we recapture sales and profit figures as well as employees working etc., these figures are then not run through several mathematical procedures to arrive at the current productivity level for the business. Typically these forms can be completed in less than an hour in order to get us started with our productivity study.

Just to show you what increased productivity can do for your company in reference to sales and profit figures we recently worked with the small manufacturing firm employed about 24 people are the three executives into seven man salesforce a at five in the office number two field reps going out and doing various installation work and such and they had 17 burgers partly seven production workers. In the average throughout the year was about 24 workers was talking with the president of the company and mentioned the productivity study and needs NRA's productivity was to be 100% seesawed to it that's what executives are all about is making sure that everybody was working to hundred percent of their capacity well we did the productivity study and is typical of the actual productivity for his company came in about 77% which is still pretty decent but it was no 100% either. Through our analysis we figured that we could have raised his sales from about \$1.1 million+ to \$1.45 million in if he would have been working at his 100%. We further calculated that if we were to raise it to from the 77% to the 90% level, which is entirely possible, the increased sales would be about \$194,000 a year and with their existing profit margin of about 10% that would've been roughly about \$20,000 in additional profit coming back to the company owners which, got their attention. So after working a little bit with the productivity study they put us to work trying to find these [additional profits](#).

Now it is understood that no businesses can run consistently at 100% of productivity but as close as you can get it to the 100% better off you're going to be. Typically the companies that are in the worst condition, sales and profit wise, are the ones that think their productivity levels are much higher than they actually are. Many of our past productivity study clients have told us that the small fee to run the productivity study was well worth it in terms of peace of mind in the event the business was run properly and also as the first alert to possibly some serious business problems. In any event, the cost to run the [productivity study](#) is normally far out-weighed by the [additional sales and profits](#) generated back to the company.

If you are interested in having us run a [productivity study](#) on your business, we will provide you with the necessary minimal paperwork that we need to conduct a study and once this paperwork is returned to us we can have your results back to you within a matter of a few days.

Thanks for your time  
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If we can help you buy or sell a business, please call so we can discuss how we might be able to help you. We also have other services such as; appraisal, financial analysis, productivity studies, profit development, loans, small business accounting and income tax preparation.

I hope you found this informative and if we can help you in the future, please contact us. We have been serving clients coast to coast since 1980. Business can be fun and profitable if it's done right.

Sincerely,

Tom Stewart