

# Richard enjoys his games of racket ball at his local club... he always keeps score and does what he can to win!

**The Business One Page Plan has helped Richard create a scorecard for his thriving upholstery business.**

Monthly review meetings of the Business One Page Plan scorecard reassure Richard he's setting his business up for a long and bright future.

## Case Study 10 of 24

**Services bought:** Business One Page Planning; Annual Accounts; Tax Returns; Management Accounts; Book keeping

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# Greater control and greater certainty help this family business successfully expand...

Frank Knighton set up his Ilkeston upholstery company back in 1988. Frank got the manufacturing and retail businesses going and later expanded by opening a showroom in Nottingham. He encouraged his children to work in the business too. Frank has now retired but his son, Richard, took up the reins in 1999. With the support of his brothers he now leads a team of 15 employees.

## Straight talking is non-negotiable...

Richard liked having monthly management accounts from his previous long-standing accountant to help him stay close to the business results every month. So when the idea of having clarity on the sales KPIs (key performance indicators), the marketing KPIs and other hard financial KPIs all in one place every month, he went for it. However, this monthly Business One Page Plan meeting with Ian from The Profit key soon frustrated Richard:

*"The Business One Page Plan process soon showed me that I wasn't getting accurate information from my management accounts. This lack of financial facts soon drove me to the end of my tether with my long-standing accountant. The switch to The Profit Key for my management accounts was an easy decision as I have to have accurate figures."*

*"Now we have meaningful financials every month as well as the Business One Page Plan KPIs."*

## More time and more confidence...

Every Monday used to be a source of hassle and headaches for Richard. He could spend all day resolving issue after issue from his previous bookkeeper. Now the Company has new book-keeping software and a new Profit Key bookkeeper (Vicki) doing the weekly processing. Mondays are no longer a time-consuming slog of queries for Richard. Instead Richard now gets departmentalised management accounts that show him exactly how the 5 areas of his business are performing – 3 retail stores, 1 manufacturing unit plus 1 warehouse and distribution unit. Richard's confidence in his numbers has never been higher. This certainty helps him make business decisions that keeps every area making money for him and his family. Managing cash flow and payments to important suppliers is now much more reassuring too. Like Richard says:

*"It's allowed me as the person running the business to run it, I know I've got all the information there at the touch of a button if I want it. Somebody has to take hold of the steering wheel and steer everything!"*

## Then opportunity knocks...

In 2013 an opportunity to open a Derby store came up and Richard asked to see the accounts.

*"When I mentioned it to Ian (from The Profit Key) he quickly showed up and we ran the numbers to see what the breakeven would be in this high-profile outlet."*

A second Derby store came available at the same time so Richard and Ian ran the numbers again. This second

opportunity looked a lower risk and much safer bet than the first so Richard went for it. Year one it made a healthy profit which repeated in year two.

*"If we'd have gone with a Derby showroom with the old accountants it would have been a right mess to do it."*

Confidence in the accounts, confidence in the breakeven calculations, and the freedom of no longer being tied up on Mondays made the decision to run with a new Derby store less of a gamble and more of an investment.

## Getting buy-in from the whole team...

At one of the Business One Page Plan meetings customer feedback was the focus of the discussion. Richard's drivers now get customers to fill in the new feedback form before they leave their customer. The feedback is then collected by the company administrator and presented on the monthly Business One Page Plan. Any and all issues are shared with the team and fixed when needed. Richard thinks this adds to the focus of his team:

*"The biggest thing it's probably done is made all members of staff more accountable, so nobody can hide can they?"*

*"This is great because it makes everybody responsible, and responsibility and finishing the job is what it's all about. It also makes me more accountable for actually doing the right stuff as the Managing Director."*

## Confidence in an even brighter future...

Richard continues with the monthly Business One Page Plan meetings because he wants to make even more progress:

*"It's always a case of questioning if you can improve things, I think that's the key to it all really."*

*"To question the right stuff, you've got to track the right numbers on the Business One Page Plan."*

## Revenue and profits increase thanks to greater confidence in accurate monthly numbers and monthly reviews:

- Better management accounts systems help make better decisions for 5 business units
- Breakeven calculation confirms a new Derby store is a good investment of time and money
- Customer feedback system gets the whole team committed to customer care

## Your next steps...

To find out more about better book-keeping, better management accounts and the Business One Page Plan process please contact The Profit Key team – call **01530 416555** or email **ian@theprofitkey.co.uk**