

# **Sig Biz Advisors**

**Improving the odds to  
continued profits growth**

**A guide especially for  
small and medium sized  
businesses**

## Smaller Companies have many advantages

Small and medium sized Enterprises (SMEs) enjoy many advantages over their larger rivals. Typically they will:

- Be led by an entrepreneur with a lot of industry experience
- Be far more flexible
- Have lower overheads
- Be far more customer orientated, eager to understand and fully meet their customers' needs
- Not suffer from bureaucracy
- Not suffer from political in-fighting

## ..but Smaller Companies are often handicapped

SMEs in general, do not have the in-house specialists that large companies benefit from. There are marketing, financial market, accounting, human resources, compliance, production, insurance, business planning and many other specialists working on business matters for large companies every day.

The Managing Director of a large company can also turn to his board of directors for advice. On the board will usually be a wide range of expertise reflecting many professional disciplines.

**Poor advice can be worse than no advice!** Small businesses often do not have the necessary contacts to find the specialist they need. This sometimes leads to unreasonable expectations of the current general advisors for the business to provide specialist advice. The man who designs brochures is generally not the person to provide a business with a strategic and marketing plan – the general accountant not the person to advise on mergers and so on.

## How we improve the odds

Small & medium sized businesses - with all the advantages they have - when combined with access to skilled 'do-ers' and provided with expert advice should be unstoppable. At the very least they will be more profitable than without the added skills and expertise.

**Sig Biz Advisors provide the skills and expertise to allow SMEs achieve more .**

## Are we experts at everything then?

**No**, we don't claim to be experts in everything, **but** we know a person who is an expert for practically every business skill imaginable!

The **free business review** we offer is carried out by those trained and skilled in identifying issues that may be preventing maximum profitability. In addition we are all experienced in business management having worked for both small and large companies, and will have at least one special area of expertise .

If the skill you need is not within **Sig Biz Advisors** then we use the network that we maintain of specialists whom **we know, we trust and whose work we guarantee.**

## You don't need help right now?

**'you don't know what you don't know'.**

Sig Biz Advisors offer a **Free Business Review** that identifies the things you don't know about your business that may be holding it back. Alternatively we may identify solutions to issues you did know about but did not believe there to be a cost-effective solution for.

We work with, and provide effective solutions for companies currently doing well and wish to use our skills to avoid a future slow down, those whose profits have reached a plateau and want to get back to profits growth and those whose profits have fallen, and perhaps are now in loss.

## Been there, done that already?

So - you've heard it all before – got the T shirt and nothing can surprise you any more? Well, try this question:

**Question** If you were to increase sales by **just** 1% and reduce costs by **just** 1% and increase margins by **just** 1% by how much would your profit before tax increase?

**Answer :** Even with a net margin of 10%, by more than 20%. If your net margin is lower then it would be more.

### Surprised?

The result of each action is shown in the graph opposite – the blue area showing the profit before tax. To illustrate this we have used the following figures to simplify the example:

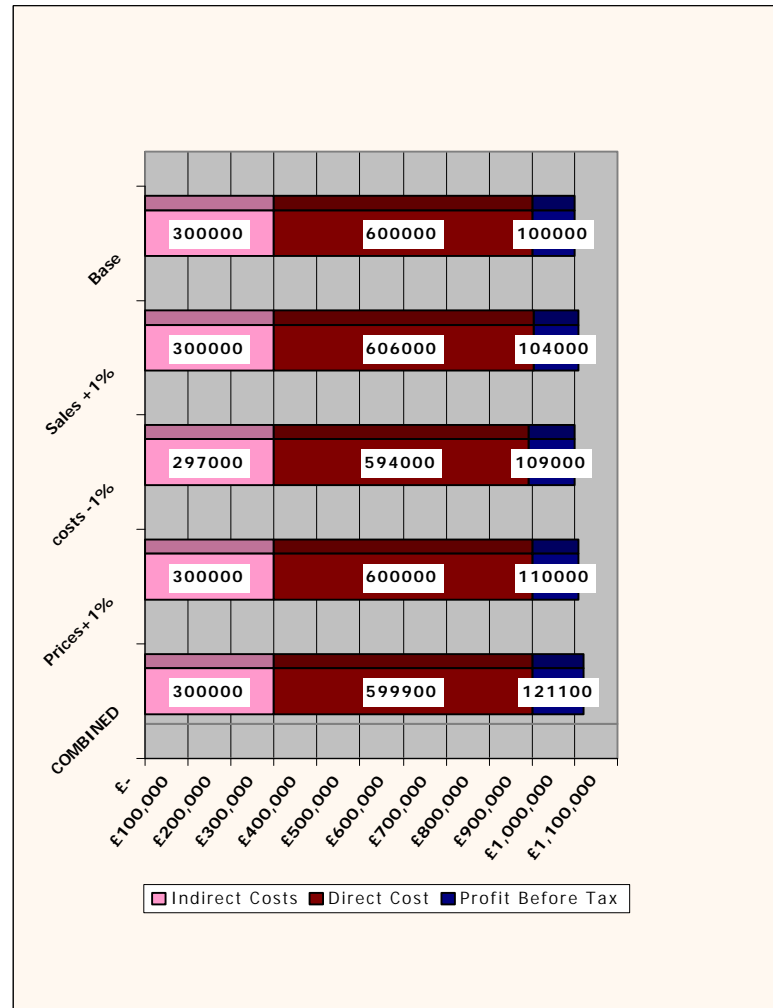
The company has £1m turnover, it has variable costs of 60% and has fixed costs of £300,000 making the profit before tax £100,000. *Whatever variable and fixed costs are true for your company the rank order of the value of the improvements will always be the same as in this.*

The answer to the question is shown by the last bar, marked “**COMBINED**”. This would be the result if you were to do all 3, increase sales by 1% AND reduce costs by 1% AND increase prices by 1% - **you would increase profits by over 21%!**

**We can help get that 1% increase in sales:** perhaps by putting you in touch with prospects we can find for you; maybe by arranging cost effective sales training; by helping with exports or by helping find agents or distributors for you.

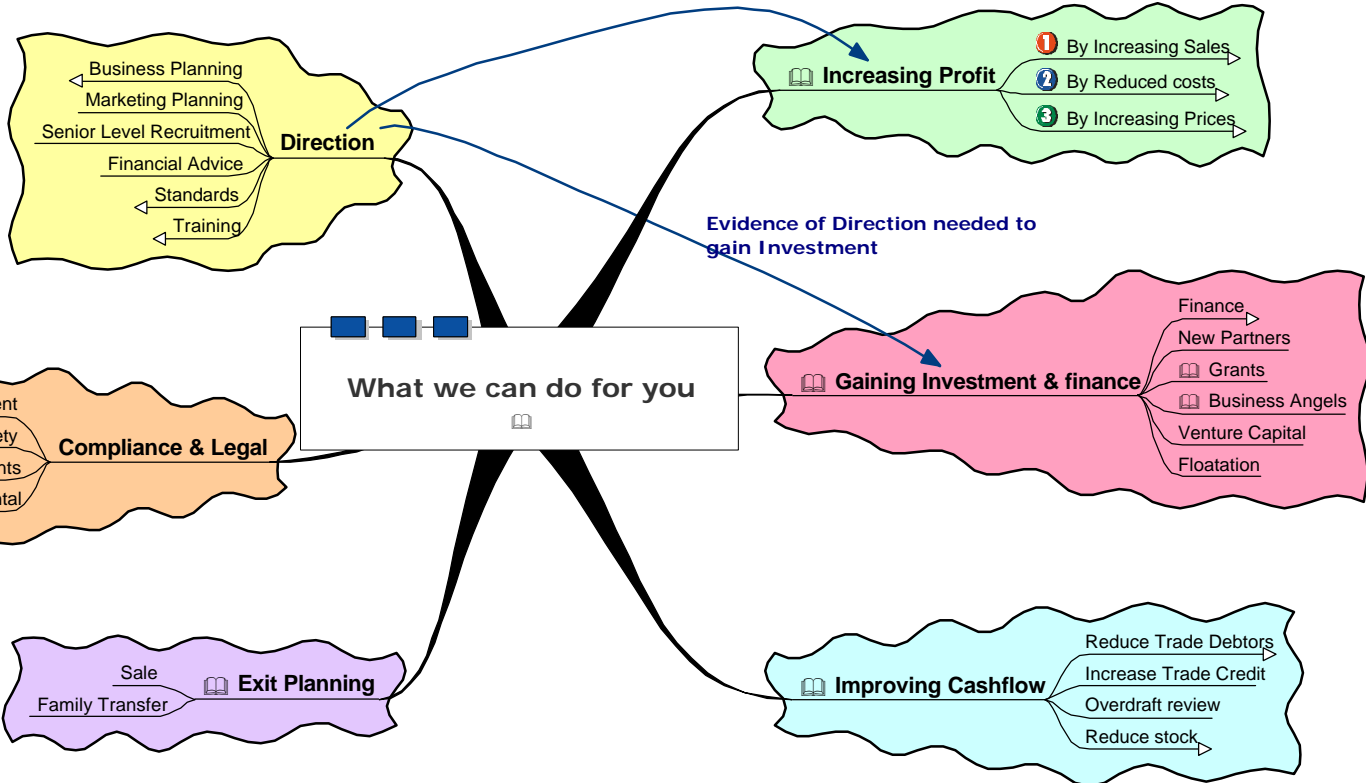
**Cutting costs is something we can also help with.** If our example company reduced its debtor days by just 2 it would easily exceed the 1% saving target! Alternatively, we may be able to help by sourcing raw materials cheaper, sourcing finance or your overdraft cheaper or outsourcing some of the production or administration.

We can help identify where you can safely increase margins. This might be achieved from one particular product line or charging more realistic delivery costs. **The best way to increase margins is to find ways that add value for your customer at the same time as improving the margin.** It is surprising how often this can be done with a little research.



# The shortened list of ways we help businesses

Continued profit improvement requires focus. Focus comes from a plan. Without the right employees rightly trained continued profit improvement will NOT happen



## Ready to be surprised again?

Try this question then:

If the same company (£1m turnover) has an overdraft of £25,000 and was then able to reduce the average debtor days from 55 to 45 days. Would it be able to repay :

- A) 25% of the overdraft
- B) 50% of the overdraft
- C) 100% of the overdraft

### Answer

- C) It would release over £27,000 of working capital

Maybe you doubt the ability of many companies to be able to do this, including perhaps your own? Worried that it might offend important customers?

There is of course a right way and a wrong way to reduce the length of credit to customers whilst keeping them as customers. We can advise you on the right way and can do so based on practical experience.

## Sourcing raw materials and finding customers for you

We belong to a network of over 1,000 organisations and individuals who deal with small businesses around the world all of the time. The benefit to you is that a request through the network can help source raw materials or find you customers.

Sometimes by linking raw materials requirements with other UK companies through our network it then becomes viable to source abroad whilst it would not be feasible for any individual company to do so in isolation. We can also use the network to find customers for our clients.

## About Sig Biz Advisors

Sig Biz Advisors exists to give practical advice to businesses. Advice is usually in the form of practical steps that the client can take to improve profit.

The “**Sig Biz**” in the company name is short for “**Significant Business**”. Significant does not mean big. Significant is defined by us as those companies with ambition and the determination to advance. Sometimes one of our roles is to help re-awaken that ambition again.

Most of our work is in fact with Small & Medium Sized Enterprises (SMEs). We have trained to deal cost effectively with many of the problems that are hindering the growth in profits of small businesses. We find small businesses are usually more satisfying to work with than the very large. Results can be achieved quicker with less politics slowing the process down or even preventing the implementation of the necessary solutions.

Andy Miller is founder and director of Sig Biz Advisors. Andy has worked for small, national and international concerns in a variety of management roles. Recovery and new ventures has been a theme in much of his work. The three last companies Andy joined before establishing his own businesses were multi-national companies and had in common that they were all losing money at the time he joined them. The challenge to turn them around and the satisfaction of succeeding were major motivators.

Andy has also been responsible for the thinking up of new venture ideas and the putting of these ideas into practice. This applies both when working for large companies and also with his own business ventures.

Andy founded his first consultancy whilst living in Switzerland in the mid-1990s.

## **One phone call is all it takes to get started**

Pick up the phone and call us. Ask for **your Free Business evaluation**.

The cost is 1½ hours of your time : **the benefit is usually at least two usable ideas to increase profit**. These ideas will be discussed on the day and sent in writing later regardless of whether you choose Sig Biz Advisors to help you realise these ideas or not.

## **Sig Biz Advisors**

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