



## The Profit Leverage Effect

### STILL NEED TO MAKE YOUR PROFIT TARGETS???

Everyone realizes that cost savings go directly to the bottom line. But how much more impactful can they be than increased revenue? That depends upon your margin. The lower your margin, the more sales you need to have the same impact to your bottom line. To generate a \$10,000 impact to the bottom line, a company with 35% pretax margin only needs to generate sales of \$28,571. Not bad! But if your pretax margin is only 5%, you'll need to generate \$200,000 to have an additional \$10,000 hit the bottom line. That's a lot of work, especially in the midst of this Coronavirus. That is why it is so critical to always be mindful and on the lookout for cost savings.

In these uncertain times, with a recession almost a certainty, Straight Forward Consulting can help. We are experts at finding cost savings and reducing lead time across your entire supply chain. And many of our offerings can be done 100% remotely, with a guaranteed 100% ROI and positive cash flow on Day One! And we don't get paid unless and until you realize your savings opportunity. Call us today! 716.866.8958

### THE PROFIT LEVERAGE EFFECT

Pretax Margin	Impact of \$10,000 cost savings to the bottom line	Sales needed to generate \$10,000 to the bottom line
35%	\$ 10,000	\$ 28,571
30%	\$ 10,000	\$ 33,333
25%	\$ 10,000	\$ 40,000
20%	\$ 10,000	\$ 50,000
15%	\$ 10,000	\$ 66,667
10%	\$ 10,000	\$ 100,000
5%	\$ 10,000	\$ 200,000



3%	\$	10,000	\$	333,333
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