

## 7 Ways to Grow Your Business: Reduce variable costs

### Increase your Gross Profit Margin

<p><b>Product</b></p> <ul style="list-style-type: none"> <li>• Set monthly product purchase targets</li> <li>• Decrease range</li> <li>• Sell fast moving stock</li> <li>• Sell an exclusive label</li> <li>• Sell your own label</li> <li>• Review warranty terms</li> <li>• Sell products / services with better margins</li> <li>• Sell online or by direct mail</li> <li>• Stop discounting</li> </ul>	<p><b>Suppliers</b></p> <ul style="list-style-type: none"> <li>• Shop around for suppliers</li> <li>• Improve negotiation skills</li> <li>• Negotiate fixed rates</li> <li>• Join / start a buying group or co-op</li> <li>• Review purchase authority systems</li> <li>• Take stock on consignment</li> <li>• Buy in bulk, pay and receive over time</li> <li>• Track inventory</li> <li>• Manufacture yourself</li> </ul>
<p><b>Wages and salaries:</b></p> <ul style="list-style-type: none"> <li>• Commission only sales team</li> <li>• Analyse cost of shift work vs. contractors</li> <li>• Negotiate employment agreements</li> <li>• Reduce team size</li> <li>• Stop paying overtime</li> <li>• Outsource where appropriate</li> <li>• Offer margin based team incentives</li> <li>• Review efficiency, productivity and time management</li> <li>• Eliminate rework and wastage</li> <li>• Systemise team processes</li> <li>• Upskill team on best practise</li> <li>• Sell via party plan or multilevel</li> </ul>	<p><b>Systems</b></p> <ul style="list-style-type: none"> <li>• Invest in technology (inventory, point of sale)</li> <li>• System for checking all suppliers' invoices</li> <li>• Review quality control checks</li> <li>• Improve stock turn</li> </ul>