



7 Ways to Grow Your Business

Step 6 - Reduce your cost of sales/variable costs

Increase your Gross Profit Margin

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