

# New Year's Resolutions For Profit

With the new year upon us, we would urge all of our readers to make a few "New Year's Resolutions" for profit. Ben Franklin once wrote that little leaks can sink a great ship. To transform your store into a money-making machine, resolve during the coming year to plug up all "fiscal leaks," regardless of how small. The following resolutions may be of some assistance.

Resolve to take your profit and loss statement home as soon as it is available and scrutinize every single line item to look for potential savings. Do you have the best insurance program? You can find out only by shopping around. Are you getting the best terms and rates from your bankers? Check up on all your banks and finance companies. To get a better grasp of your financial performance, secure a copy of NAMM's Retail Operations Manual. Compare your performance with industry norms to help identify areas needing improvement.

Resolve to always remember that customers are the most important things in the world. The quality of greeting given to a customer at the door is your first and last opportunity to make a lasting good impression. People don't walk into music stores just to look. Everyone coming through your door is a prospect. Any salesman who is still sitting down after the customer is three feet over the threshold should be horsewhipped, fired, or both!

Resolve to be careful in granting credit. Don't sell to people who have a record of slow pay or have a heavy debt load.

Resolve to analyze your service costs. Check to see if it would be more profitable to convert the department into an independent contractor. You might save on social security and various other employment taxes, and encourage the service people to work harder.

Resolve to honestly appraise your slow-moving inventory and trade-ins. Bad merchandise doesn't improve with age, and you would be better off taking your loss and reinvesting the cash in fast-turning products. Set a time limit, say three

months, on liquidating your questionable stock.

Resolve to be strong when a supplier offers your a special. Don't buy it unless it fits into your overall inventory plans. Don't end up like the hapless merchant in the cartoon who exclaims, "One more good deal and I'll be broke."

Resolve never to give into band directors, teachers, or technicians with their hands stuck out for a commission.

Resolve to make sure that if anyone is going to steal from you, either internally or externally, he will have to work and sweat for the fruits of his crime. Install a good electronic burglar alarm, preferably the silent type based upon motion disturbance. If you think money is by-passing the cash register, have a shopping service come in while you are away to check on your employees. You have a responsibility to keep your employees honest by making it difficult for them to steal.

Resolve to plan your advertising in advance, rather than waiting to the last minute to repeat an old ad. Thanks to desk-top publishing, you can set up your own in-house agency for a minimal cost.

Resolve to remember that a music dealer is not selling product, but instead should be a dedicated advisor satisfying one of mankind's oldest known social needs. One of the truest sayings ever uttered is, "The richest child is poor without music."

To those who have read this far, Happy New Year!

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