

Measure it, understand it, get it done

Profit Soup Services

Helping
business
owners gain the
knowledge,
acumen and
habits to take
financial control
of their
companies



We give you the knowledge and the inspiration to improve your business - and your business life. Then we give you the tools to get it done and make it stick.

356 Upland Drive Tukwila, Washington 98188-3801 USA

t + 1 206 282 3888 www.profitsoup.com

PROFIT **S** **O** **U** **P**

About Profit Soup

We are experts at helping business owners gain the skills, knowledge and processes to take financial control of their companies.

We help networks to gather and use financial and business information to establish a culture of profit management.

Our 'outsider's eyes' can provide fresh insights to supplement your expertise.

We can work with you on a single project or combine our suite of services to create a process that places profitability at the core of your business model.

And because we know franchising, we're committed to working with you to ensure your investment delivers a real return...**more profit, more cash and more value.**

Contact us

356 Upland Drive
Tukwila WA 98188

T: +1.206.282.3888

barbara.carper@profitsoup.com

www.profitsoup.com



Seminars and workshops that give people the skills and confidence to manage for profit.

Financial information is only useful if you know how to interpret it and use it to make smart business decisions. Our seminars provide practical tools that answer questions like:

- How do I build value in my business?
- What are the key financial indicators to focus on?
- How can I use breakeven as a management tool?
- What drives my cash flow and how can I improve it?
- How should I manage debt and plan for expansion?

We work with you to customize our approach to your network's unique business environment and vernacular.

Performance profiles that transform financial and operational data into a powerful management tool.

We produce reports on network performance and customized assessments for franchisees that help spark conversations that matter. The reports typically examine:

- Cost, profit and productivity profile of your network
- Characteristics of the most successful franchisees
- Profiles for different revenue and market segments
- Financial strength and risk

Our clients use their profiles to review and develop strategy, and to identify opportunity to improve profit and cash.

Group coaching programs that harness the power of peer support as a foundation for success.

Well presented information and knowing what to do does not get the job done! Your investment to bring the knowledge to the people pays dividends when people take action.

We work with individuals and groups to create goals, share experience and create support structures that prompt accountability and performance improvement.

Clients use our programs to focus strategic planning, supplement and enhance field support programs and to inspire the actions that get results.

Seminars and workshops: help your franchise owners be intentional about managing the financial side of their business

Here is a list of Profit Soup topics suitable for keynote, convention workshops or regional meetings.

Vision of Value

Start with the end in mind! Incorporate eight strategies for building business value, including succession planning insights and management strategies that increase net worth. Incorporates Profit Soup approach of "Measure it, understand it, get it done!"

The Goose That Lays the Golden Egg

What is your business worth? Review how businesses are commonly valued and explore things you can do today to make your business more attractive to buyers tomorrow.

Using Performance Dashboards

What should you be watching? Develop your own business performance dashboard and establish a culture of continuous performance improvement in your company. Tips for monitoring the critical drivers of success: productivity, profit, cash and financial strength. This session is especially useful in helping non-financial entrepreneurs get value from their financial reports.

Optimizing Cash Flow

How can you fill the gap? Even the most profitable companies have challenges filling the cash gap. Explore the drivers of cash flow and establish ways to measure and improve your cash management. Learn techniques to fine tune your cash flow planning so you can anticipate short term cash flow needs.

Purpose Driven Profit

What are the long-term profit requirements that will help me fulfill my personal and professional vision? What sales goals would help me achieve my required profit? How would pricing changes impact my plan? What sales are needed to recover my marketing investments? Questions like these establish a pathway to success and optimism. Even as you face the challenges of 2010, it is possible to take back a sense of control – provided you have the right tools. And if there were only one tool available; our #1 choice would be breakeven analysis.

Drive Sales With Purpose

How can you set goals and select business activities that drive sales? What can you measure and track to assess your accomplishments? In today's competitive climate, it's more important than ever to take action to create opportunities that drive sales. We'll focus on the importance of measuring prospecting activities, leveraging your value proposition and brand strategy, selecting high ROI marketing activities and establishing a culture of proactive selling. We'll also explore how these actions connect to your financial success.



January 2010 Convention Talk: HOME INSPECTION Purpose Driven Profit

I am tossing this message your way to share our experience with Barbara Carper and Profit Soup. I understand that “over the top” recommendations can often seem too good to be true, so please know that my observations truly are my objective “fact-based” assessment, nothing more, nothing less. Our experience simply carries no negatives, and quite a number of rather remarkable positives. The common view shared by me, my staff and our franchisees includes the following:

- Presentation Style
 - Non-threatening, no-nonsense, “naturally approachable”
 - Engenders a sense of accountability within the audience without “preaching”....engages people’s minds and interest based on basic logic & common sense
 - Entertaining in a form and degree that facilitates learning; particularly good at “pacing” the teaching and making certain the group connects with key building block concepts along the way; unique ability to bring a large diverse group forward in learning while keeping everyone attentive and interested
 - Confident presentation delivery, highly effective use of on-screen A/V tools without “gimmicks” taking precedence over substance

- Content
 - Irrefutable fact-based operating concepts; “need to know” financial management tools expressed in practical terms
 - Quality leave-behinds; clear path and answers to “what do I do on Monday back in my market place?” and “how do I use this day-to-day?”
 - Relevant – homework on our business was clearly done to a level that made the financial management concepts easy to learn. Content clearly displayed a command of context and vernacular related to our business; sound credibility, audience buy-in, and ease of understanding resulted
 - Simple, Relevant, Educational

- Net
 - Remarkable “on the mark” connection with our needs and the audience. Both new players and age-old “know it alls” in our group were engaged and learned
 - Viewed as an “insider” by our staff and franchisees....a “credible, knowledgeable, believable friend”
 - Meaningful intellectual value delivered with interpersonal skills of broad appeal (“if you don’t like Barbara Carper, you probably don’t like anyone”)

Profit Soup concepts, and Barb as a presenter, were a slam dunk success. Should you or anyone in your organization need more particulars please let me know.

All the best!

Steve Wadlington, President

World Inspection Network International, Inc.

(O) 206.694.8004 (C) 901.825.0013 swadlington@wini.com

Performance profiles: a case study

LEADING FRANCHISE CONSIDERS BENCHMARKS A FOUNDATION FOR SUCCESS

John Post, Senior Training and Development Manager with Kwik Kopy Australia, refers to financial performance benchmarks as “a foundation” of the business.

He considers the financial benchmarking process as the perfect way to gain insight into the franchise. “It is imperative to know the profitability of each individual franchise as well as to monitor the trends in our network. Profit and performance benchmarks give us a comprehensive understanding of our business that allows us to be proactive in building franchisee profit and developing our franchise system.”

Commitment to franchisee profitability

Kwik Kopy Australia has always had a strong commitment to franchisee profitability; they dedicate internal and external resources to building profit as well as sales. The company began benchmarking more than 15 years ago when the top 20 centers agreed to share their results with each other. By 2001 all centres were participating in a comprehensive annual survey that incorporated benchmarks for profit, productivity and cash flow. Kwik Kopy's benchmark study, including a report describing system-wide results, individual franchise performance profiles and detailed management supplements for the corporate staff, are provided by the US based consulting group Profit Soup.

“It is very easy to entrust our information to Profit Soup and, since the franchisees have a vested interest in knowing how the company is doing, we have no trouble getting 100% participation,” said John Post.

Enormous value for franchisees

Kwik Kopy finds that all franchisees are willing to provide their financial information to the corporate office. “Our franchisees provide their accounts to us because they receive something valuable in return,” states David Bell, Managing Director of Kwik Kopy Australia. “The benchmarks help them identify the strengths and weaknesses of their own business. As well as this, franchisees get a straightforward snapshot of profitability trends across the network and they appreciate this transparency and our genuine commitment to profitability.”

The annual benchmark study shows the average results for the Kwik Kopy network and also highlights the best performances in key operating areas. Because it shows the results of the top 25%, franchise owners have a perfect tool to help set goals in their own business.

“I refer to the benchmarking study and my centre's report to see how I compare to the rest of the network to determine how I can improve and to help plan for the future,” says Andrew Bannerman of Kwik Kopy Chatswood.

The benchmarks are a terrific resource for Kwik Kopy Australia's team of Business Development Consultants (BDCs). "Our BDCs have a jump start on the areas in which to focus as they work with an owner," explains John Post. "In turn, franchisees are asking for more assistance from our field support team because they are focused on goals and enhancing their performance."

The company also uses the benchmark study to identify outstanding performance within the network. "The benchmark program enables Kwik Kopy to present awards that acknowledge top performers for important operational areas such as production efficiency, as well as the more traditional sales awards," notes John Post. "Also, when we select the Kwik Kopy Franchise of the Year we consider profitability by reference to the benchmarks which makes the award more valuable," he stated.

Financial disclosure assists franchise development

Prospective Kwik Kopy franchisees receive the performance results of the network as part of the Disclosure Document as they complete their due diligence. "The integrity of our process means we are confident to present the performance of the network to potential owners. Indeed, we think this is essential in today's market where prospective franchisees are well informed and looking for strong returns," says Graham England, Franchise Development Manager with Kwik Kopy.

"We have the numbers at our fingertips. Many systems talk about profitability being important; we can really demonstrate our long term commitment in this area. In Kwik Kopy, our focus on profitability is part of our franchise processes and systems, not an occasional project. Our ability to present the detailed results of our network to potential owners and to their bankers is very powerful," says England.

Effective for board members

Kwik Kopy's management team and board members rely on the benchmarking results to easily distinguish the network's trends. "The board studies these figures at great length since it's a clear picture of the whole business," emphasized Stephen Penfold, Kwik Kopy's chairman. "We then use the benchmarks to help us set strategic direction and are able to gauge the success of our preceding strategies."

"Our commitment to benchmarking sets us apart as a leader in the franchise world and it's a hugely advantageous service to our owners," John Post affirms.

Kwik Kopy Australia Pty. Ltd. Is the franchisor for 108 Kwik Kopy Design and Print Centres in Australia and was established in 1982 as a master license holder from Kwik Kopy Corporation, USA.

Group coaching programs: a case study

PEER GROUPS IMPROVE PROFITABILITY IN LEADING FRANCHISE NETWORK

Kwik Kopy Australia's peer support group program has delivered high returns on investment for both franchisor and franchisees.

The network's three "Performance Groups" are made up of 10 to 12 franchisees who meet quarterly to set goals, exchange ideas and receive feedback. They also enjoy social time to refresh, renew and refocus.

"The franchisees regard these groups as a valuable addition to our one-on-one field support," states John Post, Senior Training and Development Manager with Kwik Kopy Australia. "We see clear benefits from our investment in this process which delivers improvements in franchisee profit, sales and satisfaction."

Groups support accountability and make business more rewarding

Kwik Kopy management found the impact of the Performance Groups came from three primary areas: setting goals, reporting on results and exchanging ideas.

The owners meet quarterly to act as a board of directors, scrutinizing the financial results of their peers. Franchisees appreciate the accountability this group provides.

"It can be tough to account for your performance against your goals but the benefit is that it keeps our attention on the results," commented Narelle Downing from Kwik Kopy Canberra.

Most importantly, a productive dialogue is fostered within each group. The supportive group environment enables personal narratives, successes and lessons learned to be shared more freely and in more detail than in general franchisee meetings.

"The group discussion has a direct impact on my business," said Brian Heydon from Kwik Kopy Castle Hill. "The input of other owners helps me understand where I need to make changes; it's enabled me to improve many aspects of my operation," he added.

John Post added, "The goal setting and reporting delivers discipline and perspective that business owners can't achieve on their own. In addition, it's an enjoyable and effective way to benefit from the experience of others in the system."

The process increased effectiveness of field support

Performance Groups have also enhanced the effectiveness of Kwik Kopy's franchise support. Support professionals find that after a meeting, franchise owners actively engage in directives to improve their business. This makes it easier for franchise support teams to focus their assistance, and to help franchisees launch their action plans and get results.

According to John Post, "Performance Groups have certainly helped our network. The franchisees enjoy getting together with their peers and have significantly improved their sales and profit. There's no doubt about the value of this program."

How Profit Soup helped

Profit Soup helped Kwik Kopy create their peer group program by developing the basic framework for group activities, accountability and financial reporting. They also provided initial facilitation services and a franchisee-orientation session, and later transitioned facilitation to Kwik Kopy's internal through a "train-the-trainer" process. This design, development and transition approach delivers a seasoned model without the burden of an ongoing cost structure for group management.

Peer group programs deliver high value for emerging and mature franchise systems alike. They can supplement regular support services in a cost-effective way that suits a growing network and mature franchisees will find value in the powerful interaction with peers.

A committed and enthusiastic facilitator helps retain the group's cohesiveness and ambition. A third-party facilitator can bring fresh perspective and focus while supporting franchisor goals and maintaining a constructive environment.

A consistent and clear focus on goal setting and financial review is essential for the prosperity of any business. Franchisees appreciate having structure and accountability around these important business process. These activities are combined with a robust franchisee-driven agenda delivered through a combination of structured sessions and free flowing discussion.

To discover more about how Profit Soup can help your network increase profit and franchisee satisfaction through peer groups please contact Barbara Carper via phone at 206-282-3888 or by email at barbara.carper@profitsoup.com.

What people say when they work with Profit Soup

“Profit Soup’s performance benchmarks give us a comprehensive understanding of our business that allows Kwik Kopy Australia to be proactive in building franchisee profit and developing our franchise system.”

John Post, Senior Training and Development Manager, Kwik Kopy Australia

“Barbara is a driven, detail-oriented financial analyst who can simplify the complicated world of finance. Barbara worked extremely hard to meet our deadline and provide a high value report for our franchise network so we could take information and make changes in our business. She asked all the hard questions and is willing to share everything she knows to receive high value and want to continue working with her again. I recommend Barbara to any company who wants to look at where they are and willing to make changes to improve.”

Richard Simtob, while Vice President Finance and Growth, Wireless Toyz

“Barbara Carper has worn many hats for Kwik Kopy Printing Canada Corporation: keynote speaker, focus group facilitator, author of our network wide benchmarking study, facilitator trainer and a franchise consultant. Barb’s can-do attitude and ability to offer unique solutions to any challenge has served our franchise network well.”

Kevin Willan, while Business Development Coordinator, Kwik Kopy Canada

“Today was AWESOME. You have us ready to figure out our “magic number” It’s on the top of our priority list for tomorrow morning.”

Kelly Cavenah, Franchisee, Home Instead Senior Care, Olympia, WA

“When the Log Homes Council of NAHB decided to do a financial benchmarking study we contacted Barbara to lead the way. From inception, through data collection and on to the finished product, she provided great insight into developing the questionnaire to elicit accurate responses and data, ultimately providing the participants with a clearer view of our industry.”

David Kessel, Chairman, Benchmark Committee, Log Homes Council of NAHB

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About the author



Barbara Carper is the founder and president of Profit Soup. She combines the management and teaching skills of a seasoned business advisor with the technical knowledge of a CPA. She has worked with business owners and managers across the United States, Canada and Australia, providing them with practical tools and techniques to achieve greater control over the financial future of their companies. She is an experienced, skilled, and entertaining seminar presenter.

Ms. Carper has authored financial benchmark studies in numerous industries. She is also a frequent speaker at franchise and association conventions, delivering financial topics in a non-threatening, no-nonsense, naturally approachable style. Her clients include: WIN Home Inspection, Auntie Anne's Pretzel's, Home Instead Senior Care, Kwik Kopy in Canada and Australia, ProSource Wholesale Flooring, National Insulation Contractors' Exchange, the American Rental Association and the National Community Pharmacists Association (U.S.) to name a few. She is a frequent facilitator for industry peer group meetings and strategic planning sessions giving her a unique perspective of the long and short-term challenges that business owners, franchisees and franchisors face each day.