

Increase Profits By Having An Effective Marketing Strategy

A renowned American marketing Guru once remarked, "If you are in business not for profit nor for pleasure, what the hell are you doing there!" Every word of that verdict rings true till today. Profitability is the first and the last word of running a business. However, all businesses are not necessarily high profit yielding and besides, there is no such guarantee that each and every business will run well. And even when a business is making a profit, there cannot be any guarantees that every transaction will end up in the positive. As a matter of fact, most businesses fail. Only those that are run efficiently see the light of profit and last for many days. And profit, like peace of mind, is temporary and brief unless every waking hour is spent after promoting it. Automation to Increase Profits Since profit motivation is the key word in any business, the more it is increased, better is the deal. However, we all know that to increase profit, we must cut costs. But which segment of production or planning will be axed is of prime consideration. As for cutting cost at the grass root level, why not cut overhead by automating most of the non-producing items like accounting, customer care, voice mail, sales reporting, ordering and record keeping. Computerization helps a business automate much of the process. There are many software applications that also do the job wonderfully well. After the overheads come the variable expenses that can be cut either by way of negotiating with the supplier or by re-structuring the production process. As for negotiating with a steady supplier who had been regularly paid over a continued period of time, he or she would be only too glad to cooperate as long as his or her own basic profit is not disturbed. And restructuring or re-engineering with new innovative tools should not pose a problem. Enhance Production to Increase Profits Now come the question of increasing the production since that will also help increase the profitability of a product. This may be achieved with the introduction of newer, faster tools or machinery while the same workmen can be trained to work with faster machines. On the other hand, paying incentives to workmen for a higher yield is nothing new. Henry Ford did it in 1921 while other US employers are doing the same today. This way, both the employee and the employer are happy the employee because he or she is getting higher wages and the employer because the productivity has gone up and it brings in more dollars. Yet another way of increasing profit is through finding ways in which the product line can be diversified. This not only generates more profit but also creates reputation for the business. A south California based car cover and seat cover making business house suddenly discovered that the same seat cover, if more precisely crafted following the exact contours of the seat as installed by the auto maker, would sell at a much higher price, labeled as 'Custom Seat Cover". By going one step further, they studied seat cover dimensions for different marque of cars and SUVs and with the help of computer aided designing and making produced such unbelievable covers that auto giants like the General Motors were overwhelmed.

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