





Presented By

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## **Session Objectives**



- Provide 10 suggestions & ideas to improve the financial health of your business
- Q&A Along the Way





1. Find a Niche and Exploit It





### Creating a Niche Means Exploiting a...



- Product Niche
- Service Niche
- Customer/ Industry Niche
- Knowledge Niche









## 2. Diversify Revenues



## **Diversify Revenues**



#### Typical / Core Music Store Revenues

- Sales
- B&O Rentals
- Music Education

#### Potential Music Store Revenues

- Repairs, tunings, delivery
- Piano and Sound Reinforcement Rentals
- Other (i.e. long-term piano storage)





3. Break-up
With Your
Old
Inventory





## Inventory



- Remember....it's all about "turns" and lost opportunity costs!!
- Track Aging Inventory and Try Something New...
  - Re-merchandise
  - Spiffs to Sales Staff
  - Blow-Out in Store or Online
  - Donation





# 4. Get Real with Rentals





## Rentals



- Account For Them Properly book monthly income, depreciate them, and only show a receivable for past due rent
- Obtain Adequate Financing finance them over the same time (or longer) as it takes to recoup your cost on the instrument
- Track the Productivity of the Pool
  - Collections watch your bad debt stats!
  - Unrented Units get them ready to go...or change the mix!



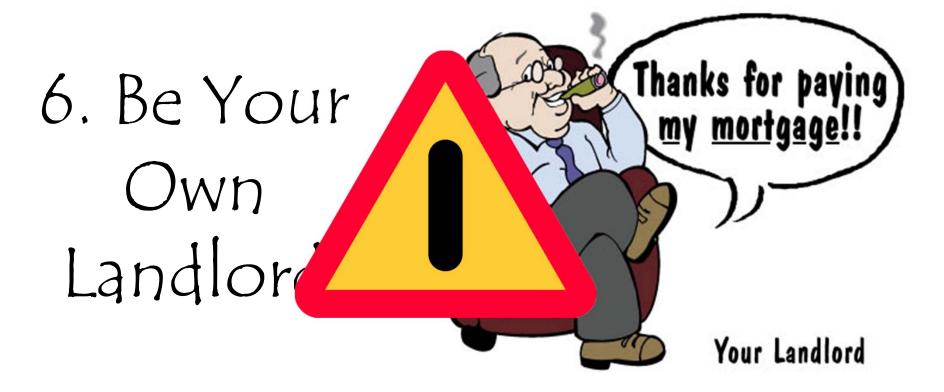


## 5. Pay Down Debt













## 7. Streamline Your Technology



## Streamline Your Technology NAMM OF idea center

#### Data Storage

- Document retention policies
- Electronic computing policies

#### Accounting Software

Multiple solutions with no monthly financial data

#### Technology

- Hardware trends (virtualize)
- Back-up (test often; off-site is best!)





## 8. Safeguard Assets





## Security



- Reconcile bank accounts
- Reconcile inventory discrepancies
- Reconcile payroll records
- Segregate incompatible duties
- Create systems of checks & balances





9. Save For The "Rainy Day"







## 10. Invest in Education





## In summary...



- Review Your Business Plan
- Involve Others
- Dream, but
   Create Action
- Do Something!!

