



“Top 10” Smart Things for 2013



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NAMM[®]
ideacenter

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

1. Find a Niche and Exploit It



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





2. 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



- **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



- **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



6. Be Your Own Landlord



Your Landlord

7. Streamline Your Technology



- **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



- 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



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

