

Product Gross Profit

The Suncorp Product Gross Profit Widget displays a list of your top five products based on volume, listing product name, volume and total revenue.

About this Widget

This easy-to-use Widget is designed to highlight your most profitable products and services. It can help you:

- ✓ Focus on the products that should be advertised/promoted and given the greatest attention.
- ✓ Limit stock levels of less valuable products with small margins.
- ✓ Identify customer trends.
- ✓ Devise strategies around price changes, supplier agreements, negotiations and other ways to increase sales.

Data essentials

For the most accurate view, your POS information needs to be entered correctly, while sales and inventory information require the correct allocation of direct costs.

Making the most of your Widget

- ✓ Open and close your POS software properly each day.
- ✓ Make sure that your POS register is opened before making sales.
- ✓ Close and reconcile the register, as well as your payments and sales, at the end of each day.

- ✓ Check your sales against inventory on a regular basis.
- ✓ Enter products into the correct categories when adding them to your POS software.

Tips to address a negative trend

1. Increase total sales revenue through multiple strategies

- ✓ Increase overall or specific marketing efforts.
- ✓ Promote high margin products (rather than low) to increase profit ratio.
- ✓ Reducing sales discounts to ensure maximum margin on every sale.
- ✓ Take advantage of all potential sales channels (in-store, online, etc).
- ✓ Differentiate your product to avoid price competition.

2. Increase your sales price

- ✓ Increase the price on high selling products to maximise revenue.
- ✓ Add extra value to your products or services that customers will be willing to pay for (e.g. good customer service, free delivery, etc).

Tips to address a negative trend cont.

3. Decrease cost of goods

- ✔ Negotiate with your vendors to purchase goods at lower prices (eg. bulk discounts for frequently ordered goods).
- ✔ Streamline purchasing to avoid late purchasing costs and take advantage of early payment discounts.
- ✔ Eliminate slow moving products and decrease stock obsolescence (see “Use inventory management system” below).
- ✔ Consider whether expansion is a viable option, as economies of scale can lead to decreases in the cost per unit.
- ✔ Reduce your labour costs in production by hiring cheaper labour or, if viable, cutting down on your workforce.
- ✔ Implement better staff training so that it’s more efficient and less new hires are required.
- ✔ Consider outsourcing labour in areas where it’s viable.
- ✔ Increase the amount of technology used in production if it can lead to greater efficiency and be cheaper than labour costs.
- ✔ Streamline your production procedures to increase efficiency and reduce costs.
- ✔ Reduce the level of extras in production – packaging, free goods/services and extras that add to the cost of goods.

4. Use an inventory management system

- ✔ Inventory software can streamline your stock activity and lead to less money tied up in inventory, less theft and stock obsolescence, greater awareness of stock levels and order times, the identification of stock patterns, and time savings from having all cost of goods in one place.

Troubleshooting

Issues can sometimes arise from sales and inventory information being entered incorrectly, not matching or not being entered on the day of the sale, or if information doesn’t align with your POS and/or accounting software and invoices pending, which can cause a misalignment between payments and sales.

Corrective action

Vend users can search for:

- ✔ Inventory count issues [here](#)
- ✔ How to compare inventory with sales data [here](#)
- ✔ How to make inventory adjustments [here](#)
- ✔ Closing your register issues [here](#)
- ✔ If sales and payments mismatch [here](#)
- ✔ Sales missing from the register [here](#)

Kounta users can search for:

- ✔ Finalising takings [here](#)

