10 Ways to Dramatically Increase Your...

NAMM® U

Grow Your Business

Presented by...

Bob Popyk & Alan Friedman
So, why the two of us guys?
Why the two of us guys?

Friedman has 40+ years experience providing accounting, tax, business valuation & consulting to the music retailing industry
• Speaks at NAMM, RPMDA, NASMD and other industry events
• Premier writer for over 20 years for “Music. Inc. Magazine”
• Plays guitar in the all-CPA rock band “The Accounting Crows”

Popyk has 50+ years experience providing sales, marketing, advertising & event consulting to the music retailing industry
• Speaks at NAMM, RPMDA, NASMD and other industry events
• Premier writer for over 30 years for “Music Trades Magazine”
• Plays accordion for any senior citizen bored enough to listen
What do we mean by the term the “bottom line”?

All Revenues

• Less: cost of good sold
• Less: operating expenses
• Less: reasonable comp

= net profit (a.k.a. bottom line)
Here’s “10 kick-ass ways” to increase your store’s profitability
“October. This is one of the dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February.”

Mark Twain
1. Sit Down With Your Staff (who do you know?)
2. Buy Smart
• Can I sell this product?
• Will I make a profit?
• How quickly can I sell it?
• How quickly do I have to pay for it?

Everything else is truly secondary, or doesn’t even matter at all...!!
3. Reach out & Touch Someone
4. Manage Your Inventory
- Look at margins
- Look at turns
- Look at inventory on-hand dollars

Within that inventory management data lies the “opportunity cost” won or lost
$400,000 of Inventory

- $220,000 (55%)
- $80,000 (20%)
- $60,000 (15%)
- $40,000 (10%)

- 1-60 Days
- 61-120 days
- 121-180 days
- 181+ days
$350,000 of Inventory

- 1-60 Days: $50,000 (14%)
- 61-120 days: $90,000 (26%)
- 121-180 days: $60,000 (17%)
- 181+ days: $150,000 (43%)

$400,000
5. Preferred Customer Night
6. Blow Out Old Stuff
“What’s the big deal if my inventory has been sitting around for a while?”

Consider the costs...

$ Purchase & shipping
$ Merchandising & retail ready
$ Rent for retail space & warehousing
$ Data tracking & pricing
$ Physical inventory taking & security
$ Financing & floor planning
$ Property tax
$ Shrinkage, pilfering & breakage
$ Labor costs to do many of the above

The analysts say...

“Any item that’s been sitting around for one year has now cost you 30% more.”

$1,000 + 30% = $1,300
7. Develop an Attitude of Gratitude
8. Manage debt to get out of debt
9. Crank Up Your Closing Skills (...and your staff too)
10. During tough times, be tough; remember...everything is negotiable

these are difficult times
Any Questions for Bob & Alan?
Bob & Alan say...

“Rock On...and have a great show!!”