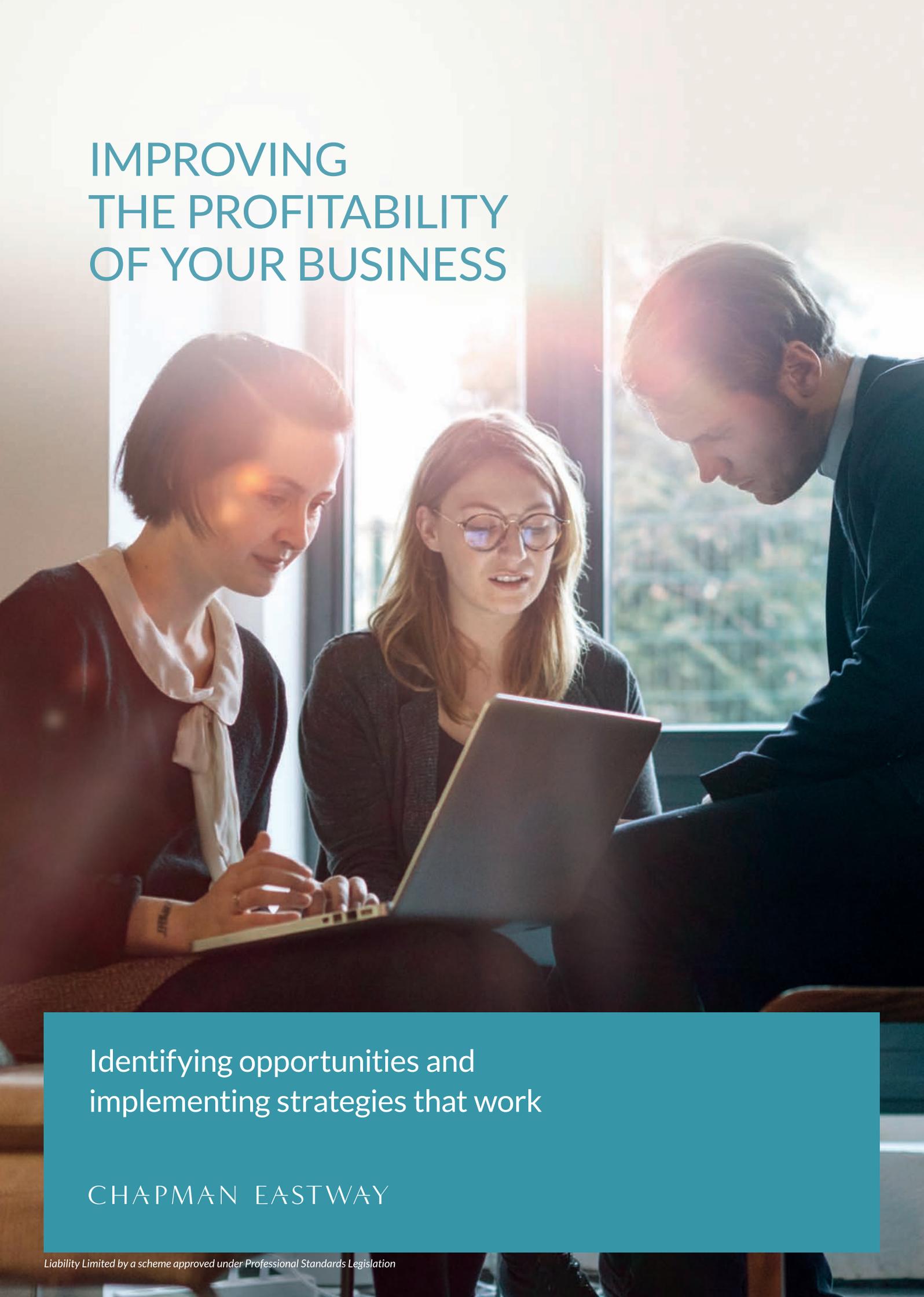


# IMPROVING THE PROFITABILITY OF YOUR BUSINESS



Identifying opportunities and  
implementing strategies that work

CHAPMAN EASTWAY

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# Chapman Eastway



## Is your business generating the returns you want?

Every business goes through stages where it is not operating at its full potential, where profit falls or cash flow is limited. How you prepare and respond to periods of downside is what determines your business' success, both in the short and long-term. The best business owners seek consultation in areas where they lack expertise in order to maximise performance at every stage of the business cycle.

Chapman Eastway's Advisory team have hands on experience in Marketing, Operations, Finance, Systems and Process Improvement, People Strategy and Implementation. Our aim is to create value for your business by delivering meaningful advice, identifying opportunities for growth and ensuring strong and sustainable performance in line with the overall vision of your business.

## We can help you create the business that you've always wanted...

Our Business Advisory Services include:

- Business Health Check and Strategy Review
- Business Plan and Strategy Development
- Forecasting and Budgeting: 3-Way Financial Forecasting
- Product/Service Line Profit Contribution Reporting
- Review of Affairs
- Growth and Profitability Analysis
- Business Case Development
- Business Improvement Strategies
- Implementation and Change Management

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# Getting to know you

## Review of affairs

*If you are a new client to Chapman Eastway, it is most important that we get to know you and your business as our very first step. This process is generally initiated by conducting a Review of Affairs, whereby we work with you to determine the key facts and status regarding your business.*

The Review of Affairs typically includes a thorough analysis of:

- Business structure
- Financial statements for the past 3 years
- Tax compliance and planning
- Loan documents
- Insurance policies
- Governance system
- Succession plan
- Business Plan and Strategy
- Business performance
- Business strengths, weaknesses and opportunities

The Review of Affairs will result in a detailed report outlining areas of opportunity, concern and risk as well as high level recommendations about areas for business improvement and follow up analysis.

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# Analysing your Business

## Growth and Profitability Analysis

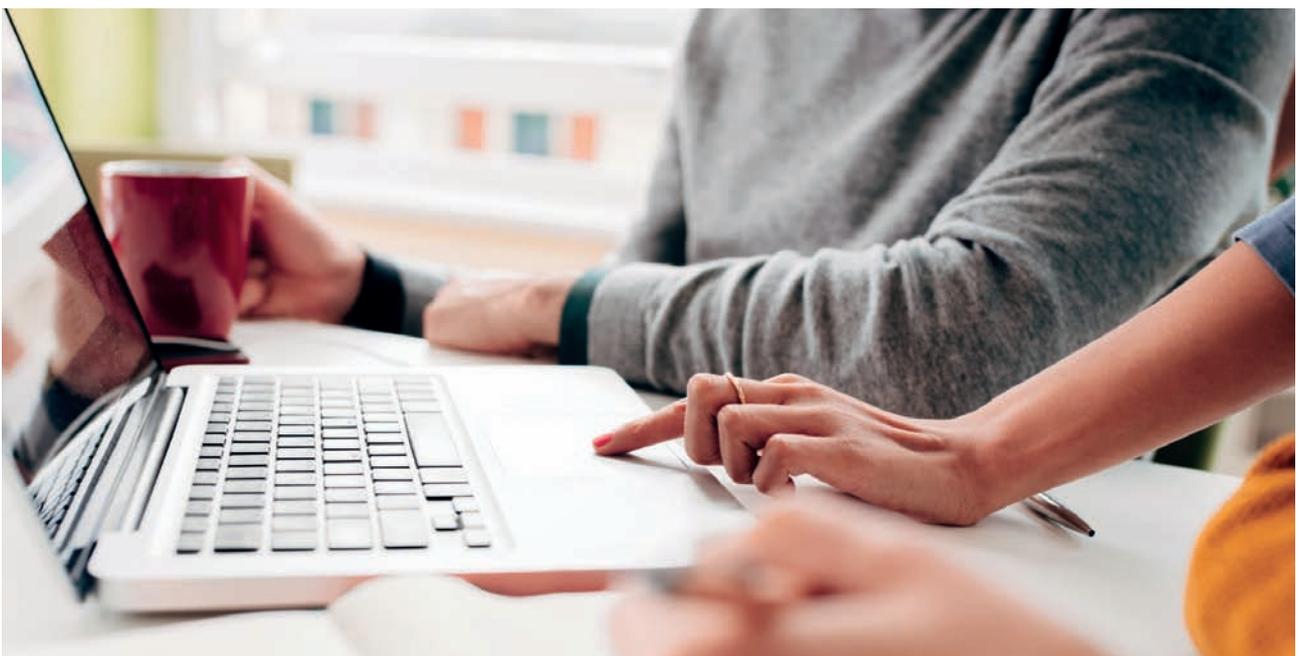
*For both new and existing clients, a great way to gain a deeper understanding of your business position and finding out how well your company is optimised for performance is through the use of the Chapman Eastway Growth and Profitability tool.*

Our custom-made tool integrates the most recent financial data from your business, enabling us to systematically analyse key performance indicators and ratios relative to target values and the KPIs of competitors within your industry.

The Growth and Profitability Analysis includes:

- Profitability and Revenue analysis
- Operations efficiency analysis
- Key KPIs on: profitability, activity, efficiency, asset utilisation, liquidity, cash flow
- Gearing and liquidity
- Scenario planning, sensitivity analysis
- Feasibility studies
- Business activity and growth
- Working capital
- Cash flow analysis
- Management reporting
- Industry benchmarking
- Short-long term performance

Using our Growth and Profitability tool, Chapman Eastway will develop a comprehensive report that measures your business performance against targets and industry benchmarks. We will highlight areas of improvement and opportunity, inefficiency and concern, and provide advice on how to improve your business position and reduce risk. Using traffic light reporting, you'll be able to understand and comprehensively review your financial performance and see instantly where your company is quantitatively strong and where there is room for improvement.



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# Business Health Check and Strategy Review

***Successful performance improvement goes beyond tracking purely financial performance. It requires continually taking a deeper look at the non-financial drivers behind the business and responding accordingly.***

Chapman Eastway's qualitative analysis process will enable you to critically examine the unseen drivers in your business and help you improve:

- Business strategy and planning
- Industry factors:
  - Your relative industry position
- Quality of management reports
- Key business processes
- Capacity to respond to external events such as Government regulatory change
- Degree of product differentiation and switching costs
- Market position and marketing strategy
- Employee performance and engagement
- Customer knowledge and satisfaction
- Business culture
- Corporate and family governance
- Organisational structure

The Business Health Check and Strategy review will be presented as a comprehensive report which examines the key aspects of business strategy, and how your business is performing in these areas. Chapman Eastway's experienced business advisors will identify gaps in your business strategy and provide follow-up recommendations in order for you to address them.

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# Business Plan and Strategy Development

***When business owners are heavily focused on the operational side of things, the business itself can start to lose direction, and decision-making is done without consideration of the overall business strategy. When this happens, business performance can be compromised and employees can become disillusioned.***

All businesses need to update or renew their Business Plan in order to ensure that the business is adapting to external changes, dealing with growing pains, and all staff and resources are directed towards achieving the same goals.

Chapman Eastway's experienced team will work with you to develop a sustainable and growth-driven business plan and establish realistic goals for your business, attainable over a 3-year period. Your comprehensive Business Plan will include:

- Business vision and company overview
- Industry analysis
- Customer analysis
- Competitive analysis
- Marketing plan
- Realistic set of KPIs
- Key dates and milestones
- Operations plan including key operational processes and systems
- Financial plan including forecast, funding requirements and exit strategy
- Summary of Critical Success Factors

Chapman Eastway delivers flexible and effective Business Plans as well as high level strategies for the execution of key critical activities. These plans ensure decisions are made strategically, in line with the overall vision and mission of the business, and that everyone in the organisation is aligned to the same goals.

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# Forecasting and Budgeting

## 3-way Financial Forecasting

*Forecasting and budgeting play a crucial role in the financial management approach of a business. Using insights developed through the process of 3-way Financial Forecasting, you can plan and effectively evaluate key investment decisions.*

The best forecasts capture realistic details about your planned and unplanned cash flows, enabling you to deeply understand the drivers of profitability in your business and what decisions you need to make now to have healthy working capital in the future.

Working with Chapman Eastway, you'll gain the insights you need to:

- Model different business opportunities in order to make better decisions
- Understand the key drivers of the business that impact revenue and variable costs
- Develop credible, 3-way forecasts you can use when dealing with bankers and investors
- Conduct detailed scenario analysis
- Make planned statutory payments (taxation and employee superannuation)
- Make informed commercial decisions
- Establish a strong reporting framework to compare actuals to budgets

Our 3-way Financial Forecast will be presented to you as a detailed suite of Excel spreadsheets, including an inter-linked Profit and Loss, Balance Sheet and Cash Flow forecast for a 12 month period (or 3 years upon request). We can also provide training for your staff on maintaining the 3-way forecast and updating it for actual results, or alternatively do this work for you. We'll make sure your business is heading in the right direction – and that the numbers provide you with clarity to drive your business' growth.

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## Product/Service Line Profit Contribution Reporting

For a business that makes products or provides services, a contribution margin helps you determine how much you'll need to make and sell to cover all your costs and begin to realise a profit. It is a particularly useful measure to track and report on when a business has multiple product or service lines, or operates in multiple locations. It means you can gauge the efficiency of differing areas of your business, and compare the merits of focusing on one area or location over another.

*Our Profit Contribution Reporting Service involves developing a Monthly Management report that calculates the contribution margin of each profit centre within your business. We can also train your staff and provide instructions on how to maintain the report as part of your regular monthly reporting suite.*



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# Business Case Development

*Before you pursue a new business project or programme, it is best to evaluate the opportunity in order to assess its viability and forecast the potential business benefits and risks.*

Having an accurate and detailed business case will increase the likelihood of you attracting and obtaining financing and approval for investment or business change. A business case will also provide you with a framework for the planning and management of ongoing change, and ensure that ongoing performance of the programme or project is monitored against the business case.

A typical business case developed by Chapman Eastway will examine:

- Identification of the business need
- Background and situational analysis
- Business benefits and how these align with Business Strategy
- Critical success factors
- Modelling of options evaluated
- Preferred option and why
- Resource requirements
- Costings
- Benefit realisation plan
- Risk identification and mitigation plan
- Implementation plan

Based on the above factors, Chapman Eastway will provide a recommendation to guide your business decision. We also provide project management assistance with regards to the implementation plan.

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## Specific Business Improvement Strategies

*Chances are that your business has areas of strength and areas of weakness. If one or more key operations within your business isn't functioning well to support the overall business strategy, this can be enough to derail the entire organisation.*

When a business grows rapidly, it can develop 'growing pains', because internal systems and processes no longer have the capacity to support the scale or sophistication of the business. When this happens, it is crucial that business owners take action to quickly improve that business area, before it affects the performance of the rest of the business.

Chapman Eastway is well equipped to conduct reviews aimed at analysing your functional effectiveness and making clear and objective recommendations. While you focus on running your business, we work to improve those areas that are lagging behind. Specifically, we provide Business Improvement Strategies in the following areas:

- Customer relations
- Operations
- Marketing and strategy
- Human resources
- Financial systems
- Systems and procedures
- Governance

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# Implementation and Change Management



*It is well known that many business projects fail to realise the objectives they set out to achieve. They often suffer scope creep, delays, and budget blow outs which leads them to fail or to be temporarily abandoned.*

Projects often fail because of a lack of resources or inadequate planning, or because the business does not put in place the necessary structures to ensure the best chance of a project being delivered on time, within budget, and with business benefits intact.

Chapman Eastway's Advisory team are experienced in project management and change management, and can provide effective governance structures suited to larger or smaller business projects. Using the following tools and disciplines, Chapman Eastway will ensure you get the best outcome:

- Project planning
- Gantt chart of key activities and milestones
- Project charter development
- Project governance and reporting
- Organising steering committee meetings
- Change management including internal communication plan, risk analysis, and senior management sponsorship review

Chapman Eastway will develop a professional set of project management templates for all purposes described above. We can also act as a temporary project manager for the duration of your project. We specialise in planning for, implementing and managing business projects and business change so that you don't have to worry.

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# How can Chapman Eastway help you?

For over 100 years, Chapman Eastway business advisors have been committed to ensuring that you optimise your business by providing tailored, effective, and timely advice; to ensure your business is strong, profitable and sustainable.

We see things other people miss, so that we can offer creative solutions that combine our deep industry experience, intimate sector knowledge and professional expertise to create value in your business.

## *We are experienced in:*

- Identifying areas of opportunity and potential growth within your business
- Evaluating potential business opportunities and developing business cases
- Managing business change or new projects or programmes from start to finish
- Maintaining a healthy company culture, a strong team and ensuring your company vision is upheld
- Creating a more lean, streamlined business operation
- Due diligence
- Agribusiness consulting
- Marketing and sales strategy
- Outsourced bookkeeping and CFO services
- Human resources
- Corporate governance
- Improving profitability
- Business improvement
- International transactions
- Delivery of systems projects



**To learn more about how Chapman Eastway can help you improve your business performance, call (02) 9262 4933 or contact us at [mail@chapmaneastway.com.au](mailto:mail@chapmaneastway.com.au)**

*This document is not considered to be financial advice. To the extent permitted by law, this should be considered general information only and no action should be taken based on the above. Should you require specific advice to rely upon, please contact Chapman Eastway.*

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