



*“Partners in  
Your Musical  
Journey”*

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**KPI's**

**MADE EASY**

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# GOALS

- **What to track**
- **When to track**
- **Why to track**
- **How to track**

# Topics

- **Rentals**
- **Inventory**
- **Sales**
- **Lessons/Repairs (If Time)**

**RENTAL**

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# ACTIVE RENTALS

	RENTALS	# Yearly Up/Down	% Yearly Up/Down		RENTALS
NOV 18 TOTAL	1000	100	10%	NOV 17 TOTAL	900
NOV 18 NEW	500	50	10%	NOV 17 NEW	450
Return % NEW Oct – Nov /Oct	1%			Return % NEW Oct – Nov /Oct	1.5%
Delinquent #	20			Delinquent #	20
Delinquent %	2%			Delinquent %	2.2%

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# Top Collection Agencies



“If you’ve already sent in your payment, kindly disregard this friendly reminder.”

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# Rental Summary 101

- **What**

- Total Rentals & New Rentals
- Return % & Delinquency
- QTY & % Change

- **When**

- Track Monthly

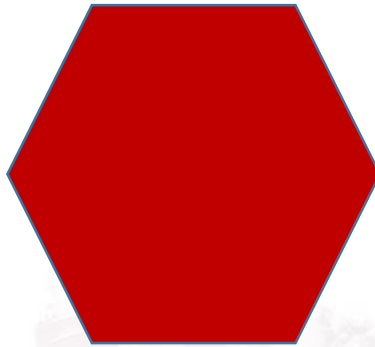
- **Why**

- Monitor Increase or Decrease
- Accurately order stock

# INVENTORY

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## ■ EXCESS INVENTORY AHEAD

# Cost To Stock Analysis

- **Widget 1 Cost \$2000.00**
- **Widget 1 Normally Sales For \$2500.00**
- **Widget 1 is a must have item**
- **You Always have 2 in stock**
- **What is your break even qty cost for stocking Widget 1?**

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# COS #'s

Item	Cost	Avg Sale Price	Avg Net Profit	Break Even	Avg Sales Per Year	Cost to Stock
Widget 1	500	750	250	2	4	500
Widget 2	1000	1250	250	4	3	-250
Widget 3	2000	2500	500	4	2	-1000
P&L Impact			2750			
Cash Flow Impact						-750

# INVENTORY Summary

- **What**

- More expensive items (\$500.00 ?)

- **When**

- Annually or Quarterly (Min 2)

- **Why**

- It is your largest impact on cash flow

- **TIP**

- Don't be afraid to sell below cost

# **SALES**

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# SALES



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# Sales By Category

Category	18 Q1	17 Q1	\$ Diff	% Diff	YTD	2018	2017	\$ Diff	% Diff
Band	1000	1100	-100	-9%	Band	3900	4100	-200	-5%
Orchestra	500	450	50	11%	Orchestra	2000	1800	200	11%
Fretted	300	275	25	9%	Fretted	1200	1100	100	9%
Piano	10000	11000	-1000	-9%	Piano	40000	44000	-4000	-9%
Accessory	500	500	0	0%	Accessory	2000	2000	0	0%
Print	200	220	-20	-9%	Print	800	880	-80	-9%
Category	18 Q2	17 Q2	\$ Diff	% Diff					
Band	900	800	100	13%					
Orchestra	500	450	50	11%					
Fretted	300	275	25	9%					
Piano	10000	11000	-1000	-9%					
Accessory	500	500	0	0%					
Print	200	220	-20	-9%					

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# Sales Staff Performance Quarterly

Quarter 1 2019	Sales Rep 1	Sales Rep 2
Total Sales	10000	22000
Net Sales	6000	10000
Net \$ Diff. (19 net – 18 net)	1000	2000
Net % Diff. (19 net – 18 net)	10%	10%

Quarter 1 2018	Sales Rep 1	Sales Rep 2
Total Sales	9000	20000
Net Sales	5000	10000
Net \$ Difference	500	1000
Net % Difference	8%	5%

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# Sales Staff Performance 1

Quarter 1 2019	Sales Rep 1	Sales Rep 2
Total Sales	10000	22000
Net Sales	6000	10000
Profit %	40%	45%

# Sales KPI Details

## ■ Sales Rep 1

- Works 20 hours a week
- Salary = \$1333/month

## ■ Sales Rep 2

- Works 40 hours a week
- Salary = \$3660/month

# Sales Staff Performance

Quarter 1 2019	Sales Rep 1	Sales Rep 2
Total Sales	10000	22000
Net Sales	6000	10000
Wages	3500	11000
Net Profit	2500	-1000
Total Hours	250	500
Sales Per Hour (Total Sales/Hours)	\$40.00	\$44.00
Profit Per Hour (Net Profit/Hours)	\$10.00	-\$2.50

# Sales Summary

## ■ What

- Sales By Category
- Sales Staff Performance

## ■ When

- Quarterly

## ■ Why

- Important to measure staff performance
- Increase productivity

# SALES

- A new real estate associate just closed his first deal, only to discover that the piece of land he had sold was flooded in the recent rain storm
- “That customer’s going to come back here pretty mad,” he said to his boss. “Should I give him his money back?”
- “Money back?” roared the boss. “What kind of sales person are you? Get out there and sell him a houseboat.”

# LESSONS

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# LESSON PROFIT & LOSS

<b>Income</b>	
Studio Rent	1000
Group Lesson	500
Total Income	1500
<b>Expenses</b>	
Wages	500
Rent	250
Utilities	50
Advertising	100
Total Expenses	900
Net Income	600

# REPAIR PROFIT & LOSS

<b>Income</b>	
Repair Labor	2000
Repair Parts	500
Total Income	2500
<b>Expenses</b>	
Wages (Including Taxes)	750
Rent	500
Utilities	100
Parts	250
Total Expenses	1600
Net Income	900

# Repair

## **NOTICE**

**WE DO THREE TYPES OF JOBS**

**1)CHEAP 2)QUICK 3)GOOD**

**YOU CAN HAVE ANY TWO**

**A) A GOOD QUICK JOB (WON'T BE CHEAP)**

**B) A CHEAP GOOD JOB (WON'T BE QUICK)**

**C) A QUICK JOB CHEAP (WON'T BE GOOD)**

# WHY

## ■ WHY DO YOU NEED KPI's

- To Set Bench Marks
- Track Trends
- Measure Performance
- Be Proactive instead of Reactive
- It's ok to just monitor and watch

# HOW

- **HOW TO USE KPI's**
  - Hope this presentation covered it
  - Email me at [jeff@bertrandsmusic.com](mailto:jeff@bertrandsmusic.com)

# QUESTIONS

■ ?'s

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