

## Effective Business Planning

Is your business growing? Is it profitable? You probably have a rough idea of how much you spent on inventory, what your overhead is for the year, and what's sitting in your store's bank account. But do you have a really clear idea of where your store's bottom line is headed?

Statistics are the lifeblood of sports, but they should also be the lifeblood of your business. Analyze the numbers your store is generating and determine if those statistics are reflecting a business in its prime or one that's headed for the sidelines.

**Analyzing your numbers** – What are your sales projections for the coming year? Obviously, you want them to be higher than last year's numbers, and they'll need to be if you are going to cover what are certainly going to be higher business costs over the coming year. To determine a realistic increase in sales, you're going to need to track some of your monthly sales over the past couple of years. Go back over your store's recent history and look at your monthly totals. This will give you an indication of months that are typically very slow as well as those that are strong.

When analyzing previous sales increases, try to determine what may have created those increases. For instance, did you have a special promotion that month? Were you advertising more during that period? Consider those same factors when looking at months that showed a decline. If a month is typically strong no matter what you do, consider investing promotional and advertising resources into months that are less consistent.

**Develop a plan** – Increasing sales means more than crossing your fingers and hoping for the best. You must set goals for your business and analyze those goals on a quarterly basis to see where adjustments need to be made. Don't simply make it a goal to sell more. Come up with a realistic goal – boosting sales 10 percent annually, for instance – and then create a plan for doing so, such as expanding sales of vintage cards, expanding store hours or adding tournaments to boost sales of your gaming products.

**Keep an eye on your margins** – A 10-percent increase in sales won't be too helpful if you aren't maintaining a healthy profit margin. Having better control over inventory is a great way to protect margins. Order only what you believe you can sell. Also be on the lookout for higher-margin specialty items, such as autographed items, supplies, team sets and more. Be sure to consider the impact of any and all expenses you undertake to increase sales. If you believe expanded hours and an extra sales person will help you increase sales, be sure you understand how much of an increase you will need to adequately cover those extra costs.

**Maximize opportunities, minimize threats** – What are your store's strengths? What are its weaknesses? Addressing both are good ways to start building sales, but you need to do so with a clear, objective outlook. Don't rely solely on your own opinions. Ask people who know your business – friends, employees, regular customers – for their feedback. Don't take any criticisms personally, but rather, consider them as helpful advice. If you see consistent themes emerge among the things your store could do better, begin the process of incorporating those themes into your business. And for those things you are doing well, make it a point to do them even better to make it harder for your competition to take away your customers.

Speaking of your competition, make it a point to know why customers like shopping at other stores in your area. Is the service and selection superior? Are they in a better location? Do they offer customer incentive programs? Scout the competition and know what you must do to win the battle for a customer's dollar.

Embrace technology – Don't ignore the many benefits today's technology can provide your business. From the basics of computerized spreadsheets and professional looking in-store signage to comprehensive e-mail marketing and Internet sales programs, there are many ways you can use technology to improve efficiency and attract more customers. Approach all unfamiliar

technology with an open mind and be proactive in using technology to help you attract more customers.

In order to grow your business in the future, you need a thorough analysis of where it stands today. Start crunching the numbers of your business and create some realistic methods for achieving future goals.