

When 1 + 1 +1 = 19...

As I'm writing this, I'm on a plane returning from the [2010 Fortune Growth Summit](#), where I was exposed to some amazing speakers and content on growing and making your business better.

Some of the speakers included [David Sokol](#) (who Warren Buffet calls his Mr. Fix it, more to come on him soon), [Chip Heath](#) with his bestselling book [Switch](#), [Liz Wiseman](#) with her new leadership book [Multipliers](#) (very impressive!), [Robert Bloom](#) who is a marketing legend and [David Meerman Scott](#) who shared his new book [Real Time Marketing & PR](#). The conference ended with [Tom Adams, CEO of Rosetta Stone.](#)

Even with all this Star power, the person that I want to tell you about, the person that gave me the biggest takeaway from this event, is [Rich Russakoff](#) and his talk on getting more cash to flow to the bottom line. Rich is an international expert on cash flow management and bank financing.

What I learned is that 1+1+1, can in fact equal 19. How's that? This was the magic that we entrepreneurs need to see in a spreadsheet to show us the power. What Rich showed us was how you can make small 1% changes to your income statement, and how those small changes result in a 19% increase in profit.

A 1% increase in price, a 1% decrease in cost of goods sold and a 1% decrease in your administrative expenses, you can INCREASE Net Profits by a whopping 19%! Check out [this power point](#) to see an example.

The increase in revenue comes from a small price increase not going out and making new sales. This is in your control. The other 2 areas are also in your control by looking deeply at your cost structure, and processes to determine where the 1 percent can come from.

This differs depending on how your margins are structured, but none the less this shows the power of how small changes have a big impact on increasing your NET PROFITS!!