

Sustainable Profit Growth Framework



Strategy - Revenue - Cost

People - Funds - Taxation

Production - Supply Chain

Systems -ERP - MIS - KM

Sustainable Profit Growth Framework (SPGF)

A complete Business Planning & Review Framework, aimed towards Sustainable Profit Growth consisting of Revenue , Cost, Risk, Human Resource, Systems, MIS, ERP, KM, Finance, Accounting, Taxation, Regulatory, Marketing, Supply Chain & Operations.

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Introduction

- ❑ Sustainable Profit Growth (SPG) has replaced Profit Maximization as desirable business objective during last couple of years. For perpetuation of business it is essential that business models constantly generate growth in profits while managing risks associated with business. SPG Goal also ensures maximization of gains for all stakeholders of business - Shareholders, Employees, Customers, Vendors, Government and Society as a whole.
- ❑ Sustainable Profit Growth Framework consists of three major components - **Revenue Maximization** , **Cost Minimization** and **Risk Management** . Further the success of any such framework requires *Dynamic Planning, Effective Execution and Precise Review System*. Such system should have ability to predict upcoming risks and opportunities in macro Environment and take effective steps to adjust the business model.

SPGF Goals

- **Profit Maximization : Return On Investment :**

To develop framework for Profit Maximization involving Revenue Maximization & Cost Minimization

- **Risk Management**

To keep revenues, capital and assets of Business safe from Business Risks.

- ▶ **Long Term Growth / Business Sustainability**

To prepare business for Long Term Growth and Sustained Business.

- **Dynamic Organization & Systems**

Building a Dynamic Organization with efficient Systems

Key Components of SPGF

Revenue Maximization

Cost Minimization

Dynamic Systems

Strategic MIS

Peak HR Performance

Capital Adequacy

Financial Prudence

Efficient Operations

Risk Management

Fraud & Mistake Prevention

Strategic Planning

Knowledge Management

Regulatory Compliance

Stakeholders Integration

Key SPGF Systems

1. Strategic Planning & Business Model Framework
2. Risk Management System
3. Revenue Maximization Framework (Marketing)
4. Cost Minimization Framework
5. People Performance Optimization Framework (HR)
6. Financial Efficiency & Capital Adequacy Framework
7. Accounts , Taxation & Regulatory Framework
8. Knowledge Management & Innovation Framework
9. Administration Management Framework
10. Material & Supply Chain Framework
11. Production, Quality & Operations Framework
12. Strategic MIS Framework
13. Systems Manual & Audit Framework
14. ERP & Automation Framework
15. Stakeholders Integration Framework

SPGF Implementation Steps

1. Critical Factors Mapping - Internal & External
2. Mapping Key Pain Areas for Organization
3. Defining Work Scope & Priority Action Area.
4. Existing Systems & MIS Audit
5. Systems & MIS Change Recommendations
6. System & MIS Changes Approval from Stakeholders
7. Training & Implementation
8. Progress Review & Suggestions

Corporate Strategy & Planning

Developing Business Macro Strategic Framework for Sustainable Profit Growth.

1. **Business Model Formulation or Validation**
2. **Macro Environment Analysis - External Factors likely to impact business.**
3. **Competitor Analysis & Comparison**
4. **Product Management Analysis & Suggestions**
5. **Risk Management**
6. **Operational Plan - Long Term, Medium Term & Short Terms**

Risk Management

Identification and timely action on Business Risks to ensure perpetuation of business

- ✓ Identification of Risk Matrix
- ✓ System for collection of key inputs for Risk Forecasting
- ✓ Compilation of Risk MIS & impact on business.
- ✓ Suggesting steps for Risk Mitigation
- ✓ Follow Up for effectiveness of Risk Management System

Revenue Maximization

Sales & Marketing Framework for Revenue Maximization

1. **Market Research** : Market Size, Segmentation, Competition, Customer Orientation
2. **Revenue Planning** : Product & Market wise Revenue Plans in Long & Short Term.
3. **Revenue Analysis** – Segment wise Sales Analysis and suggesting improvement.
4. **Sales Price Analysis** : Price Verification, Discount & Brokerage, Marginal Pricing
5. **Sales Promotion Analysis** – Advertisement, Digital Marketing, Call Centre etc.
6. **Channel Sales Analysis & Suggestions**
7. **Sales Team Performance Analysis & Suggestions**
8. **Sales & Dispatch Process Analysis & Suggestions** – Enquiry to Sales Order to Dispatch
9. **Receivable Management Analysis & Suggestions**
10. **Post Sales Process & Warranty Analysis & Suggestions**

Cost Minimization

Framework to ensure every unit of money spent is productive

- a) **Cost Budgets & Standards** : Product Costing, Process Costing, Batch Costing, Machine Hour Rate, Labour Hour Rate, Marginal Costing, Zero Based Budgeting, Capital Cost Budgeting.
- b) **Actual Cost Analysis** : Material, Labour, Overheads , Interest etc.
- c) **Cost Reduction System design & implementation**
- a) **Cost Accounting Records & Integration with Financial Books**

Finance & Capital Efficiency

Ensuring Capital Adequacy & Financial Value Creation

1. **Funds Need Analysis** of Short Term and Long Term
2. **Fund Raising Plans** – Banks & FI ; Private Equity, Vendor Financing
3. **Investment Entry & Exit System**
4. **Working Capital Management** – Stocks, Receivables, Deposits, Creditors
5. **Capital Expenditure Management**
6. **Fixed Assets Management**

Accounts , Taxation & Regulatory

Effective Regulatory compliance & Dispute Management

1. **Accounts Management** : Status of Books of Accounts ; Reconciliations (Bank, Customers, Vendors , Employees) ; Accounts Team functioning
2. **Taxation Management** - Direct & Indirect Tax Planning ; Taxation Compliance ; Penalties
3. **Regulatory** : Statutory Compliances ; Statutory Environment and suggestions
4. **Legal** : Legal Cases Status ; Steps for Legal efficiency

Material & Supply Chain

Building Efficient & Cost Effective Material Management function

1. Material Requirement Planning System
2. Material Purchase System - Vendor Management, Lead Time
3. Material Price Analysis
4. Material Cost Reduction
5. Material Quality Analysis
6. Rejected & Rework Material
7. Material Storage Audit & Improvement
8. Dispatch & Logistics System Audit & Improvement

HR Performance Optimization

Framework for Optimum Manpower Performance & Dynamic Organization

- 1. Manpower Planning & Gaps Analysis**
- 2. People Performance Management System** : KRA , Performance Levers , Performance Measurement. Productivity Management
- 3. Organization & Leadership Development**
- 4. Training & Development Management,**
- 5. Creativity & Innovation Management**
- 6. Salary & Incentives Planning & Analysis**
- 7. HR Process & Specific Issues Analysis** – Recruitment, Induction, Exit, Payroll ,Idle Time , Overtime , Absenteeism Griveances, Discipline, Retention

Plant Performance

Framework for Optimum Plant & Production Performance

1. Production Planning & Control Analysis
2. Plant Performance Analysis - Capacity Utilization, Production Loss
3. Plant Costing - Machine & Labour Hour Rate, Job & Process Costing
4. Power Consumption Analysis - Generator Efficiency
5. Consumable Consumption Analysis
6. Labour Utilization Analysis
7. Quality Management Analysis
8. Maintenance Function Performance Analysis
9. Safety & Accident Prevention System Analysis

Strategic MIS

Strategic Information System covering all critical factors and functions across the organization & aligning MIS with Strategy

- ✓ Identification of Key Information Requirements
- ✓ System for Compilation, Analysis & Presentation of MIS
- ✓ **MIS Audit** : Checking effectiveness of MIS generated
- ✓ **Daily Flash Report** – Sales , Production, Stocks, Funds
- ✓ **Monthly MIS** : Profit Analysis, Product Wise Profit , Balance Sheet Analysis , Cash Flow Analysis , Ratio Analysis
- ✓ **Special Reports** : on different aspects of Management

Systems & Processes

Developing Dynamic Systems & SOP for smooth operations

1. **Developing Systems Manual** for every function : Production, Quality, Maintenance . Receipt, Payments, Sales , Purchase , Payroll , Marketing etc.
2. **Compliance Audit** : Checking compliance of Systems as per manual.
3. **Systems Improvement Framework**

ERP & Automation

*Design, Development & Application of Effective ERP & Automation Process
across Organization aligning with Long Terms Business Needs*

- A. **ERP Project Plan** : Planning for Automation of Processes
- B. **Project Design** : Developing Project Design for Inputs & Outputs
- C. Software Development Assistance
- D. Checking & Implementation of Software
- E. Training of Staff

Knowledge Management

*Identify, Develop & Protect Cutting Edge Knowledge linked to
Strategic objectives of organization*

1. Identification of **Key Knowledge Variables**
2. System for **Developing & Creation** of Critical knowledge
3. System for **Preservation & Security** of Critical knowledge.
4. **Creativity Management** : Developing a Creative Organization
5. **Research & Innovation System**

Stakeholders Integration

Ensuring that all Stakeholders are aligned with business

1. **Stakeholders Matrix** - Shareholders , Employees, Customers, Vendors, Partners, Government , Society , Environment
2. **Plan for Mutual Vontribution** to different stakeholders.
3. **Audit of Contribution** to Stakeholders and imbalance if any
4. **Review of CSR Activities** and their effectiveness.
5. **Publicity and Communication** of Stakeholders Contribution

Administration Management

Ensuring efficient Office & Facility Management

1. Housekeeping Management
2. Facilities Management - Vehicles, Dispensary , Pantry, Reception
3. Security Management
4. Assets Protection & Management
5. Safety & Accidents Prevention System Audit
6. Gate & Time Office Management
7. Paper Work Reduction & Filing Management



Our Profile & Services

CMA Vivek Garg - A Profile

- ✓ AICWAI (Merit & Rank holder)
- ✓ Strategist, Author & Trainer. Finance & Management Cross Function Professional with 25 + years experience up to CFO, CHRO & CEO levels.
- ✓ Specialist in Sustainable Profit Growth involving Strategy, Revenue, Cost, Risk , Finance, HR, KM, Systems, Audit, ERP & MIS
- ✓ Author of Book Strategic MIS (Seven Volumes) covering Management Controls, Reports, Systems & MIS for entire business.
- ✓ Developed CSM Strategy Program - a program based on Natural Laws, to develop right strategies for individuals as well as organizations, to unleash a spiral of growth and success in harmony with society and environment.

Our Products & Services

Media , Training , Audit , System Design & Consultancy for different components of Sustainable Profit Growth Framework.

1. Strategic Planning Framework
2. Revenue Maximization Framework (Sales & Marketing)
3. Cost Minimization Framework
4. Financial Prudence & Capital Adequacy
5. Accounts , Taxation & Regulatory
6. People Performance Optimization (HR)
7. Supply Chain & Material Control
8. Production & Operations
9. Strategic MIS
10. Systems & Processes
11. Knowledge Management
12. ERP & Automation

Downloads

- A. Strategic MIS - Total Management Control Reports & Systems Manual (In Seven Volumes) <https://www.csmstrategy.com/pdf/SMIS.pdf>

- B. Training : https://www.csmstrategy.com/pdf/CSM_Training.pdf

- A. Consultancy : https://www.csmstrategy.com/pdf/Consultancy_Brochure.pdf

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