

Case Study - How to find and eliminate money burners.

Small business owners struggle to make time to review their activities in detail.

With a little patience and a helping hand, you can achieve massive results!



Bay Learning Academy

www.baylearning.co.nz

"The work we carried out with Markus's help proved to be very useful.

We were able to separate out each student service. This changed our student programme.

The exercise was a real eye-opener. It let us know what we need to do in future.

If we want to offer different student services and see if it is worthwhile."

Liz Signal, owner, Bay Learning

Summary

Bay Learning Academy is a private teaching provider (PTE) based in the Bay of Plenty. The company has been in business since 2012.

The owner, Liz, knew that some of the business costs went to 'waste' and didn't give a good return.

Liz, like any other small business owner, was busy running the day-to-day business which were indeed very long days. This didn't leave much time for a clear head to undertake detailed analysis.

We were able to identify:

- Additional \$12,000 to the bottom line over 3 years
- More user-friendly student enrolment process

Challenges

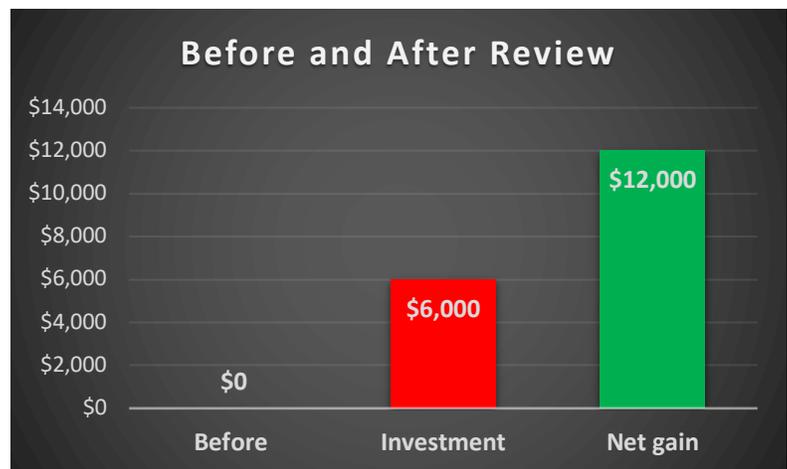
- ✗ Liz did not know where or how to find the 'cash burners'.
- ✗ No revenue and costs separation by activity.
- ✗ This is a typical situation for many small businesses.
- ✗ The difficulty was in spotting the services that contributed negatively to the bottom line.
- ✗ Costs were recorded against line items, but the revenue was recorded in one single bucket.
- ✓ After some process mapping and intense debate with my client we were able to establish the company's key activities, thus Identifying the "Cash Burners".

How the Service Helped

- ✓ **Benefit:** Bay Learning Academy identified that having a smooth transition between attracting, recruiting and enrolling students, eliminates double handling.
- ✓ **Benefit:** Cost reductions as improved teacher/student scheduling is gradually improved.
- ✓ **Benefit:** Developed a proper handover process for the enrolled student to the designated teacher, reducing replication through a single point of contact.

Results and Return on Investment

- The mapping exercise proved to be very beneficial to Bay Learning.
- A great tool to review their processes and corresponding costs. Best of all, as a direct result an additional \$12,000 was added to their bottom line (\$4000/p.a.)
- Resulting in a smoother and much more cost effective process.
- The threat of losing additional students was avoided due to streamlining the enrolment and on-boarding process.



About Markus

He works with small business owners and the self-employed to:

- generate more demand for Products or Services
- increase Cash Flow
- improve Lifestyle/Work balance

"The key to success is building effective business structures.

That, in turn, helps to get the work-life balance monkey off your back."

To find out more: www.certo.net.nz or email info@certo.net.nz