



Whatever Happened to Business Profit?

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ABOUT THE AUTHOR

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I remember hearing a tale of irony when I was a teenager. It was about the farmer who couldn't figure out why he wasn't making money. He went to the bank manager and tried to explain the problem. Apparently he had kept track of all of his expenses for the year as well as the income.

The farmer, who was very concerned went through all the of the information with the banker. He stated that he had calculated that the cost he had for growing wheat was six dollars a bushel. After the harvest he would truck it to the grain buyer and was paid five dollars a bushel.

The banker reviewed all the figures and then, with a big smile, stated "I know what's wrong. You need to get a bigger truck!"

Now we can laugh at this, knowing that when you are losing a dollar a bushel, it sure doesn't make sense to do more of the same.

In fact, an old expression states "Insanity is doing the same thing over and over again - expecting a different result".

So often business people think that even when they are losing money, they just need to work harder, sell more and things will be okay. They try to keep their cashflow ahead of the bills but, over time, the process just doesn't work.

It's kind of like trying to fill a bathtub when the plug isn't in the drain. You can try and try and try to fill the tub but unless you plug the drain, you will never reach your goal.

There are several things that you can do that will help you to enjoy a healthy profit. And that's what it is all about over the long-term when it comes to business. You want to make sure that you have more income than expenses so that your business future is secure.

You see, you can be like the farmer who worked hard, kept track of his costs and income and then sought advice from an expert. The problem is that neither of the men was able to accurately figure out what was wrong and how the farmer might be able to make the appropriate changes that would lead him from his state of frustration to a place where he could enjoy a healthy profit from the work he had done.

If you are not realizing a profit from your business, the solution isn't to "get a bigger truck".