



# Transitions

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Financial Management made simple!

## **Finance and marketing decisions**

**Shai Vyakarnam**



## Why me...

- **Real business to Business School and back to real business**
- **Transitions – 1990**
  - Growth research and now Programme
  - Over 600 businesses through the Programme
- **Board membership – several small companies and not for Profits and Advisory Board membership**
- **Trustee of Charity**
- **Academic – University of Cambridge; Reading;**
- **Other Affiliations – FRSA**



**Marketing (strategy) decisions – main ones – what are the financial implications?**

- **Market segments**
- **Customer transactions**
- **Destinations**
- **Services**
- **Prices**
- **Advertising and promotion**
- **Shop running costs**
- **Sales agents**
- **Coping with competition**

Budget £35k for advertising next year



## Market segments

- **Passing trade** – for which windows need to wow..
- **Regular customers**
- **Corporate clients**
- **Groups**
- **What are the categories you use...**

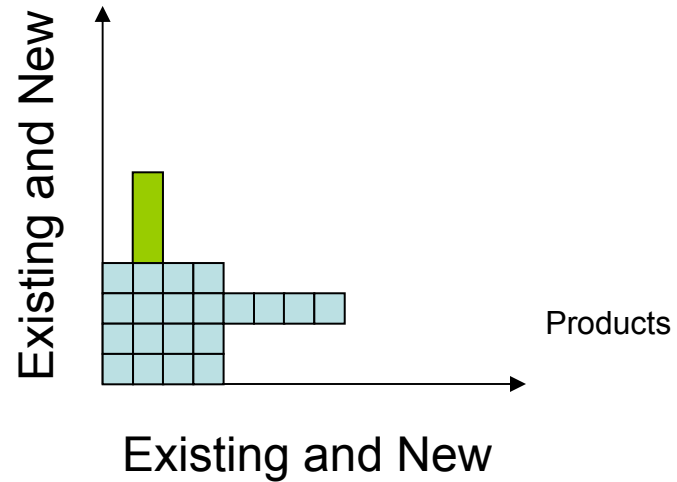
What is the 80/20 – for sales  
And for Profits?

What is the trend line?



[www.transitions.co.uk](http://www.transitions.co.uk)

Customers



Financial implications

Sales

Cash flow

Profit margins

Cost of introducing new products

Cost of acquiring new clients

[Balance with returns you might make](#)  
[How do you de-risk it?](#)



# Understand breakeven

- **Commission only**
- **Assess total of new costs and**
- **simply divide by the commission per transaction to**
- **see how many units need to be sold...**
- **Say £10,000 spend divide by £200 = 500 more holidays...**
- **Is there a market for it?**
- **Gross Profit %**
- **Assess total of new costs and**
- **Divide by the GP to**
- **see new breakeven sales point**
- **And so to how many more holidays need to be sold to achieve sales**
- **Say £10,000 spend divide by 10% = £100,000 sales**



# Effects of price increases and reductions

- See hand outs



## The magic of 1%

- [www.transitions.co.uk](http://www.transitions.co.uk)



## Are you in the right markets?

- Cox and Kings = 250 years
- Indian operation 16X growth of UK operation...



# Guerilla marketing

[http://www.marketingterms.com/dictionary/guerilla\\_marketing/](http://www.marketingterms.com/dictionary/guerilla_marketing/)

Examples:

## **Web based:**

e-Newsletters  
photo competitions  
click through revenues for added services  
parking, currency, shuttles etc.,etc.,

<http://www.doublestravel.co.uk/>

[www.shaivyakarnam.blogspot.com](http://www.shaivyakarnam.blogspot.com)

<http://www.youtube.com/watch?v=BNMO7hCd34A>

<http://www.facebook.com/home.php>

Go to groups

## **Non Web based – building relationships**

Local networking events – called Word of Mouth

Joint ventures with non-competing businesses

Press coverage – rather than advertising



## The finance and marketing cross roads

- Need marketing to bring in the clients you need
- Need finance to make sure you make money
- Being smart with marketing –
- Being smart with finance –
  
- For more on this and the Growth Programme – [gill@transitions.co.uk](mailto:gill@transitions.co.uk)



**Thank you....Have a great time, Shai**