

Profit & Loss

December 2011

| | <u>Dec 11</u> | <u>Dec 10</u> | <u>% Change</u> |
|-------------------------|------------------|-----------------|-----------------|
| Ordinary Income/Expense | | | |
| Income | | | |
| Landscaping Services | 16,991.40 | 2,844.75 | 497.29% |
| Markup Income | 120.00 | 0.00 | 100.0% |
| Retail Sales | 89.37 | 130.26 | -31.39% |
| Service | 1,500.00 | 485.00 | 209.28% |
| Total Income | <u>18,700.77</u> | <u>3,460.01</u> | <u>440.48%</u> |
| Cost of Goods Sold | | | |
| Cost of Goods Sold | 1,777.46 | 1,039.80 | 70.94% |
| Total COGS | <u>1,777.46</u> | <u>1,039.80</u> | <u>70.94%</u> |
| Gross Profit | 16,923.31 | 2,420.21 | 599.25% |
| Expense | | | |
| Payroll Expenses | 15,425.97 | 0.00 | 100.0% |
| Automobile | 50.00 | 133.50 | -62.55% |
| Bank Service Charges | 0.00 | 25.50 | -100.0% |
| Delivery Fee | -25.00 | 0.00 | -100.0% |
| Insurance | 545.00 | 0.00 | 100.0% |
| Interest Expense | 55.12 | 121.91 | -54.79% |
| Job Expenses | -420.00 | 1,150.00 | -136.52% |
| Mileage Reimbursement | 0.00 | 0.00 | 0.0% |
| Rent | 800.00 | 0.00 | 100.0% |
| Utilities | 205.77 | 241.56 | -14.82% |
| Total Expense | <u>16,636.86</u> | <u>1,672.47</u> | <u>894.75%</u> |
| Net Ordinary Income | 286.45 | 747.74 | -61.69% |
| Other Income/Expense | | | |
| Other Income | | | |
| Interest Income | 42.18 | 6.58 | 541.03% |
| Total Other Income | <u>42.18</u> | <u>6.58</u> | <u>541.03%</u> |
| Net Other Income | 42.18 | 6.58 | 541.03% |
| Net Income | <u>328.63</u> | <u>754.32</u> | <u>-56.43%</u> |

Focus on the interactions that are important to customers

In recent years, mature companies with far-flung networks of frontline sales staff — banks, retailers, airlines, and incumbent telecom providers, for example — have devoted a great deal of money and effort to retaining their current customers. As many academic studies have noted, the costs of doing so tend to be much lower than those of acquiring new ones.

The success of this strategy ultimately depends on expanding the breadth and depth of customer relationships and on translating the resulting loyalty into higher sales of goods and services, as well as a healthier bottom line. We believe that many businesses are falling short.

Although companies are investing record amounts of money in traditional loyalty programs, in customer-relationship-management (CRM) technology, and in general service-quality improvements, most of these initiatives end in disappointment. According to Forrester research, only 10 percent of business and IT executives surveyed strongly agreed that business results anticipated from implementing CRM were met or exceeded.[1]

What's regularly missing, in our experience, is the spark between the customer and frontline staff members — the spark that helps transform wary or skeptical people into strong and committed brand followers.

That spark and the emotionally driven behavior that creates it explain how great customer service companies earn trust and loyalty during "moments of truth": those few interactions (for instance, a lost credit card, a canceled flight, a damaged piece of clothing, or investment advice) when customers invest a high amount of emotional energy in the outcome. Superb handling of these moments requires an instinctive frontline response that puts the customer's emotional needs ahead of the company's and the employee's agendas.

Executives typically struggle to transform the way a company responds to its customers. Some wrongly assume that the quality of emotional responses — what the author Daniel Goleman famously called "EQ," or

Gross Margin by Month



Expenses as a % of Sales

