

3 Numbers that Drive a Profitable Business

Many business owners focus on sales, but profitability depends on understanding three key numbers:

Gross Profit Margin

Revenue minus the direct cost of delivering your product or service.

Revenue – Direct Costs

Gross Profit Margin =
Gross Profit / Revenue x 100

Net Profit Margin

Pay yourself first. Make sure your expenses aren't out of control.

Sales – Profit = Expenses

Net Profit Margin =
Net Profit / Revenue x 100

Cash Flow

The money moving in and out of your business.

Money In  **Money Out** 

Positive cash Flow = Growth & Stability
Negative Cash Flow = Risk & Stress



Knowing these numbers helps you
make informed decisions and build
a stronger, more profitable
business.

