"Sales are up. So why is there less money?"

Owner-managed manufacturer, USA · delivered fully remote from South Africa · client not named

60%+	15–20%	2–3 yrs
of stock dead or slow-moving — a cash problem, not a GP problem	targeted price increase identified on still-growing items	of margin slippage recoverable

The pain

Sales were steady, even climbing — yet gross profit kept shrinking and cash felt tighter every month. The owner couldn't see why, and month-end reports arrived too late to act on.

What I found — working only with the data they already had

- I tracked **how selling prices and cost prices moved relative to each other** — per item, per client, and per client-item combination. The pattern was clear: costs rose but prices didn't follow at the same rate, and elsewhere prices were dropped while costs stayed flat. The business was **buying sales at the expense of margin** — every extra sale a little less profitable than the last.
- A separate inventory analysis showed **over 60% of stock was dead or extremely slow-moving** — not a profit problem, a **cash problem**: money sitting on shelves instead of in the bank.

What we built

Reports that flag **immediately when price, volume, or cost moves unexpectedly**, plus GP and GP% views — year-on-year, month-to-month, and moving average — by item, item group, client, and client group. Margin slippage now shows up while there's still time to act, not at month-end.

From numbers to a decision

A scenario model tested price increases only on items still growing in volume — so prices wouldn't rise where they didn't need to. It showed a **15–20% increase on those items** — roughly what pricing had cumulatively fallen behind over two to three years — **would recover the lost margin** and put the business back in positive territory.

What it was worth

The real cause of shrinking margins on the table, a costed path back to healthy margins, a plan to turn dead stock into cash, and numbers the owner trusts enough to reprice with confidence — all on their own systems, nothing new bought.

Delivered remotely across time zones — proof this works from anywhere.

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