



6

WAYS TO

INCREASE

PROFITABILITY



FOR CPG BRANDS

1

IDENTIFY AND FOCUS ON SELLING YOUR MOST PROFITABLE PRODUCTS.

Margins will decrease as you grow. This means you need to establish healthy margins from the beginning. Identify the products and quantities you know are higher dollar earners and focus on selling those.

2

BREAK DOWN YOUR MARGINS AND PROFIT BY SALES CHANNEL.

In an omnichannel world, not all sales are created equal. The costs of selling through Amazon are very different from selling through your own Shopify site — and even more so from selling through retail or wholesale. Amazon, for example, comes with higher fees and storage costs, while D2C may carry higher marketing spend but better margins. That's why it's essential to break out your sales and expenses by channel. When you segment your financials this way, you can clearly see which channels are profitable and which are dragging down overall performance.

3

LOOK AT YOUR COGS AND REVIEW SUPPLY CHAIN COSTS, PRICING, AND SUPPLIER RELATIONSHIPS REGULARLY.

Your cost of goods sold (COGS) isn't something you calculate once and move on. While it's key for setting prices and understanding margins, it also needs regular attention. Material costs, labor, and supply chains can shift quickly — just look at the past few years. What was true last quarter may not hold today.

Check in often with your suppliers. Ask about pricing, terms, and reliability. Look for opportunities to cut costs or reduce risk. And don't rely too heavily on a single vendor — staying flexible helps you adapt when things change.

4

CHART YOUR CASH CONVERSION CYCLE AND PLAN AROUND IT.

Managing cash in a product-based business is tough. You need cash to buy inventory before you can make money, and delays in production or supply chains can disrupt your entire cycle. Strong accounting habits — and a clear view of your cash cycle — make a big difference. Our clients lean on our team to help plan and stay nimble. If you're still handling cash flow solo, even basic bookkeeping practices can help. And when done right, outside funding can also support a healthier cycle.

5

MAKE SMARTER, MORE STRATEGIC DEBT AND FUNDRAISING CHOICES. BE AWARE OF THE COSTS AND TIMING.

Funding is more accessible than ever, but that doesn't mean it's always the right move. Quick, automated options can come with hidden fees, aggressive repayment terms, or even surprise liens. Before signing anything, read the fine print, calculate the true cost, and understand the payback schedule. When possible, work with a real person you trust — like a local banker — who can help you make a smart decision.

Your inventory is your greatest asset. Don't leave it to guesswork.

6

BELAY KNOWS INVENTORY MANAGEMENT. SCHEDULE YOUR COMPLIMENTARY DISCOVERY CALL TO SEE HOW WE CAN HELP YOU TODAY.



ELITE SUPPORT FOR LEADERS WHO **REFUSE BUSYWORK**