



## POST: Are You Wasting EBITDA?

19 APRIL 2017

Your continued success in business demands that you continuously monitor your EBITDA. You already know this and have devised many different strategies to improve your results.

But, you probably have neglected one of the most significant ways that you can assess and improve your EBITDA.



It is not really your fault, as for years your insurance broker has told you that the key to improving EBITDA is to compress the cost of your insurance. That is no longer the case. Presuming you are considered a good underwriting risk, there just is not much left to reduce.

But, *aside* from the risk financing costs (whether traditional, captive or self-insured,) there is a huge cost inside your business model that is probably going unmanaged. And it is probably eating your profits at an astounding rate.

It is the Financial Leakage that occurs inside your business every time you have a claim. No matter who pays your claims, the tremendous cost still exists. Sure, the claim is covered, but what about all the other costs that burn inside your business due to the event?



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Here are just a few examples. There are many more.

- Retraining Workers
- Lost Productivity
- Lost Customers
- Wasted Capital
- Brand Loss

Here is what we already know based upon data provided specifically by our firm through TCORCalc®. You are probably experiencing a Financial Leakage burn rate of 30% to 60%\* in addition to your risk financing costs. That is the Financial Leakage that is continuously flowing from your profits. And it's a **controllable expense**.

<b>Risk Financing Costs</b>	<b>Financial Leakage Rate</b>	<b>EBITDA Impact</b>
\$500,000	30%	\$150,000
\$500,000	40%	\$200,000
\$500,000	50%	\$250,000
\$500,000	60%	\$300,000

What if you focused on your current Financial Leakage?

Your EBITDA and margins would automatically improve. Your organization would be more competitive and able to be nimbler to customer pricing requests. Not to mention the fact that your firm's valuation would increase based upon a multiple of EBITDA.

As a Certified Analytic Brokerage™, we can help you identify exactly how much EBITDA is leaking from your financial statement. We can show it to you using data that is proprietary to our firm through TCORCalc®. Then provide you with the Business Solution that will attack and resolve the problem.

So, now that you know this, can you afford to continue your controllable Financial Leakage? Now that the data and methods exist, are you willing to allow it to erode your EBITDA unchecked? More importantly, are you satisfied with letting this erosion continue to undermine all the other business initiatives that you are implementing to improve profits?

[Contact us](#) today for a Financial Leakage Report that will pinpoint your exact financial situation. Without it, you are probably throwing away your EBITDA!



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