

# Knowing Your Bottom Line

Bad debt write-offs affect more than your company's cash flow and bottom line performance, they also impact its sales and marketing efforts!

The table below shows the "Multiplier" impact on sales from bad debt. For example, a business with a net profit margin of 4% experiencing \$100,000.00 in writeoffs, would require an additional \$2,500,000.00 in sales to offset the loss of profit on the \$100,000.00 in write-offs.\*

Take a look at the chart below, do you know how many sales you would have to generate to recover the lost revenue from your bad debt?

Loss	2%	4%	6%	8%	10%
\$1,000	\$50,000	\$25,000	\$16,667	\$12,500	\$10,000
\$5,000	\$250,000	\$125,000	\$83,333	\$62,500	\$50,000
\$10,000	\$500,000	\$250,000	\$166,667	\$125,000	\$100,000
\$25,000	\$1,250,000	\$625,000	\$416,667	\$312,500	\$250,000
\$50,000	\$2,500,000	\$1,250,000	\$833,333	\$625,000	\$500,000
\$100,000	\$5,000,000	\$2,500,000	\$1,666,667	\$1,250,000	\$1,000,000

Paladin Commercial Group is here to help!

Call now to speak with an Accounts Manager that can help you calculate your "Multiplier" impact and discuss the options you have to remedy the situation. Our staff are on call to help you in your financial time of need.

**Call PCG**  
**at**  
**1-888-870-1724**