

The Core Drivers of Business

Empower your teams to impact the bottom line



Foundational business acumen skills have never been more important. Employees at all levels need the understanding of how one's role and function contributes to the big picture. Understanding your business strategy and how your company makes money are critical to your employee's engagement in a meaningful way. Advantex presents five foundational business concepts that every employee needs to understand to be empowered to make daily decisions and positively impact on the bottom line.



Revenue: The amount of money that a company actually receives from the sales of its products and services. Revenue can be calculated by taking the number of units sold or service units provided multiplied by the prices charged for each product or service unit sold.



Cost of Goods Sold (COGS): A line item on the Income Statement that includes all the direct costs involved in producing products and services, including parts, raw materials, supplies, and labor, as well as the direct overhead costs of utilities, rent, etc. for production.



Gross Margin: The amount that is left over from a company's total revenue after subtracting the cost of goods sold. Reported on the Income Statement, it represents the amount of revenue that a company retains after accounting for the direct costs associated with producing its products and/or services. Also referred to as **Gross Profit**.



Operating Expenses: The indirect costs involved in producing products and services, including R&D, sales, marketing, rent, utilities, and salaries of management and staff.



Profit: The amount earned after costs and expenses have been subtracted.