

Use this tool to avoid the success binge-purge cycle! See "CEO Tools" book.

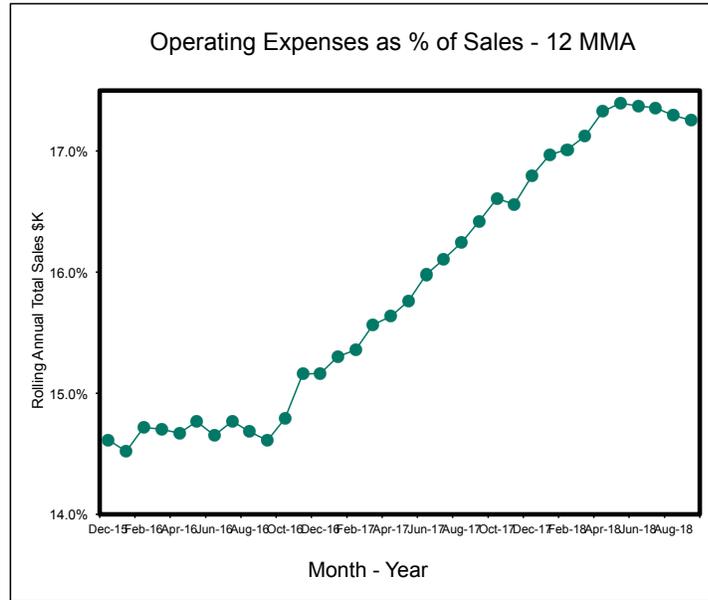
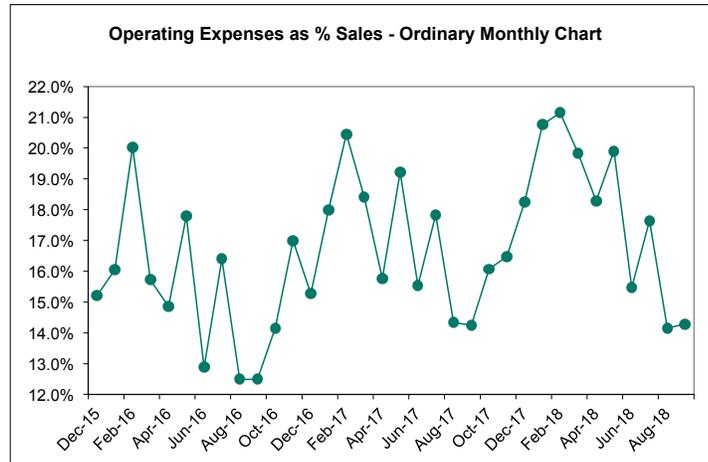
HOW TO GET STARTED:

Example of charting 3 years of monthly Operating Expense % Sales on a 12MMA (Twelve Months Moving Average) basis. You'll get a chart with NO SEASONALITY and every point is comparable to every other point. Look at this chart monthly to see things you never saw before about your business!

It's a ROLLING ANNUAL AVERAGE tracked monthly. 12MMA charts will clearly tell you whether you're doing good or bad! Ordinary monthly charts usually mislead and show little other than seasonality. 12MMA charts also show historical perspective, a true trendline.

Use a regular spreadsheet software package like Lotus or Excel. Enter the month/year in Column C and monthly data in Column A and B as shown below. Then enter two sum functions in the spreadsheet in Column D for 12 months of gross profit \$ divided by 12 months of sales \$. This is a simple 12-month sum formula that moves forward one month (and down one row) at a time. Then chart it on the same page using the spreadsheet's Chart Function. Better yet, enter YOUR data in my Columns "A" and "B" below, re-scale the charts, and voila - instant 12MMA!

	Column A Monthly Sales (\$K)	Column B Monthly Optg Expense (\$K)	Column C Month-Year	Column D 12MMA % Optg Exp % Sales
Row 1	415	75	Jan-15	
Row 2	425	75	Feb-15	
Row 3	460	74	Mar-15	
Row 4	510	78	Apr-15	
Row 5	435	73	May-15	
Row 6	585	82	Jun-15	
Row 7	495	74	Jul-15	
Row 8	645	85	Aug-15	
Row 9	700	90	Sep-15	
Row 10	685	83	Oct-15	
Row 11	650	85	Nov-15	
Row 12	585	89	Dec-15	14.6%
Row 13	561	90	Jan-16	14.5%
Row 14	484	97	Feb-16	14.7%
Row 15	528	83	Mar-16	14.7%
Row 16	572	85	Apr-16	14.7%
Row 17	506	90	May-16	14.8%
Row 18	660	85	Jun-16	14.7%
Row 19	567	93	Jul-16	14.8%
Row 20	729	91	Aug-16	14.7%
Row 21	817	102	Sep-16	14.6%
Row 22	805	114	Oct-16	14.8%
Row 23	753	128	Nov-16	15.2%
Row 24	668	102	Dec-16	15.2%
Row 25	550	99	Jan-17	15.3%
Row 26	528	108	Feb-17	15.4%
Row 27	592	109	Mar-17	15.6%
Row 28	647	102	Apr-17	15.6%
Row 29	588	113	May-17	15.8%
Row 30	772	120	Jun-17	16.0%
Row 31	684	122	Jul-17	16.1%
Row 32	844	121	Aug-17	16.2%
Row 33	828	118	Sep-17	16.4%
Row 34	765	123	Oct-17	16.6%
Row 35	722	119	Nov-17	16.6%
Row 36	630	115	Dec-17	16.8%
Row 37	525	109	Jan-18	17.0%
Row 38	520	110	Feb-18	17.0%
Row 39	610	121	Mar-18	17.1%
Row 40	689	126	Apr-18	17.3%
Row 41	648	129	May-18	17.4%
Row 42	853	132	Jun-18	17.4%
Row 43	765	135	Jul-18	17.4%
Row 44	968	137	Aug-18	17.3%
Row 45	945	135	Sep-18	17.3%



Now look at this OpExp%Sales chart: if it's going down, that's GOOD! If it's going up, that's NOT GOOD. UP requires your immediate action by you to make it improve! Use this 12MMA technique to track gross margins (%), debt:equity ratio, receivables DSO, inventory turnover, and other important ratios. You'll be amazed at your improved success! Throw away all your other ordinary charts, as they will lie to you more than tell the truth. Only 12MMA and their cousin T12M charts always tell you the truth.