



FINANCIALLY  
SORTED

# 20 Reasons *Why You Don't Make Enough Money* In Your Business



# WELCOME

## CONTENTS

.....

03	<u>Introduction</u>
04	<u>Part 1: Tips To Get Quick Results</u>
17	<u>Part 2: Developing Yourself To Achieve Long-Term Success</u>

**Warning:** This e-book contains general advice or information only. The information in this e-book is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider any advice in this e-book in light of your personal objectives, financial situation or needs before acting on it.

It is recommended to seek advice from a qualified professional relevant to your particular needs or interests. (For instance, Tax Advice from a Tax Agent, Financial Advice from a Licensed Financial Adviser and so on and so forth).

Financially Sorted and its related parties (direct or indirect) disclaim all and any guarantees, undertakings and warranties, expressed or implied, and shall not be liable for any loss or damage whatsoever (including human or computer error, negligent or otherwise, or incidental or consequential loss or damage) arising out of or in connection with any use or reliance on the information or advice in this ebook.

# Introduction

**Congratulations on being one of the rare and brave individuals that have left the comfort and safety of paid employment to run your own business. Regardless of the business failure stats that we all hear, you have decided to follow your passion and dreams to create something special for your customers and your market.**

But we all know that business is not easy. After the initial excitement fades, many business owners can feel trapped by their business, stressed and left working hard for little reward. And it is safe to say that most business owners get far less than they deserve from their business for all of the risk and sacrifices that they make.

But it definitely doesn't need to be like that. Those business owners that take the time to educate themselves, give things a go and continue to make improvements are the ones that stand out from the crowd, make an impact on their chosen market and reap the rewards.

**“My biggest motivation? Just to keep challenging myself. I see life almost like one long university education that I never had – every day, I’m learning something new.” – Sir Richard Branson**

## **How To Use This Information?**

As Business Advisors, we are passionate about helping businesses to succeed. But it's not just about the business. More

importantly, we are here to help business owners to develop the knowledge and skills to become better business managers and create businesses that run smoothly and provide them with the rewards that they deserve.

We have been helping businesses and we have developed many models, tools and approaches to shortcut the success journey for our clients. The 20 Tips in this book have been broken down into two parts:

1. Provides 10 tips which you can implement quickly and that will provide more immediate results. We have also provided a self-assessment worksheet after this first section to help you to implement these steps, and
2. Provides the remaining 10 tips which are more focused on your mindset and personal development, and which will prepare you for longer term success and results.

This is the first step to assist our clients to help them to better understand their current situation and priorities, what the future could look like, and then we help them to create a plan to achieve their long-term business and personal goals.



A person wearing a dark pinstriped suit jacket and a white shirt is reading a newspaper. The newspaper is held in their hands, and the word 'BUSINESS' is prominently displayed in large, bold, black letters on the page. The background is a soft, out-of-focus grey. The text is overlaid on a dark, semi-transparent rectangular area.

# Top 20 Reasons Why You Don't Make Enough Money In Your Business

## Part 1: Tips To Get Quick Results



## 1. Get Organised.

One of the quickest ways to improve your results is by getting more of the important stuff done. But it's difficult to do this if your days and weeks are chaotic and unplanned, and you are continuously playing catch up.

We could write a whole book about time management (and some people have) but that is not the purpose of this ebook, so we will just share with you a key time management tip for you to work on.

Firstly, you need to get everything out of your head and onto paper (or an electronic list). Build a "Master To Do List" so that you can see everything on your plate right now. It may seem daunting, but it is best to understand the full picture so that you can do something about it instead of burying your head in the sand.

Then, plan in weeks. This means that at the start of each week you should review your Master List and the key things that you want to get done for the week, and then write these down on a separate Weekly List. From experience working with our clients, we have found that spending 10-15 minutes each week reviewing and creating a Weekly List will make your week at least 10-20% more productive. Even just writing up the Master List and referring to it regularly is a simple and effective habit.

For most people, having a Weekly List to refer to during the week will be enough. Others may want to create a Daily To Do List, or add to their Weekly List as new things pop up during the week. Everyone is different, but you can use versions of this simple system to best suit your working style.





## 2. The Power of Regular Meetings.

Many people feel that meetings are a waste of time, but it is important to create a regular “rhythm” of meetings in your business. This is because your staff are generally your greatest expense and it is critical to the profitability of your business that they are as productive as possible.

However, whether it is a 1-on-1 meeting or a team meeting, you must have an agenda, to keep the meeting on track. Without an agenda it is easy to waste time in a meeting and this will frustrate everyone.

We would recommend to have the following meetings, but this will obviously depend on what makes sense to your business and the size of your team:

- If you have managers, weekly meetings with each of your managers. This could be as short as 20–30 minutes each, and
- Your managers should have quick half/one hour weekly meetings with their teams to discuss production for the coming week, and
- Monthly team meetings to update the team on the achievements and challenges for the month and to discuss ideas on how to improve things.





### 3. Numbers Are The Language Of Business.

People are not comfortable or confident looking at the numbers in their business. But I always tell people that “numbers are the language of business” and if you want to learn how to run your business better, then you need to learn how to speak the language.

Being able to read and interpret the numbers will put you light-years ahead of most business people. It will give you amazing insights into your business and it will help you make quicker and more informed decisions, which will definitely lead to better results.

Now, you don't need to be an accountant to be able to effectively use the numbers. But, you do need to find someone who can help you to better understand your numbers and how to use them in your business. Here are the key numbers and reports that I would get my head around:

- Your monthly Profit & Loss report, and
- Your Aged Debtors (or Receivables) report, and
- Your Aged Creditors or payables report, and
- Keep an eye on your stock levels, and
- Know your Break-Even Point, and
- Have measures to track that the right activity is getting done.

The last point is an especially important one. Most people, including accountants, will look at reports that show the final result for the month or the year. However, it is vital that you track numbers during the month that will give you a good indication whether you will have a good month. These are things like: number of enquiries, number of meetings, value of quotes, production output, billable hours, etc. These will differ for every business, but it is vital that you work these out for your business.





#### 4. Have a Point of Difference (a “USP”).

Business is competitive and there are plenty of other businesses that provide services very similar to yours. Prospective customers generally have plenty of different suppliers to choose from, so why would they choose you?

You need to have a point of difference, also called a USP or Unique Selling Proposition, to give your customers a reason to use you instead of one of your competitors. Some possible areas of difference that you can focus on are:

- Personal relationships,
- Quality,
- Unique products,
- A unique process,
- Better customer service,
- Track record and testimonials,
- Qualifications or accreditations,
- Unique personality, and
- Areas of perceived trust.

**Get clear on what this is and then use it in your marketing and sales processes and communication with your prospects.**







Lorem ipsum

## 5. The Profit is in The Price.

Related to the above point is pricing. If there is nothing that makes you different, then the only thing that customers can use to decide whether or not to use you is your price. And it is definitely not smart, or sustainable, to win business mainly by pricing lower than others. It is a race to the bottom, and will guarantee that you will always struggle.

I always tell people that **“the profit is in the price”**. This means that if you want to make decent money in your business, then you need to be able to price higher than average, and be able to attract customers that value things other than price.

We all have heard that “cash is king” but it is difficult to have good cash flow without good profits. So, definitely, make sure that your business can make good profit by pricing properly and then following through with the efficient delivery of your product or service.

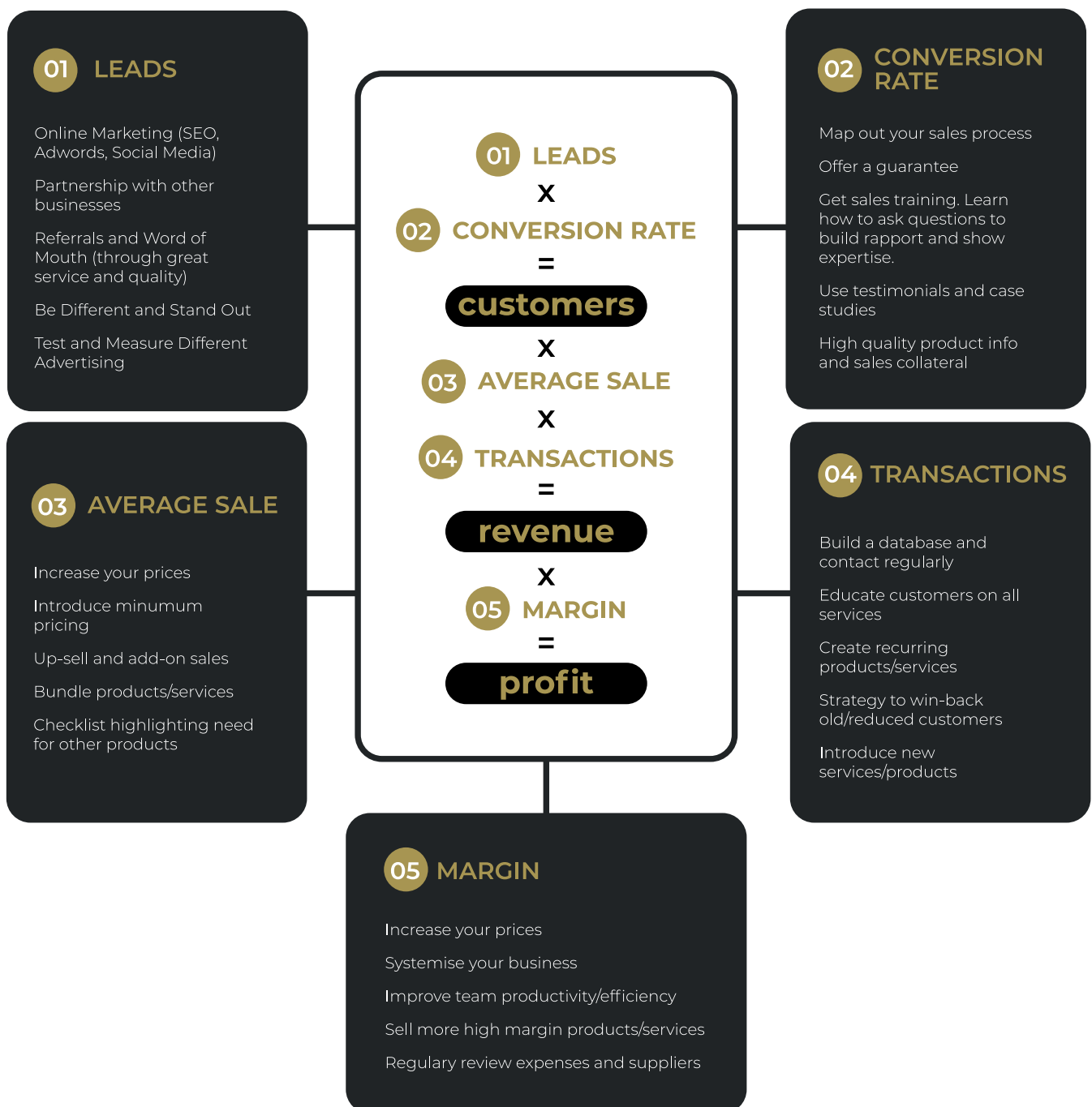


## 6. Understand the Profit Growth Formula.

The Profit Growth Formula is one of the most powerful tools that you can use to grow the profits in your business and it is a key tool that we use with our clients. The formula is explained in the diagram below and centres on 5 key areas to grow in your business:

1. Leads (or enquiries), and
2. Conversion Rate (the conversion from leads to customers), and
3. Average Sale Value, and
4. Number of Transactions, and
5. Margin.

Making small improvements across these five areas every quarter can easily lead to a doubling of your revenue and a tripling of your profits in just 12–24 months.





SHOP

## 7. Nothing Happens Until There is a Sale.

It is fantastic to have a high-quality product or service that you know that your customers will love and that will provide them with huge benefits. However, if you cannot market or sell your fantastic product or service, then it means nothing.

You need to understand that you are not just in the business of providing exceptional products and services, you are also in the business of marketing and sales. It is just as important that you are able to attract customers and convince people to buy from you, as it is that you provide exceptional products and services. You need to devote time to learning how to better market and sell yourself and your business.



## 8. Get The Right People In The Right Seats.

You can't do it all yourself. Every well-run and profitable business must have a team of people that are all pulling in the same direction. Even if you are a solopreneur, you need external contractors or consultants in areas such as marketing and bookkeeping to support you and take the load off you so that you can get on with the core service that you provide.

So, what does it mean to have the “right people in the right seats”? Let's break it down...

The **Right People** are those that buy into your vision for the business and that share your values, such as honesty, work ethic, high levels of customer service, etc. This will ensure that they are the “right fit” and they behave in line with your expectations.

Putting these people in the **Right Seats** means that you put them into roles that fit their skills, abilities and experience.

Getting these two pieces right will give you the foundations to grow your team and your business without the frustrations that many business people have around managing people.





## 9. Regularly Ask Your Customers and Your Team For Feedback.

You and your team can't be expected to be mind readers. It is tempting to guess what your customers really want or how your team is feeling, but it is just a guess if you don't ask them. This "gut feel" or educated guessing approach also always leaves you wondering if you really got it right.

It is far better to run a quick survey of your customers and your team to really find out what they are thinking and how they are feeling. Why did they choose you as their supplier? If there was one thing that you could improve, what would that be? How does your team rate communication within the business?

We design surveys for our clients and we use online tools like Survey Monkey and also good-old-fashioned phone surveys to help our clients to better understand their markets, customers and staff which allows them to make much more informed and accurate decisions.





## 10. Implementation is More Important Than The Perfect Strategy .

The final point for this section is that our experience shows that implementing well is far more important and effective than getting your strategy perfectly right. There is no point having a glossy, well thought out business plan if all it does is sit on the shelf gathering dust. Definitely set aside the time and mental energy to work through the 20 points in this book, but make sure that you have a simple way to action your ideas.

We cover our more detailed One Page Planning tool in the next section, but for now, here is a simple way to get your thoughts and ideas from points 1-9 down on paper to create a simple action plan. Draw the boxes on the following page onto a sheet of paper labelled 3 Years, 12 Months, 90 Days and This Week. Now write in your key goals in each of these timeframes except for the last box. For the This Week box, use a Post-It Note to write down your goals for each week based on your 90 Day Goals, tick them off over the week and then replace this Post-It Note each week.

**Simple but effective...**

**3 YEARS**

**12 MONTHS**

**90 DAYS**

**THIS WEEK**



## Self-Assessment on Quick Win Strategies.

Here is a quick self-assessment survey for you to complete that covers the 10 Quick Win strategies in Part 1 of this eBook.

Add up your score out of 50. If you score high, then well done! If you score low, then don't get disheartened – it just means that you have plenty of room for improvement and growth, which is a good thing.

Either way, take a copy of this page and send it to us and we are more than happy to discuss the results and provide you with some tips on how to improve your score.

	Strongly Disagree			Strongly Agree	
1. I feel organised, my weeks are well planned and I never run on adrenaline.	1	2	3	4	5
2. Everyone in our business is engaged in regular meetings (weekly, fortnightly or monthly).	1	2	3	4	5
3. I look at my financial reports regularly and I understand how to use them to make better business decisions.	1	2	3	4	5
4. Our differentiators are clear, and all of our sales and marketing efforts communicate them.	1	2	3	4	5
5. We have recently reviewed our pricing compared to our competitors and our pricing is higher than the market average.	1	2	3	4	5
6. I understand how I can use the Profit Growth Formula to increase my revenue and profits over the next 12-24 months.	1	2	3	4	5
7. We have an effective sales and marketing plan that is producing regular leads and new business.	1	2	3	4	5
8. All of the people in our organisation are the right people (alignment with our vision and values).	1	2	3	4	5
9. We have a system for receiving regular customer and employee feedback, and we know their level of satisfaction.	1	2	3	4	5
10. Our goals are written down and shared with the team and everyone is pulling in the same direction.	1	2	3	4	5
	Score: /50				





# Top 20 Reasons Why You Don't Make Enough Money In Your Business

## Part 2: Developing Yourself To Achieve Long-Term Success





## 11. It IS All About YOU!

The first thing that we would like to emphasise in this section is that it is the business owner (i.e. YOU) that makes all the difference. There are wildly successful businesses in every industry, but there are also plenty of failures and people that are struggling. Sure, luck can play a small part, but even then we believe in the saying that “good players make their own luck”.

It is up to you to develop yourself and learn the skills to give you the best chance of success. I often share the following formula with our clients – many call this the “formula for life (and business) success”...

**BE** x **DO** = **HAVE**

(Thoughts x Actions = Results)

**What this means is that the way you think plus the actions that you take will determine your results.** Two people can do the same things but get totally different results because of the different people that they are. You need to develop the right thinking by working on the following areas:

- Your Knowledge – by reading books, attending seminars, etc., and
- Your Skills – by implementing your knowledge, and
- Your Attitude (at point 12), and
- Your Habits: take regular action, and
- Your Network – the people you spend time with will rub off on you, so make sure that you are spending time with positive people that encourage and energise you.

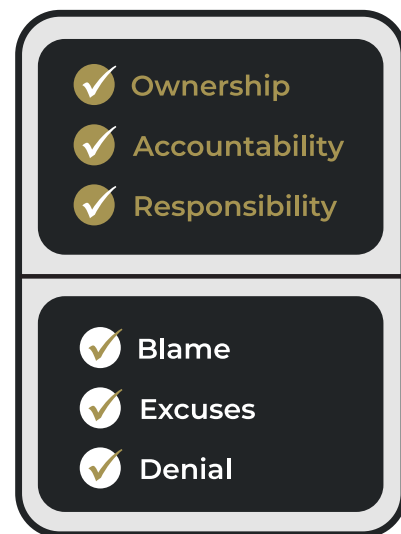




## 12. Your Attitude Determines Your Altitude.

To expand further on the first point, your attitude is (virtually) everything. It will determine the decisions you make and how much effort you put in to improve yourself and your business.

We often tell our clients that it is up to us whether we live life “above the line” or “below the line” (see the diagram below).



Those that live “below the line” **Blame** other people for things that go wrong, make **Excuses** for their current situation and live in a state of **Denial**, which means that they are not being honest with themselves.

Those that live “above the line” take **Ownership** and control for their lives, are **Accountable** for the decisions that they make and they take **Responsibility** for their current situation and the changes that are needed to make things better.

Don’t fall into the trap of letting your attitude slip below the line. Be positive and proactive and always stay above the line.



# Workflow Strategy

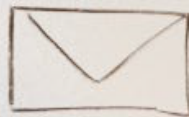
abandons cart

1 hr. delay



left cart

1 day delay



No purchase



← add Promo

## 13. Business By Design, Not Business By Default!

Following on from the previous point, if you are not proactive and you don't take ownership, it means that you effectively give up control of the direction of your business. You are then at the whim of the economy, the business environment and the decisions of others, and end up having a business that can't be ideal because the outcome is random and unplanned.

Instead of ending up with a "business by default", it is about having a picture of the business that you want to create and then putting in place the steps and strategies to make this picture come to life. This will result in a business that suits your aims, your lifestyle and your priorities and one that is much more likely to provide you with the outcomes that you value. This is a **"Business by Design"**.

To achieve this, all of our clients go through a strategic planning process to put together a plan that aligns with their personal goals and values. It is about understanding their current situation, challenges and priorities, where they want to take the business and then creating a simple one page plan with the steps to help them get there.



Here is a quick overview of the one page plan format that we use with our clients.

**Business Name:**

**One Page Strategic Plan**

Our Vision/10 Year Target	Our Core Values	Marketing Strategy	3 Year Goals	12 Month Goals
	1	<u>Target Market</u>	Revenue	Revenue
	2	Who?	Profit	Profit
	3	Where?	1	1
	4	<u>Our Guarantee</u>	2	2
<u>Our Mission/Purpose</u>	5		3	3
	6		4	4
	7	<u>Our Points of Difference</u>	5	5
	8		6	6
	9		7	7
	10		8	8

	Actions to Achieve Goals				
	90 Day Goal	Person Responsible	Month 1	Month 2	Month 3
QUARTERLY THEME:					



#### **14. Learn How To Lead and Inspire Others.**

Once you have a clear strategy and direction, it is then up to you to share this with your team, and possibly even your customers and suppliers. Part of your job is to inspire others to believe in you and your business so that they are committed to working with you and contributing to your success. People want to feel inspired and be around positive people, but they also know that it will also help them to become more successful.

It may not happen straight away, but develop a simple way in which you can share your long-term vision for your business. This could be through a simple vision statement that helps your team understand what you want to achieve into the future.

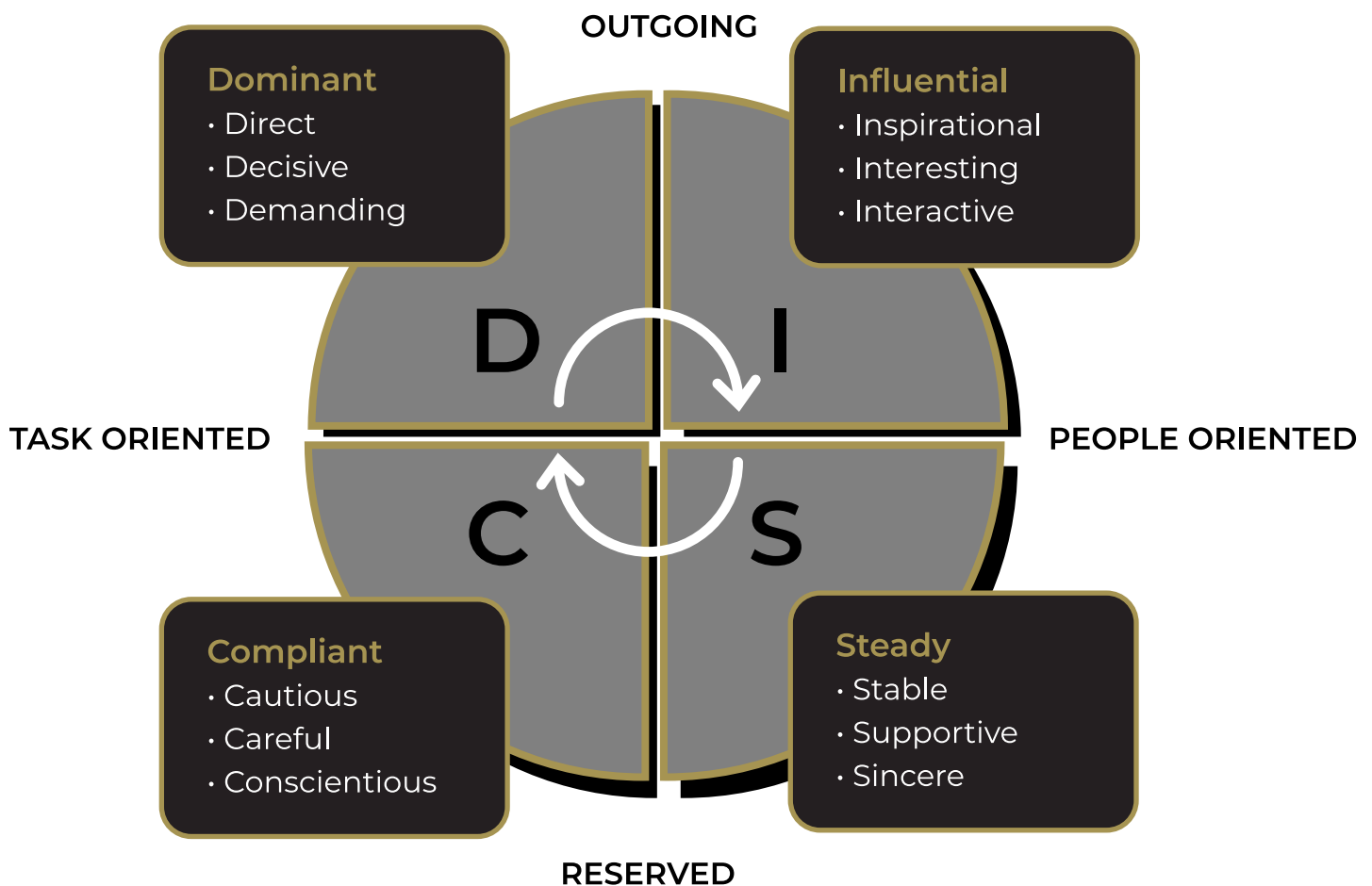


## 15. Learn About People (and Understand “DiSC”).

Whether it is our team, our customers, our suppliers or our partners, everything we achieve in business is done with people. This is also true for life in general.

Being able to understand people, build better relationships and work more effectively with them, is a key part of being successful in business (and in life). So, take the time to learn about yourself and learn about people. I read an important book on this topic when I was young and I would highly recommend it to you... “How to Win Friends and Influence People” by Dale Carnegie. Grab a copy and start the journey.

Besides recommending books, we also use many tools with our clients. One of these is a people insights and behavioural profiling tool called DiSC. It categorises people into a combination of 4 key behavioural types – whether they are more outgoing vs reserved, and whether they are more people-focused vs task-focused (see diagram below). Using a tool like DiSC, will give you greater insights about yourself and also the key people that you work with.





## **16. Get Comfortable With Stepping Outside of Your Comfort Zone.**

In point 11, we discussed the importance of developing yourself so that you can run a better business. One way to do this is to actively look for opportunities to step outside of your comfort zone. Whether this is giving short presentations, attending networking events, joining an association Board, or just running a toolbox meeting.

Doing things that make you nervous and uncomfortable is understandably difficult at first, but the more you do it, the easier it becomes. This expands the size of your comfort zone and is guaranteed to grow you as a person.





THINK  
ABOUT  
THINGS  
DIFFERENTLY

## 17. Create A Business, Not A Job.

Don't fall into the trap of setting up your business so that it relies on you. It might be good for your ego and it might make you feel important, but if your business relies on you then it is not a real business... it is really just a job.

It is easy to fall into this trap since many people start a business based on their trade or area of technical expertise. For example, a plumber will start a plumbing business, a hairdresser will start a hairdressing business and an accountant will start an accounting practice. This is understandable and makes sense, but try not to become the key technical person in your business or at least structure the business so that it doesn't rely on you day-to-day.

You can do this by firstly being aware of this trap and then employing the right people, training them in the right way and then giving them the tools to get on with the job.



## 18. Foster An Environment of Open Communication.

This tip relates back to points 8 and 9 in the first section. You want to create an environment where people feel comfortable sharing their opinions and even disagreeing with each other in a healthy way. This is when ideas flow and your team starts to actively contribute to improvements in how things are done and where the business is headed.

For your team to be willing to be open and honest with you (and with each other), they must first feel safe. It is your job to make them feel safe and a valued part of your business. But this doesn't mean that you tolerate mistakes, poor performance or the wrong attitude, and they need to know the rules and boundaries and what you expect of them.





## 19. System + Team.

A great business not only needs all of the fluffy stuff that I have already covered around people, it also needs to be run using documented processes and SOP's (Standard Operating Procedures). Without these, you (and your experienced staff) will be left to continuously train others on how things are done in your business. While regular training is worthwhile, it can be frustrating and unproductive to have to repeat yourself over and over again.

This is where documented processes and training come in. Your SOP's can be written, flowcharted, use screen shots, screen recordings or even video recordings of demonstrations. Your aim should be to have the training tools and SOP's in place that would allow a reasonably intelligent person off the street to follow the steps and understand what needs to be done for 80% of a particular role in your business. It is all about "systemising the routine and humanising the exceptions".

**Also remember that SYSTEM stands for Saving You Stress, Time, Energy and Money.**



## 20. Embrace Higher Standards and Accountability.

One reason that our clients engage with us as Business Coaches is that we hold them accountable. Most business owners have worked for someone else in the past, but now they have no-one to answer to (except for maybe their wives or husbands, and this can create its own problems). Most of us need accountability and someone to motivate us, guide us and provide support so that we can achieve more, and more quickly. This is why the fitness and personal training industry is growing so quickly.

It's also easy to become complacent and let your standards and expectations for yourself and your team slip. It is good to surround yourself with positive people who encourage you and can keep you focused on the big picture. If you have a group of people like this, then work closely with them.

Feel free to contact us and we can lend you a hand. At Financially Sorted, we would love to understand more about your business and work with you to help achieve your goals and objectives.



**FINANCIALLY  
SORTED**

### **MOONEE PONDS**

Level 1 Suite 2  
38 Margaret Street  
Moonee Ponds VIC 3039

**Ph:** 03 9370 4800

### **WHEELERS HILL**

Level 2 Suite 10  
622 Ferntree Gully Rd  
Wheelers Hill VIC 3150

**Ph:** 03 9888 3175

**E:** [info@financiallysorted.com.au](mailto:info@financiallysorted.com.au)

**W:** [www.financiallysorted.com.au](http://www.financiallysorted.com.au)

