

Teresa:

Teresa, I just need to have more sales coming in to my business. If I have more sales coming in, then I'll have more money and my business will finally be taking off and I will feel better about things and I will be less stressed. This is a question or not even a question, a comment, that I get frequently from people. Small business owners who are seeing a downturn in their business, or are frustrated or overwhelmed, are overworked. And they think that, or they believe that, just having more sales, more revenue is going to cure all of their problems. And the truth is, that's not actually what they really need. That's not going to help them to move forward. And we're going to talk about why that is the case, in today's episode.

But I wanted to just start off by saying, this is episode 116. And I can't even believe that it even got to this point. I mean, I dreamed of starting a podcast. I mean, now I have a big goal of writing a book and I need to light a fire underneath myself to get that book going. But I never thought that I would just get to this point, because as I was learning how to podcast, so many people told me that there are people that start a podcast and they quit after 20 episodes, because it does take a lot to create episodes every week. I mean, I am very, very fortunate, I have an amazing podcast editor and I have an amazing team, we've got the process down and we have everything going and it just makes it so much easier and I wouldn't be able to do it without them.

And truth be told, my big goal when I was younger was to be a Fly Girl on, In Living Color, that was my big, huge goal, was to be a Fly Girl. And I thought if I was a Fly Girl, oh my gosh, it would be amazing. I would be this amazing dancer and I would be famous and people would see me and it'd be amazing, it'd be awesome. So then my next dream turned into, I wanted to be a famous fashion designer. And I was like, "Oh, I could be like Coco Chanel or one of the famous fashion designers out there" Coco Chanel's my favorite, by the way. It would just be amazing. And then I had this dream of being an entrepreneur and I worked in corporate. I worked in a large, small business and worked my way up through the ranks and thought this would make me happy and it just didn't.

And watching entrepreneur, helping entrepreneurs for so many years, I had this dream of being an entrepreneur myself. And my business partner and I, my best friend, we started a business. It was a retail business and we got in there and all we thought about was that we wanted to just make sales, we just needed to get sales. If you asked us who our ideal client was, it was everybody. We didn't really have an idea... We just served everybody, because everybody was our ideal client. We knew what our vision was, it was to give a voice to small artisans, who didn't really have this huge marketing budget and couldn't get their product out into the world. We wanted to be a voice for them, we wanted to create a place where women could feel comfortable. It was going to be like they were shopping in their best friend's closet and it would be amazing.

And when we first started our business our focus was, we just needed to get sales in. You just need to get sales. We just need to get more sales. And the sales started to come in and they weren't a whole lot. We were still working full time and we were getting some pressure from our husband's. "You guys got to get your business going, you got to make money." And all we kept focusing on were sales. And eventually the business, things got frustrating. We were growing our sales, but we still were putting personal money in, time and time again. And we still kept focusing on sales. If we could just get more sales, we'd do more promotions. We'd get more involved in more events, and we're just going to make more sales, because that's what we thought we needed. We just need to make more sales, so we'll have more money in our pockets, so we won't have to use our personal money to pay for expenses and pay for things for our store.

And eventually that store ended up closing. It wasn't doing very well and then my business partner ended up getting sick. But the truth be told, is that we didn't need more sales coming in. What we needed to do, is we needed to understand what was happening from a profit standpoint. So my

point is when people come to me and if you're one of these people that thinks, because I see it, and it doesn't matter what industry you're in. "Just get us more clients, just get us more customers, just get us more sales. We just need to make more sales." And when we look at the back end of things, when we look at the foundation that the business has, there is none.

So just as you wouldn't build a house on no foundation or a very shaky foundation, you're not going to want to build a business on a shaky foundation or no foundation either. And while people they attribute that sales... I mean, I have a client who actually would run his business based on what was physically in his bank account, not looking at payables, not looking at anything else, just physically, if there was money in there, he knew that he had money, obviously. And at the end of the year, wanted to make sure that there wasn't any money in there, so it was interesting. But again, people think that, "All I need to do to fix my business is, I just need to bring more sales in."

And I think this comes down to the money issues that I swear, everybody suffers from. That if we have more money, that's going to fix everything. My old boss used to say, "Revenue cures all ills, Teresa." He used to tell me that all the time. And he used to say it, especially 2008, 2009, when the economy had tanked and we were in a recession. And he used to tell me, "Well, we wouldn't be having all these problems if we have more revenue, if more revenue was coming in, we wouldn't have all these issues with staff. And we wouldn't have all these issues with suppliers, because we would have more money." And the truth is, just as money doesn't make you happy, it doesn't bring happiness. Sure, it allows you to do things, but it's not going to bring you more happiness. More sales into your business isn't going to fix your business and make your business more successful.

And this is a trap that a lot of business owners fall into, because when we first started our business, just like my business partner and I did, we first started our business, it was our dream. And all we focused on was, "We just need to get sales, just need to get sales." Even though, we knew better of the things that we needed to build. Now, we had accounting and we had inventory and we knew inventory. I mean, I've been doing inventory for 25 years, we had all of that stuff. But we didn't have that strong foundation of the right people, the right processes, the right systems in place so that we could have a strong foundation that ended up building a profitable business.

So let me ask you, if the answer is more sales, you look at your business right now, and you say to yourself, "If I was able to 10 X, my sales today, if I was able to 10 X those sales, would I be able to fulfill orders? Do I have the right people in place to sustain that type of growth? Do I have the right processes in place? Do I have the right systems to be able to handle all of the processing of the orders and the financials that went along wrong with it?" Because if you said no to that, if you look at your business and you said, "There is no way my business could handle that right now." Then more sales is not your answer. And what people are actually looking for, just like my client who would measure the success of his business, based on what was physically in his bank account, You can't necessarily do that with what's physically in your pocket. So what we need to do is think bigger, play the long game, okay? And think of it more to this piece.

What we want is we want more cash flow coming into our business. More cashflow means we know what's coming in, we know what's going out. And that flow of cash is constantly happening, so that eventually we have more cash flowing in than what's going on out, so that we can A, become more profitable, because we're paying our expenses, B, we also have money in the bank to reinvest back in the business. So it's not necessarily more sales that we need, it's better cashflow, it's better profitability. I had a conversation the other week with someone where they were also equating to sales, when you look at what your sales are, what your revenue is, they were looking at that and saying, "Well, that's my profit." No, that's actually your top line, what is that top line number?

What we actually need to do is, we actually need to look at that bottom number to say, "After everything is paid in a week's time, in a month's time, what is left over?" Not necessarily what is physically in the bank account, but what is left over? So then we can evaluate the activities that we can do in our business and what do we need to improve? What do we need to get better on? So here's the thing, it's not necessarily the sales that is going to make a difference, it's actually learning how to manage the ebbs and flows in your business and making your business more, building more stability into it, so that should you have months where you have lean sales, you also have a surplus built up so that you can continue to keep your business running. And you can also continue to, you can put money away, you can reinvest, but you can also keep things moving forward.

Because when people have a lack of sales and this is what I went through back in 2008, when the sales get cut things are happening in the economy. And things are always going to happen, they're always going to happen in the stock market, nothing ever stays the same. But as things ebb and flow, and as things go up and down, when we have a lack of sales coming in, immediately, many business owners gut reaction is, it's a very scarcity base, it's a very fear-based, is to cut people, cut marketing, cut all the things that you actually need to have in place, so that you can continue to have your customers see who you are, see where you are and get them through your door. But also have good people in place that have a relationship with you that are engaged, that are enthusiastic and that will stand by your side and continue to keep the business running, keep the business moving, while you go through this rough patch.

But again, people say, "Oh, well, if there's no sales coming in, then we can't do these other things." That's wrong. So yes, is it important to get more sales? Absolutely. But before we can even think about growth, if your business is struggling right now, the thing to ask yourself is, "What's behind the curtain? What does that foundation look like?" Is it a stable foundation? Do you have the right people in place? Do you have the right processes and systems that align with each other that allow your business to grow and capture all of the important information that your business needs so that you can measure it? Do you have the right perspective and the right thinking in place about what is possible for you and your business? The answer is no, you don't have that stability. So thinking about growth is actually, going to exaggerate the problems in your business, not make it better.

So if you're thinking, I just need to increase sales, give yourself some time, think about, do you have that strong foundation in place? Because sales is not revenue, it doesn't cure everything, but profit does, profit does, people do, processes do. And building that resilience into your business so that you can survive and thrive no matter what impact comes into it. So remember, it's not necessarily more sales, that's going to fix your business, but learning how to manage the ebbs and flows and manage the seasons in your business more effectively, more creatively, so that you can achieve the results that you're always been looking for.

If this resonated with you, we have a new three part live workshop coming up called, The Profitable CEO. We are getting ready to get the landing page up and out and ready to go, so you can sign up. But if you want to learn how to create a game plan for your business, so that you can create more positive cashflow in your business, create a cash machine, as well at the same time, not adding more work into your day and actually adding more time and flexibility and freedom, so that you can do the things that you really love to do. So if you're interested in joining, stay tuned, we are going to have the registration up very, very soon. Again, it's going to be a three part live workshop with me. So I hope to see you there. It's called The Profitable CEO. Until next week, take care, be well and I will see you soon.