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## PODCAST TRANSCRIPT

**Episode 001, with Lor Bradley.**

**Preparing To Scale Your Business; What Got You *Here* Won't Get You *There!***

### Introduction

Hello, hello, hello it's Lor here and today, I've got a corker of a topic to talk about so you might want to grab a pad and pen for this. I'm going to answer the million-dollar question, 'What is scaling, and how do I know when I'm ready to scale my business?' And this is one of the things I'm most frequently asked by six and multi-six figure entrepreneurs who've been running their business for some time.

And before we get started it's important that you get your timings just right, because if you start to scale before you're ready you can do more damage in your business than good, and it may take you much longer for your business to take you to where you aspire to be.

So, stay with me because today I'm going to make this a special masterclass episode and I'm going to dive into what you need to be focusing on when you're preparing to scale your business.

Alright, so let's get started.

There's often a lot of confusion between growing your business and scaling your business so let's get that one cleared up first, because there's a nuance between the two. I'll probably dive into this nuance in another podcast episode in more detail so in this episode I'm going to just skim the main points here.

And in the early years of starting our business we're very much focused on growth and we generally grow our business by adding better operating platforms, we add new team members, we might upscale our suppliers and so we start to increase all those assets that support our business...but - when you scale, you're actually focusing your efforts on increasing your revenue without increasing your expenses, your operating platforms, or people that support your business.

And the rule of thumb is, when you're scaling, no matter the throughput of revenue, of clients or sales through your business, your overheads and expenses shouldn't significantly increase.

**REMEMBER:** your business is a vehicle to take you from where you are right now, point 'A' to where you want to be, that's point 'B'



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## When To Scale

And knowing when to scale is important because if you scale too soon then your path to success can be very risky and fraught with problems, and not to mention expensive!

And basically, you'll know you're ready because it'll start to feel like you're hitting a plateau, and the plateau will feel like it's stopping you from moving forward at any real pace. Week on week things tend to stay pretty much the same in your business, and how it operates.

And what you'll find is, you'll naturally start to make yourself busier, you might start hiring more people and look for solutions to break through that plateau...and I see entrepreneurs start tinkering about all over the shop which can create more problems.

So, you're becoming more stressed about the lack of forward momentum and start to get more involved in the daily grind of your business. It's a slippery slope so, you need to be mindful of spotting this type of plateau.

And one thing to REMEMBER before I carry on. **Scaling before you are ready means you will scale any existing problems in your business!**

Alright so, we're going to dive further in and talk about the signs of being ready to scale and if you're not ready, then what should you do to get your business ready?

## Your Business Model

You need to have a strong business model which enables you to build a predictable revenue and with a healthy, consistent conversion rate. And for those of you operating a service or coaching type of business, you can create a strong business model generating a consistent income by dovetailing different types of revenue streams into your sales strategy.

And this is going to strengthen your business and lessen risk of unknowns, because if one revenue stream fails, the, the remaining revenue streams will support you. And some of the ways you can do that are with revenue streams from:

- Passive income with books, courses, audios, and so on.
- By creating Semi passive income streams (so that might be passive learning mixed with group work)
- Direct working with your clients via 1:1, or from project-based work.



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And when you have a strong business model, you're also going to be getting much clearer on your values, and you walk in those values, and these values are woven through the heart of your business – a bit like a golden thread. So, if you're not yet clear on your values then do the work on them before you think about scaling.

**REMEMBER!** I mentioned a few minutes ago that scaling a weak operating model means you'll only go onto scale a weak operating model! And you don't want that.

### Get Clear on Your Plan

Ok, when you start to turn your attentions to scaling, you'll need to have a clear strategy and a plan. And scaling your business means laying out a roadmap of a few key things:

- Where you want to be? So, what's your vision?
- What you're going to focus on? So, what's your core offering?
- Who you're serving? Again, get really clear on those who can afford what you're offering, and you guessed it, these clients are going to be the ones who will uplevel your business as you scale.
- Where you're going to focus your energy in your marketing strategy. So that's not just your content strategy and social channels but think about niching down geographically as well. One of the things I've learned is that being a Brit, my delivery style resonates better with potential clients from certain countries, and not as well with other others. So, think about where you're casting your net.
- And lastly, you've got to get clear on HOW you're going to achieve all the things I've just mentioned within your plan of attack. And WHO is going to help you do these things.
- You also want to be thinking about what things might get in your way and how you'll overcome them because you're going come across hurdles, mindset blockers and risks so, the clearer you can get on where your weak spots are – the better!

And being ready to scale means stepping up as the leader of your business, and when I scaled my first business, one of my first lessons learned was how important it was to stop taking unplanned punts on risky, or shiny things.

You've got to stay focused and once you have that proven offering, you gotta stay in your lane and be prepared to double down on where you're heading. And one last thing, when you're planning you want to think about how quickly do you want to hit your 7-figure business, or wherever your heading?

**So, REMEMBER: Consistency in your own habits and operating practices is key to getting ready to scale. Consistently work to a plan, take the time to plan AND keep checking your plan is aligned to your destination (that's your vision!)**



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## Smashing Your Goals + Targets

The next big indicator that you're ready to scale is you're consistently setting and meeting, or most likely exceeding your goals. Every time, a sure sign for me has been that everything is going to plan, and my goals are being met. I'm usually feeling ready for that extra stretch.

I'm not going to dig too much into goal setting, the point is that you need to be setting them, and meeting them but some other things to ask yourself (which have worked for me) are:

- Am I hitting my goals?
- Do I need to add more stretch and challenge to them?
- Am I consistently hitting or exceeding my monthly revenue targets? If you don't have revenue targets, then get on your numbers and do not pass go!

And take a good look at how you're winning new clients. One of the signs you're ready to scale is when you have a proven offering, clients naturally start to come to you. So, is this happening, as well as you reaching out to them?

And if that's the case then ask yourself 'Does the pipeline of new work mean the people in my team working flat out? Or is that just you if you're working solo?'

If you answered yes to those questions, then it might be time to start shoring up your business operations and working out what's working, what's draining your time and energy, and what needs to stop, start, or continue.

And this is where Month end business reviews can also play a vital part in understanding your preparedness to start scaling, and where to tweak your business if you're seeing problems.

Alright, I'm going to wrap this step up but really, there's only one important question here: Am I hitting my target? And it's a yes or no answer, because without clear goals or targets, at best, your business isn't going to be slickly operating at its potential; and at worst, it's not and you're not going to be ready to scale.

**So don't forget, it's easier to tweak and fine tune your business 'as you go' rather than when you hit a massive fuck-up. So, consistently review your performance and stay proactive!**

## Your Business Numbers

Let's talk about your business numbers now. When you're getting ready to scale, you'll need a healthy and consistent cashflow month on month. If you have cash in the bank and a consistent income, then this is one of the signs that you're ready to take the next step and scale.



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If you're looking to fast track, or significant scale your business then that journey might also involve borrowing money or seeking financing from an investor – so to do that, you'll need to give your bank or potential investors plenty of evidence that you're running a healthy revenue generator.

So, generally scaling your revenue in the early stages will often need extra investment in your business (so that's in systems, in people, in your marketing, in your brand and in yourself), and when you invest here, you're probably going to be unlikely to see a return on your investment immediately – so, you'll need to start from a healthy position – and that's with plenty of cash in the bank!

Alright. What does it take to prepare your business to be financially strong? Well, I always like to know in terms of effort and cost my time and my peoples time too. Don't forget, time is costing money. So, you want to be efficient with your time as the leader of your business. So, factor the cost of time into developing and delivering all your offerings.

At the very least, you need know how much it costs to deliver & promote your offering for it to receive a healthy return. Why? Because if you don't know your numbers then, you guessed it, you're putting uncertainty into your business and not knowing your numbers is going to turn banks and investors right off. I'm thinking of that famous phrase – “I'm out” – well, don't let a potential investor say that to you!

A business on top of its numbers will have a cashflow forecast so if you have one, use it to manage your business. Know your numbers off by heart! Think of those on the Dragons Den TV show who get quizzed on their numbers – and most struggle with them!

### **Know your numbers, make it your business to know your business INSIDE OUT!**

So, a business ready to scale will be seeing repeatable sales, or a regular recurring revenue. If you have a strong business model you will have factored in how you will achieve that with your offerings and your sales strategy.

You'll know you're in great shape to consider scaling if your business has been consistently profitable for at least 2-3 years. Two years is actually a great indicator because your offering, your operations, your ideal client and marketing strategies will have settled and matured by then and you'll know what works.

BUT – I'm going to throw in a warning here. Check you're not in feast or famine trap. If your revenue is 'up' for a period of time and then falls off, then goes back 'up' again then this might be a sign of other issues in your business.

And similarly, check you're not in a seasonal feast. If you do have a seasonal business, then think about how you can create a consistent income in your off-season months.



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## Turning Clients Away

Ok, let's move on to talk about clients because when you're ready to scale you're usually getting to a stage where you're actually turning down clients, and work.

I know, this one sounds a bit counter intuitive but think about it this way, when we're starting out, in the first couple of years of business it's usually the case that we're less clear on our ideal paying clients so we tend to work with almost everyone that approaches us with the cash. And we tweak who we want to work with along the way.

And over time, we naturally get clearer on who our true ideal paying clients are for the long haul, we also establish and prove our offering, and we build credibility as experts...and when you do these things - it - just - starts - working!

You'll start to find it's becoming a regular occurrence for you to turn away clients and then you hit a tipping point. You'll hit a point where you're working at capacity with those perfect dream clients. So, if this is you, then this is a sign you're ready to scale - because these component pieces are working!

## A Slick Back End

And then! You know you're ready to scale when your back end is starting to run like clockwork! I can't seem to get through saying back end without laughing (just shows where my mind is at!) but I'm talking about your business operations here. And when your business operations run like clockwork it's another solid sign, you're ready to start scaling.

**So, let's check quickly in here; scaling your business means you'll be increasing your income and your client base - without necessarily increasing your operational expenses.**

So, its common when you start to scale in the early days, that you'll find an increase in clients (& revenue) will likely mean putting some extra load on your back-end systems.

And before you start to scale, you'll need to make sure your systems will be able to take the strain of any increase in clients, or sales volume. OK, where do you get started with looking at your back end?

I always tell my one-to-one clients to basically create a blueprint that everyone can follow and frees you to focus on being the leader of your business and focus on scaling.

So, some of the really simple ways you can strengthen your back-end operations is by writing out the workflow for regular repeating events, templating your emails and having a templated onboarding process.



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And the sooner you can create a templated structure the better, as its going to help you onboard more new people into your business much faster.

And additionally, as your business scales, you'll want to keep on top of your metrics as this is going to be necessary for staying on top of how your business is doing. As I said earlier, it's easier to be proactive in making tweaks than it is to course correct a massive problem.

**So, REMEMBER, if you're currently struggling with your back-end operations then if you try to start scaling, you'll only scale these issues!**

So, if you need to make improvements here in your business workflow, then get started by keeping a notebook by your side as you work and jot down everything you do, and in order of doing it. And then write those things up.

### **Become A Confident Leader & Delegator**

And for my final piece of advice, and this one is SO important - you have to develop your confidence in YOU, and in your team. I always like to believe that you and your business is only as strong as the people who work in it and they're at the heart of everything you do. They play a huge part in the story of how you got to where you are, and where you go from here.

So, a business that successfully scales will have a team that knows what they're doing, and they work to a clear workflow, and they are aligned to your values. If you're thinking about scaling and you already have existing people working with you, then everyone needs be rowing in the same boat together, and in the same direction, and to the same destination.

And if you're still flying solo, then bringing the right people onboard with the right skill set is such an important part of scaling.

**I'm going to leave you with a final thought...REMEMBER to scale a successful business you need to become an effective delegator and take control of your scale journey and your strategy, and that's only possible if you're not knees deep in the minutia.**

So, one sure sign you're ready to scale is when you're feeling like you're wearing all the hats in in your business. And when you see yourself taking on additional roles that could be outsourced, that's your cue to kick-start your plans to scale and skyrocket your business.

So, thanks for joining me today. I hope you found some value in this episode and we'll see you next week, same time, same place for the next episode of the Scale + Skyrocket podcast.

~ Lor Bradley.