



PODCAST TRANSCRIPT

Episode 005, with Lor Bradley.

Simplify To Scale Your Business

Introduction

I thought this would be a great topic to talk about because it's a conversation I've with clients before they start working with me, and we always talk about their challenges in breaking through to the next level in their scale journey.

And so many times, the conversation is usually around revenue, or rather the distinct lack of it despite feeling the business is going well.

So, my 1-2-1 clients are generally in their mid multi-six to 7 figure revenues, and they find that the more they earn, the less profit they make per sale, or per widget. And their profit margins are dropping despite sales being consistent, and they can't work out why - especially if everything has been going so well thus far!

And we're going to tap into what's at the root of that today because many business owners don't realise that stripping back when you're starting your scale journey is actually *THE* secret sauce to unlocking revenue generation and increasing profitability in your business!

Meet George

Alright, so, let's compare two similar businesses run by Jo and George. And let's just say they're both online coaches. Jo's making £8k consistently every month and George, is consistently making £70k a month and she is feeling ready to scale her business.

So, off the top of your head, and don't overthink this, but who's business would you say appears to be more successful, or more profitable?

And I'll bet your mind leaps to George, right? Well, there's no right or wrong answer but, in my experience it's usually people like Jo who are more profitable and stable at this stage in their business.

I know! You're probably thinking, 'Lor that makes no sense whatsoever!'

Ok, so I'm going to break that down and explain why the lower revenue generator is generally the more profitable business...and I'm going to talk about what to do if you're a higher revenue generator and want to continue to increase your profitability.

And what sits at the root of profitability as you start to scale is your mindset, your habits, and your scale strategy - but I'll come onto that in a minute.



And what I tend to see when business owners are at that tipping point in their scaling journey is that a business, like Jo's, who's earning say, £8k consistently every month will have more net profit and have lower expenses in proportion to a business owner like George, who's generating a much higher revenue month on month. And a business such as Georges will usually have far higher expenses in proportion to Jo's.

Pushing Water Uphill with A Fork

And if you recognise yourself in George, it can feel like you're wading through treacle. You're working hard to scale your business and feeling as though you're not actually moving forward in increasing your revenue. It can really feel like you're pushing water uphill with a fork and it's exhausting.

It's a common trap multi-six figure business owners get stuck in and the secret (if this is happening to you) is to identify this trap, and then go and DO something about it.

So, what's happening here in George's business – or if you see yourself in George?

OK. If that's you then think back to that time you made that decision to expand, grow or scale your business. You were probably at a point where you were making a healthy profit each month, you had products that sold consistently, a healthy client base and probably hit an internal trigger point where you said to yourself 'this is it; it's working, I'm going to scale *this*'.

And this next bit is key, what do you do?

Now I see time and time again, entrepreneurs start to throw good habits and caution to the wind by taking risky punts on their growth. They start to tinker in places in their business where it's working perfectly fine 'as is'.

How Haphazard Scaling Can Kill Profitability

One of the early things I see business owners do is forging ahead without a clear strategy or a plan of attack for scaling their business. It starts to unravel in a haphazard way. And their scale pathway to what they see as success usually looks like this...

You bring new people into your business, usually virtual assistants and then before you know it you have a team of people doing support work in a piecemeal, disjointed way.

You expand your social media channels; you might use your new team to throw more content into the forever hungry monster that is social media.

So, where before you may have had one person working smart managing two social channels, you now have three people managing all channels known to man because you want to expand your reach....and you're doing this without a clear strategy, and



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you see your sales aren't necessarily increasing...so, your expenses start going up. And you become busier, so you hire more people...and your profitability drops.

It's a cycle.

So, if you're a smart cookie (and I know you are) then you'll *know* where I'm going with this!

Resist The Urge to Tinker!

Anyone who likes to tinker will know that a tinkering mindset is distracting, it can blow you off course and you're not going to be clear on your decision making. Tinkering can also throw up what I call phantom problems in your business. And I call them phantom problems because our business is an engine (a vehicle) taking us from where we are right now, to where we want to be.

Tinkering used to be a bad habit of mine until I made that connection between the act of tinkering, and how that can damage our businesses' and slow us down.

And when we tinker across the various parts of our business engine we might tinker over here, and then a problem might pop up over there. And we try to fix that...and then another problem pops up, and then another.

And we start paying that proverbial game of whack-a-mole with our business. If you don't know what whack-a-mole is, it's a game where you have a box with lots of holes in it and a furry creature (not a real one mind you), pops up in the random holes, and you have to hit the creature with a hammer before it disappears again.

You might start upgrading your operational systems, adding more layers of support such as help desking, chat bots, refreshing your branding, relaunching your website, reinventing your sales funnel, going evergreen and even investing in business coaching...and yet despite throwing money at all these things (which FYI, are all totally valid things to invest in), it's just that they don't seem to be delivering enough of a return on the investment you've made.

And, you *still* don't have a 'united' clear strategy of how to scale your business. And those things you're throwing your cash at, are draining your ever-shrinking profit margin - because your revenue isn't increasing proportionately to your expenses.

Imposter Syndrome

And then you become very aware of that little gremlin called imposter syndrome. Have you ever felt it? It happens frequently to entrepreneurs who are at that tipping point of scaling.

It usually looks something like this...



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On social media you look to everyone else like you're a huge success. You're a multi-six figure entrepreneur, you have a large team, your business is all-over social media, and you LOOK like you're going places.

Your friends think you're a massive success as you've upgraded your car, you've got more money to spend from your business than you've ever had but – you start to become very aware, just quietly, and on the inside, of that little voice that says, 'hey, something feels *off*'.

You know your expenses are going up, you're not losing sales but you're not making any new sales proportionate to the expenses you now have either. So, you start working harder and longer hours. You get more and more involved in the minutia of your day-to-day business and into a hustle mindset.

And you slide into that feeling of trading all your joy and personal time to spend more time working *IN* your business. Now note, I said *IN* your business there, as you're not working *ON* your business, or doing that less.

And the point I'm making here is that doing any of these things to scale or improve your business is not wrong, but when you take a whack-a-mole approach to scaling your business you risk doing these things at the wrong time, and in the wrong order. And it can trip you up and cost more in the long run...and not to mention, it's going to slow you down.

Step Back to Leap Forwards

It's so easy to slip into a hustle mindset when your profitability drops. And what I tend to see as an expert is; rather than unpick the work you've done thus far by trimming back on your systems, your people, and your approaches for example, (cos that would feel like failing or taking a step backwards, right?) then you might start to re-launch previous offerings or create new offers in a bid to plug that ever-widening profit gap.

And when we start to launch, land, launch and land even more offerings, social media challenges and products in this way then something called the feast or famine cycle can start to trap you.

I'm not going to talk about that here but if you're interested in the feast or famine cycle and how it can kill scalability, then I talk about that in episode 004.

If you're feeling like this then you're not alone. I've fallen into this trap in the early days because it's easy to do that the first few times it happens to you. The good news is if you recognise yourself here then you *can* do something about it.

And if you're not quite at the point of scaling your business, the great thing is you now know what to look out for. So, keep my words in your back pocket and don't forget them!

You need to be constantly asking yourself, 'how can I simplify my business, my workflows and what my people are doing?'



That's Me! What Should I Do Now?!

If you are entering this phase of your business, like George from my opening example, then you *can* do something about it.

- Ask yourself, 'where do I want my business to take me, what's my vision?'
- Go back to your core offering – focus on that.
- Focus on what was working well in your business. So, if Facebook worked well before and having 5 social media accounts now isn't working then, go back to focusing on Facebook.
- Simplify your systems and workflow – template, build repeatability into your business and make sure your people know what they're supposed to be doing and that they're working smart.
- Then cut your operating expenses – be brutal.
- What you want to do is simplify everything because less is more. So, if your sales funnel is overly complex and you're not seeing results – then simplify it. Don't keep adding layers of more stuff and complexity on to your business.
- Resist the urge to tinker! Sit on your hands or something!
- And then work ON your business to build and then implement your scale strategy. Put time aside to work on your strategy as this is going to save your business bacon in the long run as you start to scale.
- And lastly, stay on top of tracking your performance regularly! Know what's happening in your business and how you are performing. When you stay on top of your metrics it puts you in a position to see a 360 of your business and make informed decisions about the way ahead.

So, no more whack-a-mole, OK because we can work smarter and do far more, and scale much faster with much less.

Until next time...
~ Lor Bradley