

- Speaker 1: [00:04](#) You are listening to the Level Up podcast, a podcast for high performing business women and I am your host Kendra James Anderson. I am CEO of The Finance Femme LLC and a virtual CFO to several successful women entrepreneurs. Here I'll be sharing business tips and the occasional life hack that helped you get higher profits in business and more time to live your best life. Whether you want to scale your business to six or seven figures and beyond, have already hit millionaire status or if you're just getting your business started, this is the podcast for you. Hey guys, it's me, Kendra and I am here back from vacation.
- Speaker 1: [00:56](#) Maui was absolutely amazing. It was breathtaking, but I am glad to be back home. You know, as a follow up to last week's episode where I was preparing to actually leave for vacation, I can definitely say I came back from vacation, the business is still great and my team is still happy. So we are chugging right along here. So, but vacation was absolutely amazing though. Anyone who wants to go to Maui, if you have questions on what to do there, let me know. We did so much from parasailing, which I know I said last episode that I wanted to do, but quite frankly I was quite scared, but it was cool. I don't know if I'll do it again. But it was cool. It was nice. But yeah, we had, we had an amazing time. I ate way more than I probably should, but it's all good.
- Speaker 1: [01:38](#) So let's get into this week's episode. Why focusing on sales is killing your business or why chasing sales is costing you money. I mean there's so many different ways to think about this, but at the end of the day it has to do with why you're focusing on the wrong thing, which is sales, is actually negatively impacting your business. So let's just get right into it and let's start off by defining what sales actually is. So you might feel confident in knowing what sales is, but then there are terms like gross sales, net sales, profit. So let's just kind of define what sales is and what sales is not. And then at the end of today's episode, I'm going to share with you what to focus on instead of just focusing on sales sales sales. So when I say sales, in this episode, I'm referring to gross sales, which means the total income you actually receive from the sale of your goods or services.
- Speaker 1: [02:29](#) So whatever product, package or service that you offer, you sell it and you earn income, right? I'm referring to the total of that income. Now there's also gross profit, net income and all of these other terms. We'll actually talk a bit more about those later in the episode. You'll definitely want to stick around for that. Okay, so now let's talk about why focusing on sales or why chasing sales is killing your business. And the first point is you're

focusing on something that you don't directly impact. So focusing on sales is focusing on the end result. You don't make sales. You take actions that result in your customers making sales. I know I say this all the time, but I have to because we always we're in a day and age and I think probably always where people talk so much about their sales number, 'Oh I'm making this much or how much have you made or how much is your business generating?'

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And we're focusing on the end result. We do not make sales. You want to take actions that result in your customers making the sales. So here's another analogy that I've used before on this episode, or I'm sorry on this show and just in life when explaining this topic is that it's like health. So if you're just staring at a scale that's not going to take you from 200 pounds to 180 pounds just staring at the scale, right? Just, looking at it. It's the actions that will take you from that 200 to the 180 it's the workouts, it's the eating healthier, you know, whatever actions you need to take to impact the results, that will then show on the scale. So you want to focus on the action and then the end result will appear. And also to that point, focusing on the end result means you aren't focusing on the things that you can actually impact.

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You're not seeing how well they're actually performing. So something that you can directly impact that in turn impacts sales is your marketing, right? Are you measuring and analyzing your marketing spend? Are you looking at your marketing results? Something else that you can directly impact that then impacts your sales is your actual close out process. So your sales close out process. So I'll talk about this for service based providers and then product based businesses as well. So for those service-based providers, this could be that space of time between a new prospective client finding your website to having a consultation call to the proposal or the sales pitch. Is that whole process streamlined? Is it easy for our prospects to know how to move forward with you? If it's impossible to find a button on your website or social media to contact you, then I guarantee you, you're missing sales.

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And if after the consultation call you don't follow up with them, then I can also guarantee you you're missing sales. So you want to shift your focus there, shift your focus to things that you can directly impact and then the end result of increased sales will follow. Now for product based businesses, this is your order close process. So let's first talk about if you have a brick and mortar business, is your sales team welcoming? I went into a store with the intent to buy something I already knew I wanted

to buy it but I walked out simply because the sales team just wasn't pleasant. You know, I didn't want to be in there or I felt I was bothering them by asking for assistance with like sizes and things of that nature. And also as a side note to brick and mortars, this is kind of, you know, off topic, but as a side note to brick and mortars is your storefront overall welcoming?

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So not just your people but your storefront in general. Because we all know that retail and especially brick and mortars is on the decline. And to stay up in this market right now, the whole brick and mortar process really needs to be an experience. So it's not just a place to shop. Your brick and mortar has to actually be an experience. You know, think about the Apple store. Think about these boutiques that actually give you like an experience when you walk in the door and it's not just a place to shop. That's what's going to keep yourselves up in this climate if you have a brick and mortar, that's just a side note. Okay. So what about for those product based businesses that aren't brick and mortars but they're, you know, e-commerce instead? So is it difficult to shop your site? Is your website not appealing?

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Do I have to create an account on your page in order to checkout? Because I'm not right. I'm not, I don't want to sign up an email list. I, I just want to buy this product. So you know, is it not easy to find products or is your product always out of stock? So these are things that you can focus on. These are things that you can directly impact and that will in turn directly impact sales because again, you're going to be losing people in that closeout process. If those issues come up, right? So shift your focus there. Shift your focus on the things that you can impact. Okay, so that is point number one where you're focusing on something that you don't directly impact. Focus on the things that you can impact. Point number two, it causes you to make bad business decisions.

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So have you ever worked with a client that you knew you shouldn't work with, but you did anyways because you were focused on making that sale? Or have you ever put out a product that you didn't quite feel was ready but you were ready to start making sales? We've all done it. We have all done it. I'll just say that. So if that's the case, then you know, you're making bad business decisions, right? Because it can result in a bad reputation because maybe you're putting out subpar product, sometimes something that you can't even justify, right? Or you might have negative experiences with clients because you didn't really want to work with them anyways, but now you're kinda suffering through it. And, trust that a client likely can feel that

you're suffering through working with them versus joyfully participating in the engagement that you have with them.

Speaker 1: [08:28](#) So I don't have to hang out too long on this point because we all know and can look back on our own experiences and remember when we've made a bad business decision just to make a sale. So point two is that it causes you to make bad business decisions. Now, point three is that at the end of the day, you're focusing on the wrong part of your business. So if you're focusing on sales, I'm saying that it's killing your business because you're focusing on the wrong part of your business. Sales is just a vanity number in some ways, focusing on sales and your business is like focusing on followers in Instagram. So follow me. There are accounts on Instagram that have a million plus followers and can't make ends meet. You would never know. Their Instagram page is flawless and that's because they're spending all of their time, energy and money and to making flawless images, and that's great.

Speaker 1: [09:20](#) Kudos to them for the followers, but what does that really do? Now, I'm not talking about those that have a million followers that are celebrities or political or social influencers. Their followers serve a different purpose. I'm talking about those who built up their following intentionally so that they can sell a product and they have a million followers, but less than \$10,000 in the bank. Why? Because it's a vanity number. Go from chasing vanity numbers to analyzing and reviewing valuable numbers. More followers doesn't equal more sales and more sales doesn't equal more money in your pocket. Now that last statement is going to throw some people off when I say that more sales does not equal more money in your pocket. Like, wait, what, Kendra? I don't get it. That doesn't make sense. Oh, it makes sense. I'm going to explain it now. Just like a million followers doesn't equal more sales.

Speaker 1: [10:15](#) A million dollars in sales doesn't equal more money in the bank. Sales is what we call your top line number. It's essentially what you collect, but then you have to pay your expenses. So maybe your staff, maybe your office or your store location, like rent, maybe your business supplies, maybe yourself, maybe your habits. So let's pause there for a second. This may trigger some people, so I'm going to halfway apologize in advance for this realness, but it needs to be said. So some of you are wearing your businesses profit. That Gucci habit, that Louie habit that spend \$500 at Target because I deserve it habit. Some of you are driving, your business's profits, it's in the driveway. Some of you are eating your business's profits. Now I use those as

examples as far as shopping and the cars and the food because in my experience they are so common.

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So if that's you don't feel like you're the only one. But just because there are others doesn't mean you want to be doing it, right? That's a club you don't want to be a part of. That club is stifling their businesses. Their business wants to grow but can't because it doesn't have one of the key things it needs to grow because that key thing is tucked away in the backdrawer, in their closet somewhere with a tag still on it or it's in their driveway. Right? So in a previous episode I talked about the four levels of ROI, which is return on investment and some are living in the luxury level and then complaining about their businesses growth. And there's nothing wrong with luxury. There is nothing wrong with luxury, ya'll. But again, to grow a business you need diligence and sacrifice. So what season are you in?

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Are you in this season of Gucci or are you in this season of business growth? Okay, so I'll stop harping on it. But guys, it really is huge. You're stifling your business's ability to grow and really becomes something because your present day luxuries are taking all of your profits, leaving your business's bank account, dry and unable to grow anything. So how do you shift that? How do you change things around so that your business can grow and thrive? Well shift the focus from sales to net profit. This is the amount that's left after all of your expenses and the cost to operate your business. And not to complicate things and get all accounting technical, but don't get net income or net profit confused with cash balances, cashflow. But the differences for the sake of this conversation doesn't matter. Focus on that bottom line, that net profit.

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And you can do that in two ways. So the first is when you're thinking about sales, again, think about the things that you can impact, not the end result. So we discussed that in point one and the second is to focus on your spending. So like I mentioned, make sure that you're not frivolously spending your business money because your business's money is your business's money. It's there to help your business operate and grow. So put yourself on a reasonable salary and leave the rest of the money alone because it's there to cover the business's reasonable expenses. So if you're just starting out in business or if sales are low, simply be not frugal, but diligent and making sure that every dollar you spend is necessary for business growth. And if you're generating significant sales, you may be able to spend more, but you still want to spend based on my four levels of ROI that I've shared before, so consider this:

Speaker 1: [13:53](#) Would you rather have a business that's generating a million in sales each year and you keep \$50,000 in profit at the end of the year? That's 5% or would you rather have a business generating \$300,000 of sales each year, but you're keeping \$100,000 in profit? That's 33%. Now these examples aren't fictitious, guys. These are real, right? You can have a business where you're busting your ass for \$1 million only to keep \$50,000 at the end of the year, which is \$4,000 a month in profit. So you're selling \$83,000 a month in sales, but you're only keeping \$4,000 a month in profit in that million dollar example. Or you can run a tighter ship, focus on the things that matter, but with some of the things that you can directly impact, and then in turn have a business that keeps 33%, as an example. So in that same million dollar example, that would equate to keeping almost \$28,000 a month.

Speaker 1: [14:58](#) That's the 33% equivalent. So \$28,000 a month instead of just \$4,000 a month. So being more diligent in how you spend being more diligent in what you're focusing on can equate to you, keeping \$28,000 a month instead of just \$4,000 a month. Remember, go from chasing vanity numbers to analyzing and reviewing valuable numbers. So let's talk about how you find these numbers. So once you're being diligent, how do you track to see your growth? Well, your financial statements will show you. There is a specific financial statement called the profit and loss statement that will break down all of the components that we discussed today from sales to expenses and spending to net profit. So have you looked at your profit and loss statement recently? Do you have one? If not, you definitely want to work with a professional to get one generated for your business and you want to make sure the report is accurate so you aren't making business decisions based off of inaccurate or incorrect information.

Speaker 1: [16:03](#) So if you need assistance finding a professional, definitely reach out to me via social media, preferably Instagram cause you guys know that's where I hang out the most. So again, just to kind of wrap it up, the three points. The first one is you're focusing on something that you don't directly impact. Make sure that you're focusing on things that you can actually impact that will then, in turn, generate more sales. Number two is focusing on sales and chasing sales causes you to make bad business decisions and you definitely don't want to do that. And then point number three is at the end of the day you're focusing on the wrong part of your business. Don't focus on the vanity numbers, focus on the valuable numbers. All right guys. So that's it for this episode. I hope it was super helpful if you were triggered, know that you are not alone, I am here to help, but at the end of the day, once

we know what our gaps and issues are, we know how to fix them. So let me know if this was helpful. Reach out to me on social media. I love when you guys DM me and tell me what parts you really enjoy because then I know what to elaborate more on in future episodes and definitely let me know if the four levels of ROI should be its own episode apart from a couple of you that you want to know more. So just let me know and if so I'll definitely put that together and I hope you guys have an amazing rest of your week. Remember, focus on the valuable numbers. All right, guys, bye. That's a wrap for this episode. Be sure to go to thefinancefemme.com/podcast to get the show notes and links mentioned in this episode and if you heard any gems, be sure to share it with a friend and subscribe. Reach out to me on Instagram @thefinancefemme. That's F E M M E and leave a comment. Thanks for listening.