

Okay, friends, I am excited about today's episode because we are going to be diving into profitability and actually planning for profit in our businesses, which is something that you can do. So just like you would set a goal or a strategy into your business, we need to be setting in place a plan for profitability.

And with 2025 right around the corner, I think this is the perfect time to walk through this process to get you kind of thinking about your profitability for next year. And hopefully learn something new about ways that you can actually set yourself up for greater profitability now before you actually enter into the new year.

So whether you are feeling hopeful and optimistic about the year ahead, or maybe you're actually feeling a bit defeated and you are ending this year in a place that's a little behind where you were hoping to be when you started it. I want you to know that this episode is going to be sharing ways that you can plan for more profit and growth in your business either way.

Very excited to dive in and share with you some of the things that have helped me become so much more profitable in my business. And hopefully that you can glean some information and bring more profitability to yours as well. You're listening to called to both the podcast for ambitious women chasing both business dreams and little ones.

I'm your host, Joy Michelle. I'm a wedding photographer turned business coach and founder of photo boss. I have helped thousands of photographers and creatives grow their businesses here on the show. I teach about topics like visibility, marketing, mindset, productivity, and going after your dream life. So if you're a photographer or an entrepreneur, there is something here for you.

This is not another business and marketing podcast telling you to do more, but rather how you can build your business and your income in less time and with greater ease. Join me here each week for bite sized and actionable episodes that will encourage you on your call to both journey. So

in my years of running a business here now for 11 plus years, I've always been a big fan of setting goals and planning ahead. It's actually one of my favorite topics to share about here on the podcast or to talk about with my clients. And it's one of my favorite parts of running a business. So I just enjoy the process of taking everything in my mind and putting it down on paper or inside of notion or both and just piecing together those like dreams and talents and desires and then making a plan of action.

It's one of my favorite parts of running a business. But I didn't always plan in that time of goal setting for profitability. And that's the first thing that I really want to share with you is that profitability doesn't just happen as a byproduct of being good at running business, your business and having great clients.

It's actually something that you plan for. And while you may have been accidentally profitable in the past, the more that you actually plan around this and build intentionality and some intentional practices into your business, more profitable you will likely become. Now, since I've actually talked about goals in general before, I'm not going to go too far into like the concept of setting business goals and taking this time at the end of the year to do that because I have some past episodes that have covered this, but instead I really want to dive deeper into the income and the profit piece in today's episode.

So I have some things here that I want to share with you and kind of just walk you through some initial steps of laying that groundwork. So that you're in a good place and you can kind of set those profit numbers, those profit goals for yourself, but also some practices that are going to help you to actually support and execute on that.

So it's not just a nice idea, but actually something that can come to fruition in your bank account and in your business. So the first step in all of this is going to be to assess your current place in business and then set some goals for your profit. And I think that this is both a reflection time of really asking like, what went well this past year?

What was draining? Where do I want to be a year from now? Also, it's sitting down and deciding where you want to be financially in the year ahead. So I think having a profit goal for the year is really big. And when I say a profit goal, I think sometimes this gets mixed up a little bit with like an income goal.

So like the business's income and or like a revenue goal. And all of these pieces are relevant to this money conversation, but profitability is different than, you know, what revenue the business made. And I think, uh, like a really common goal that lots of business owners have is like, let's make a hundred thousand dollars in the business.

So let's say you want to be a 100, 000 wedding photographer. The very next question I really want you to be sitting down with and asking yourself is what amount of money are you going to be profiting? What amount of money will you be taking? So gross revenue goals are relevant. They are a piece of it and

they are a huge piece of A lot of conversations, but in terms of actual take home pay and profitability, they are just a piece of it.

And so sitting down and deciding how much you actually want to see personally or profit wise from your business is probably a more relevant conversation to sit down and have with yourself. Or to really be dreaming about. So I, I love to sit down and look at what do I want this business to be paying myself?

Like what do I want to see every two weeks from my business? I pay myself. I'm a huge proponent of profit first has changed the way that I look at my income, how I account in my business, all of the things. But I really, I like to look at what am I actually paying myself because that is going to inform so much of everything else.

So if you look at your business and you start thinking like, what would feel so life giving, so rewarding, so expansive, like what would I love to pay myself every two weeks or every month in my business? What would cover my rent or my mortgage? What would cover my car payment? What would allow me to save or invest for the future, invest for my children?

Like, sitting down and like, I think dreaming in this way is actually so much more telling when you actually get into the day to day weeds of your business, you can come back to those things because a lofty 100, 000, 200, 000 saying like, okay, I want to make this in my business. Feels disconnected at the end of the day for me at least and I think for a lot of women When it really comes down to like what what you're seeing in your day to day what you're doing in the the work You're creating the the service you're providing and then that number it can be so disconnected when it's not practically Affecting your life in terms of profit, right?

Like if you were to make a certain amount of money every single month You're connecting that to so much more meaning So just taking your time to figure out like, what would be your, like a dream number or even an enough number, like having an enough number. Like if I could pay myself this much money, I would truly feel that I have enough.

And this is like such an important conversation and one that I really heard this originally from Shea and Graham Cochran and they have a, an amazing podcast. I think it's called the Family Goals Podcast and I love their stuff. I love their, their money mindset. And just a lot of their stuff is just really wonderful, so definitely go listen to them.

But they talk about having an enough goal and like knowing what is enough so that you're not in this perpetual cycle of seeing, you know, other people's goals or wanting more or getting to that goal and then being like, well, it's, it's just not good enough, you know, because we haven't anchored it to what enough really means or what success really means.

for you. So understanding where you want to be profit wise is going to be so incredibly powerful for you. And then that is really going to inform everything else. I mean, that's going to inform your pricing. It's going to inform how are we marketing? How many clients do you really need? And it makes it feel truly so much more doable than just slapping a big gross revenue number on the year.

Another thing that has made a really big difference for me is to at this point in my like planning for profitability is to study and identify your best clients and your Leading revenue stream in your business. So there are times where I've paused I've like printed out income reports my spending reports And really taking some time to look at the names of these clients attached to these numbers, spend some time where I'm thinking about like how they found me.

This is where you start to draw some lines that you may not have seen before between your marketing, the time you're spending, the money you're making, the types of clients that are coming in and just the best clients to work with, maybe some of the not best clients to work with. And you start to see patterns.

In the types of clients that pay the best are so they love your services, they love your products, they love your stuff, and that you feel alive serving. This is huge and I don't, I think this is like, it was like worth its own spot in this episode because. When you start to become a student of like your best clients and even like your revenue streams, you might have multiple revenue streams in your business and have totally undervalued one of them.

And then when you actually see this on paper in terms of like how much money it made you versus the amount of time and effort spent, you might realize like, wow, this is, It's actually worth a lot. Like if I just dedicated a little bit more time to this, I could really scale this. And I love doing it and the clients love it.

And then you, you see potential possibilities. This is so important. Um, and I think like the biggest part of this is taking the time and pausing and like even printing out some of these statements. So getting these reports in your business, whether you're like literally just printing out bank statements and taking a highlighter and sitting on your floor and actually getting into it.

I promise you, it's not as horrible as it sounds, like it sounds so dry, it does not sound like fun, but this is something that you learn to love. I will say, like, I think as a CEO, when we get into this mindset, you, you really do start to learn to love this stuff because you see the clues and you start to draw lines and patterns and it's exciting.

And if you can do this with like your coach or A business bestie. Amazing. Like if you don't want to do that alone, don't do it alone. Find a way, build the support so that you can start to do exactly this. And if you've had a hard time drawing these lines yourself, get the support that you need in your business because it is invaluable when you start to see these patterns.

This isn't something that I'm doing like super often. This is actually part of my, like CEO time at the end of the year. So at the end of every single year, I love to take time away, like literally away, get a hotel, get an Airbnb, go away, get good food, spoil myself. Celebrate the year, but also like review.

The business stuff like this. So sometimes I think like pairing something fun, like, Hey, I'm going to get this hotel and I'm going to put it on the business and we're going to have a CEO time. And we're really going to plan for the new year, but we're also going to look at statements like income reports and figure out where the heck our money is going.

Like pair, something fun, like ordering DoorDash with this and see if that can also help get this ball moving a little bit as well. Okay, the next thing to really note here that has helped is to avoid short term thinking and short term offers over long term growth. So I think that as we look at more long term, like if we zoom out a little bit, we start to see past quick wins, quick money, quick offers, low hanging fruit that seems Easy, but then overall is taking up a lot of time.

We start to see a bigger picture of what could potentially be possible for your business, what changes need to be made, and like what could be done that would look different. So when you take on a client, That takes time and a lot of times if you're taking on a client that you shouldn't because maybe there's you know Of course, there's money you're nervous that you know, you're not gonna book that spot in another way this cycle of Short term thinking like I'm just gonna take this client and then once I get my ducks in a row Then I'm gonna start raising my prices then I'm gonna change who I am Servicing who what these products are like what the deliverables are like?

Oh, I don't want to do I don't want to like have these long work days anymore or I don't want to have this kind of retainer client anymore. Like we know this in

the back of our heads, but it's the short term thinking that is keeping us stuck. in doing the exact same thing and then expecting new results, right?

Like, we're like, Oh man, I can't believe I'm here. I'm still talking to this kind of client. I said, I wasn't going to do these anymore. I didn't want to keep doing mini sessions or I didn't want to keep doing newborn clients, or I don't want to design websites anymore. I just want to do SEO services, you know, fill in the blank.

So really getting serious about looking at the big picture of what is possible for your business and making decisions in the day to day that are for the long term growth of your business. There will be times, of course, where you do have to make ends meet. The business does need to make money. We do have to do things to make money.

So don't, you know, hear me on that. Like I do understand that and that's a very real reality in my business as well. However, I want to make sure that the decisions that I'm making are both for the revenue now, but are also always keeping in mind the long term goals of the business, um, and making sure that I'm not.

Like, hanging out too much in a fear mindset of like, well, if I don't book this client, dot, dot, dot. Right? Really, really keeping your mindset good is going to be huge here. The next piece of this is going to be to implement CEO days, a day where you can work on things that actually progress your business.

A CEO day could be like educating yourself, actually, you know, watching the course modules for that course that you bought that you haven't finished meeting with your coach and actually sitting down and getting into some of the problems and working together towards some of these solutions. Putting work towards a project that you don't normally work on.

So a CEO day is really, really important. It's something that I admittedly have implemented, but then fallen off of and then come back to. And every time I come back to these CEO days and really committing to like, Hey, one day a week. It's CEO time. We're not doing client, our regular client work. I'm not taking regular calls.

I'm not marketing as heavily. I'm not content creating. I'm getting into the projects that I know I need to be working on. And for me, a lot of times this is template creation, course creation, like a project that I feel is going to be for the long term benefit of my business. But like, where the heck is it going to fit in?

Right? It's like, that's the CEO day. It's also a time to like, look at my numbers, talk to my coach. Like, there's so many things that I feel that I could put into a CEO day that are really ultimately serving my business and not my clients. Now my clients will benefit eventually from those CEO days, but it's really about protecting join Michelle co and even like me as the CEO like pouring back into myself.

Sometimes I'm like, I need a CEO day. I need to like go get a pedicure. It's been way too long. I need a minute. I need to go like have an uninterrupted meal. Not be running like rushing from meeting to meeting. That is the power of a CEO day. The next thing I want you to do is check for money that has been potentially left on the table.

Oftentimes we think that in order to make more money and more profit that we probably need like a new fancy offer or to do something completely different and innovative. But a lot of times through affiliate marketing, natural upsells, complimentary offers, you can make money without necessarily adding a tremendous amount of extra work or inventing something entirely new.

So for example, if you are already blogging and creating consistent content, then affiliate marketing and growing your email list, those are just natural next steps. Those are things that you're adding on to something that you're already doing versus, you know, creating something from nothing. So another example of this would be if you sell a service of any kind, there are usually ways to offer a continuation of that service, maybe a renewal, an add on to your packages that we just don't currently do or that you're not offering at this time.

Maybe you don't think people are interested or you just never really thought about expanding your offers in a complimentary way or you just don't know how. Whatever that reason is, I think this is a, an important time to check and just ask yourself, like, am I leaving money on the table? Have I thought to myself, I need to create something completely different or new in order to make money?

Or am I even, ask yourself, am I thinking that I need to go find new clients in order to make this money? Because what could be a better greater truth for you could be that the existing clients you have or the normal clients on your roster could actually be higher ticket clients because of complimentary offers or upsells or affiliate marketing.

There's ways that you could build in. A more natural way to get higher paying clients or like your average cost of sale, it would be a good way of putting this.

Your average cost of sale could be higher. And that's where I want you to check for potential money that you're just leaving on the table. Okay, I have three more steps for you in this roadmap.

And there's a couple of these that I'm just like, I've had to abbreviate because I'm like, man, this is getting really long, but it's so good. So I might have to do a part two. So if this is resonating with you and you're like, okay, yes, I need more money talk and need more high level CEO talk, then let me know and I will come back and do more.

Okay. So your next step is to create a spending plan so you can make the revenue and still not be profitable because of your rate of spending. And we talked about this at the top of the episode where we talked about that like 100 K revenue goal that a lot of us hold, right? We might say, okay, I want to be a six figure business, but we need to plan for how we intend to spend throughout the year to ensure and protect the profit.

So each year I like to assess like, what am I spending money on? Like my software, uh, recurring costs, any kind of subscriptions, team members. And sometimes when I'm sitting down to look at my spending plan, I will go through and decide, Hey, like this one subscription or this software, this membership is just not going to make the cut.

I'm going to cancel it. I'm going to switch to a different option, maybe some sort of tool that could do something for cheaper or that could do something a little bit better, more efficiently. The important thing here is to know your expenses and create a budget for your investments. I personally, in my business, I like to work with coaches.

I like to join programs. Sometimes I like to travel, like do workshops, educational type stuff, retreats. And that is something that I plan for. I set money aside for because I want to be in a position where if I see an amazing opportunity for a coach, a mastermind, like even some templates or program or membership, I want to be in a position where I can say yes to that and not put my profit in jeopardy.

So creating a spending plan, really, really important. I think this is something that can be a little bit of an afterthought. So if paying yourself and being profitable, like truly profitable in your business is a priority, I want you to have a plan not only for how you're going to make the money, what are the prices, right?



How many clients am I trying to get? Like you, we create a plan for how we're going to make money more than oftentimes we create a plan for how we are going to spend it. Spend that money and as business owners, we are operating this whole machine and we do really need to be thinking about the money that's coming in, but also the money that's going out.

So that's a big piece of it too. The next thing I want you to do is to schedule your money check in meetings that are going to come up for you next year. Schedule those right now. Creating a plan, this part that we're doing right now, this is essential, but it's not actually going to carry you through the whole entire year if you just have a nice plan and you're trying to hold all of this in your head.

You need, at the very minimum, quarterly check ins. So, set the reminder now. Put this in your calendar now. Decide when you're going to do this and what it's going to look like. So for me, I have notion reminders that like pop up, they come up on my phone, they come up on my desktop and they remind me and say, Hey, Q1, we are going back.

We are reviewing your finances. We are also reviewing. All the goals that are attached to these things, all the action items that you had set out at the beginning of the year. And this is such a wonderful time to adjust as needed because a lot of times in the business you will need to adjust. Things are going to unfold in your life and in your business that will cause you to need to like iterate or pivot and change or adjust your plans in any way.

So having these check ins has made a really big difference for me. I've realized, you know, six months into the year. Okay. Hey, I'm overspending in this certain area that I just didn't account for. So let me go ahead and make some adjustments. Like, well, I do need to be spending more in this area. Like I need more team help or whatever it is.

Okay. How can we account for that? How can I make up the difference? Well, you know, if you're sitting there and actually looking at these numbers, you can even see that things are off, but make it right, you know, like make it make sense, have a plan for it. And I know that for me personally, when I've, you know, just sit down and do these meetings, I'll be a notion and I'll see goals like things that I had like completely forgotten about because at different times in our businesses, we are focused on different things.

I cannot possibly be thinking about every goal all the time, just holding them in my brain. It's just not possible for me. And so when I sit down and look at some

of these other, maybe a project or an initiative or just a goal, an intention that I had set for the year and I had forgotten about it, it really gives me an opportunity.

To decide, like, are we keeping this? Is this still important to us? Does this still get us closer to where we want to be in the end of the year or in three to five years? And if the answer is yes, then I have an opportunity to actually start building that back in. Say like, okay, I don't want to come back here in one quarter and have forgotten about this again.

What am I going to do to support that and build like accountability around this goal? But if I don't have a check in, like there's, I just won't know. And finally, I want you to celebrate the milestones and not just the finish line. Each and every dollar is getting you closer to your goal. So I know that the big dollar at the end, like if you're like, Oh, I want to make 100, 000.

The hundred thousandth dollar feels like the most important dollar, but it's not. But it's not every single dollar along the way had to stack in order for you to get there. So celebrate those things. And if we don't have clear financial goals, like if you're sitting here right now and you don't have those clear financial goals, or maybe like you're unsure of your pricing.

And if that pricing actually supports the number, your enough goal, uh, and you want help in any of this guidance along the way, or accountability, I would love to work with you personally. You can book a free 20 minute call and hear about coaching opportunities to work together. See if it's a good fit for you.

You can go to [joinmichelle.co](https://joinmichelle.co) forward slash call and go ahead and grab a free spot on my calendar today. I also am super excited for our next upcoming episode, which is really closely related to this. It's going to be some of the best money mindset and business books that I have read throughout this year that I think you should put on your 2025 reading list.

So a lot of this is going to connect to pricing. It's going to connect to your money mindset. And that's why I want to support you in more resources around those topics. So we're going to be talking about that next week. So be sure to come back, hit subscribe, make sure you don't miss out on that episode, and I will see you then.

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Thanks again, and I'll see you in the next episode.