Flying Solo podcast – Clare Wood

How to set the right money mindset for business success

***Automated transcript**

Cec Busby (00:03):

Hi everybody. I'm Cec Busby, editor of Flying Solo. Welcome to our weekly podcast where we step inside the minds and lives of soloists and small business owners. Now, today's topic - bit of a taboo ... MONEY. How to manage it, how to make the most of it, how to attract more of it. These are all questions that I'm sure we'd all like answered. And our next guest, Clare Wood, might have some practical solutions for us. Clare is a sought after money mentor, author, speaker, and podcaster. She's a CPA-qualified accountant and she helps service-based businesses scale. She runs the Profit Academy, an online school created to help business owners increase their profits. And when it comes to money management, Clare knows just what it takes to help business owners make more money and create a life of financial freedom and fun.

(00:51):

Hi Clare, thanks so much for joining me today. It's great to have you on the show.

Clare Wood (00:56):

It's great to be here.

Cec Busby (00:57):

Awesome. I'm looking forward to our chat because you are something we don't often see in life. A self-described numbers nerd, someone that actually really loves numbers <laugh>. So where did that come from?

Clare Wood (01:13):

You know, I've always loved maths. I was the kid that used to go up to my high school teacher's room in my lunch break and do extra maths problems. I competed in the Maths Olympiad, when I was at high school. And you can imagine that didn't win me a lot of friends <laugh>, but it's just something I've always really enjoyed.

Cec Busby (01:33):

Really. So did you also come from a family of maths lovers?

Clare Wood (01:38):

Uh, my dad is actually an accountant as well. I've gone on and become a qualified accountant myself. So yes, my dad is a commerce person as well, and two of my brothers, who are both younger than me, so I can't say that I got it from them. But two of my brothers have also done finance qualifications and work in the field as well.

Cec Busby (01:57):

Yeah. So what's your earliest numbers memory then?

Clare Wood (02:03):

I really think it was being at high school and just loving, loving maths and honestly I would love to do extra extension math problems and things because I really just enjoyed wrapping my head around calculating things and figuring them out in a different way. So, I dunno, it's just something from school that I remember really enjoying.

Cec Busby (02:27):

Yeah. So you had the pocket calculator, <laugh>. Did you have one of those calculator watches, do you remember them?

Clare Wood (02:35):

No, no. My family didn't have enough money for anything fancy like that, but they did get me a scientific calculator, which I do remember my parents complained about a lot cuz it was so expensive. But it enabled me to do all the cool, cos and tan and things like that.

Cec Busby (02:51):

<laugh>. I love that you think it's cool. <laugh>. So was a career as an accountant always something that was on the cards for you?

Clare Wood (03:04):

Well, it's interesting, because when I was in grade seven, which is the end of primary school here, where I'm from in Queensland, I had written in my year seven book that I wanted to become a lawyer or an accountant when I grew up. How dorky is that? And many moons later, it's where I ended up. And when I finished school, I really didn't intend to go into accounting. I wasn't sure what I wanted to do. I was looking at business and marketing and I'm so grateful now that I ended up doing my accounting qualification because it's the foundation of my whole business now is teaching people about money, about finances and doing it in a fun way. Because as much as I say that I'm a numbers nerd, I think I'm also really good at explaining things in a really clear and straightforward way. So getting rid of all the gobbledy goop and just putting it into plain, simple terminology,

Cec Busby (04:03):

Ah, yes, there's so much gobbledy goop for small business owners to wrap their head around. So it's good there's someone like you to explain things for them. What is it that you love about helping small businesses?

Clare Wood (04:19):

I came from a background in corporate finance. So I used to work for big multinational global organisations that were making hundreds of millions. Even one company I worked for, billions of dollars. And yes, you play an important role in an organisation like that. However, at the end of the day, the numbers just become numbers on a page really, you know - oh, the shareholders will get a little bit more money this year. Whereas when I'm helping small business owners to transform their finances to be making a lot more money, I can see the tangible results in people's lives. And clients of mine over the years have bought their dream house, have bought a Mercedes dream wagon, have bought their dream cars, have bought jet skis, have gone on big overseas holidays, have done all these really cool things, you know, retired their partner, taken off travelling for a year. And being able to see the tangible difference that having a financially successful business makes on people's lives is so exciting and expansive. And I really, really love being able to help people in a way that's translatable and, you know, you can really see the difference in someone's in someone's life. So that's why I love what it is that I do.

Cec Busby (05:41):

It sounds very rewarding because as you say, you can see the tangible result. People getting that holiday, getting a new employee maybe, or just the ways that they can transform their life if they transform their money mindset and take a different approach to their cash flow and stuff. But taking a step back, you mentioned working for the big corporate, so you went from uni straight into that corporate life?

Clare Wood (06:10):

I sure did many moons ago and worked as an accountant for many years before I stepped out and went out on my own.

Cec Busby (06:20):

So what was it that made you take the leap? When did you realise, actually I wanna go into business for myself?

Clare Wood (06:27):

Well, the truth is, I'd realised that many, many years before I actually had the - I was gonna say courage, but that's not even true. So let me share the story. I remember I was travelling through Croatia and a guy that I was travelling with, he would disappear downstairs. We'd all be sun baking up on the top deck of this boat in Croatia, and he disappear downstairs for an hour or two and come back up. And one day I said to him, where do you go? And he said, oh, I'm working. And I was like, what do you mean? And he said, well, I travel and my work just funds my travel. So I just constantly keep travelling. And that was the first time I had this, you know, whoa, I want that <laugh>, that is the coolest thing ever.

(07:11):

So that was many, many years before I started my own business. But since then I was thinking about it, I was constantly thinking about it. I had actually registered a couple of different business names and then never did anything with it. And the truth is, the way that I ended up taking the leap was that my husband started his own business and I was heavily pregnant and I was helping him with his business. And after I had the baby, I got made redundant while on maternity leave and that was kind of the push that I needed to jump in and give it a go myself. And I probably wouldn't have done it if I hadn't had that push. And I'd been helping my husband with his business and he said, you're really good at this. You're really adding a lot of value into my business. And he said, maybe people would pay you for this. And that's when I really leapt out and started my own coaching business. And I haven't looked back since then. It was over seven years ago.

Cec Busby (08:14):

It's amazing how something in your life can flip and then it changes your whole life. So that getting made redundant just sort of helps you refocus.

Clare Wood (08:26):

A hundred percent. Sometimes it comes in really unusual ways, <laugh>, the push or the nudge and at the moment it might seem really challenging and then later you look back and think that was a really valuable lesson or it happened for a reason.

Cec Busby (08:44):

So what are some lessons that perhaps you learned from your time working for the big corporates that you've taken into your business?

Clare Wood (08:53):

Oh, so much. A lot of the work that I teach in one of my courses is literally me bringing big business practices into the small business world, because something I find is a lot of small business owners don't really get numbers. And I forget that a lot of the skills that I've acquired in my corporate life aren't things that people do. Like a lot of people don't really understand business finances. So, I teach a lot of these foundations with my own twist on them, of course. But using some of the practises around analysing your financials, around running reports, around really being able to understand the insights into your finances. And these are things that I learned from working in big corporate companies. And I don't think it's something that's commonly done in small business land.

Cec Busby (09:46):

I think probably because so many people going to business following a passion, and that passion isn't necessarily knowing how to look after their books or do their marketing. It's more about whatever skill or business that they've gone into that they love. So when it comes to cash flow, it's always a common issue for business owners. They're like, how do I keep my cash flow going? How do I manage my numbers? It's very, very common. You just must see it with a majority of your small business clients.

Clare Wood (10:24):

Yeah, absolutely. And that's why I'm so passionate about empowering people to understand it and to teach it in a really non-intimidating, down to earth way.

Cec Busby (10:35):

So if knowing your numbers is key to growing your business, what's the first step that a business owner should take towards knowing their numbers?

Clare Wood (10:45):

I would absolutely say learning the skills. So really, whether you sit down with your accountant, you can do a course, you can do my course <laugh>. Really going and learning what they actually mean, what metrics you need to be across, and really understanding what you're actually looking at and why you need to look at it would be the first step.

Cec Busby (11:09):

So what are some of those metrics they should be looking at?

Clare Wood (11:12):

So it is different for different business owners, but at an absolute minimum, everyone should be looking at their profit and loss statement. I really believe that everyone should be creating a budget for a minimum period at least 12 months ahead, looking forward. And having a look at your balance sheet, making sure that you understand what you owe, what is owed to you and when, and making sure that you're staying across that. And cash flow is another big, big one that a lot of people overlook. That cash flow is such an important metric. It's something for me that I look at every single week. And it's something that I empower people to look at on the reg for that reason.

Cec Busby (11:51):

So when it comes to cash flow, what's the most common issue that you see amongst small business clients?

Clare Wood (11:57):

I just think that most people don't understand what cash flow is. They're not really monitoring it, staying across it. And so what happens is they have a tax bill that comes out of nowhere or a payment and suddenly they're like, oh crap, I can't afford this. And that's a really scary place to be as a small business owner. And this is why being across, having your plan in place for what's coming up, what's coming in, and what's going out is so, so important.

Cec Busby (12:30):

So that's where your budget comes in?

Clare Wood (12:34):

Yeah, no, your cash flow forecast is different to your budget. So a budget is a 12 month plan, looking ahead at your profit and your los. And your cash flow forecast, the way that I do it anyway, is a weekly forecast looking ahead for the next couple of months. So the two are, and I think this is something that, um, again, isn't really spoken about a lot. I don't think I've ever heard anyone talking about this in the small business world, but your cash flow is different to your business profit. So your budget is looking at profit and loss, and your cash flow is looking at the timings, the inflow and outflow of cash. So I think they're both really important tools to have in place to run a successful business.

Cec Busby (13:24):

So it's not like we're going, oh, we're having a great quarter and look, we've made so much money. We need to be thinking about what also might be coming out in two weeks time that might take all that excellent money away.

Clare Wood (13:38):

A hundred percent. And this is why I really love to teach this because a lot of people aren't looking ahead and then when a bill comes in, they're like, I didn't know that was coming. And they thought they had all this money. So that's why being across your cash flow is really important.

Cec Busby (13:55):

So before things like MYOB and Xero and QuickBooks came along, it was probably pretty difficult to anticipate what your cash flow might be, but is it a lot simpler now? Because there's so much automated in those accounting tools?

Clare Wood (14:13):

Yes and no. I mean, accounting software has been around for a while, but a lot of the accounting programmes that I've worked with over the years are pants compared to Xero, MYOB, QuickBooks, they're all such easy, fantastic tools, really, really easy to use. But some of the traditional accounting platforms were kind of quite tedious. When it comes to cash flow, though, I to this day do not use Xero. Like Xero is my preferred platform. I don't use Xero to this day, I still do it in Excel. And the reason for that, I still don't think the functionality for planning cash flow is fantastic. I absolutely use the budgeting tool in the platforms, but to be honest, when I think about all the big firms that I work for and some of the massive, massive companies, we were still using an Excel spreadsheet because it's just a lot more adaptable and easier to use when mapping out something that's so changeable, like your cash flow. So, to answer your question a bit of yes, but also a bit of no <laugh>.

Cec Busby (15:20):

I think you've probably frightened three quarters of the listeners with the sound of Excel <laugh>. How can they overcome that fear then? And how would they set up their Excel to make sure that they're monitoring their cash flow accurately? What are some typical things that they need to put in?

Clare Wood (15:42):

It's so funny because I am obsessed with Excel <laugh>. I love it. And this is this numbers nerd coming out in me. But look, I got the feedback about this before I launched my course, the Profit Academy Foundations. And inside this course I teach cash flow forecasting. Like I give the template, I show you exactly what to do, how to move things around, and how to make sure that you are running a cash positive business. But before I even launched that course, someone who was on one of my retreats said to me, she goes, Clare, I don't even know what Excel is or how to use it. So I actually created a bonus, which is, basically we call it Excel 101, and it's something that everyone who joins the course gets. Which is me showing you, okay, here's Excel. You don't need to be scared of it. Here's how it works.

(16:34):

And the feedback I got about that was fantastic. Maybe I should launch it as its own little downloadable or something. But it was really just showing people you don't need to be scared of Excel. It's very, very easy to use, very intuitive. And once you get in and start to really understand how to use it, the feedback I get overwhelmingly from my clients, who mostly are creatives - most of my clients are designers or social media managers or things like that - and they're like, oh, it's actually not that hard. And I'm like, yeah, your accountant didn't want you to know that, but it's really not. So again, I would just say empowering yourself, like learn the skill from someone who knows this, whether it's your accountant, whether it's doing a course, really learning how to understand it. And once you do get in and you've got the framework and the system there, it's super easy. Like, the way that I do cash flow, it takes me less than 15 minutes a week and I know exactly what's coming up for my business. I do it for my business, my husband's business. And we even do the same process in our personal life as well, so that we feel super confident across our finances in all areas.

Cec Busby (17:44):

That's 15 minutes well spent, I'd say.

Clare Wood (17:47):

Mm-hmm <affirmative>.

Cec Busby (17:48):

So if you are wanting to maximise your profit, because also you were saying cash flow is different to profit, what should you be doing as a business? Are there certain things that perhaps you need to be reviewing consistently to make sure that you are keeping on top of your profit goals?

Clare Wood (18:09):

Yeah, so there's two components that make up profit. It's our sales minus our expenses equals our profit. So I think really understanding that those foundations for a start, is really empowering. And then understanding the levers that sit under each of them. So for example, if your profit isn't where you want it to be, what can you do to bring in more revenue? And if your expenses are too high, what can you do to reduce them? What areas should you be cutting back on? This is something I talk about inside my book. I talk about how to know where to cut back and how to know where to invest. And it really is very unique to each business owner, the way that they should be scaling their profit. It depends on what your goals are, what your business is all about. And really making sure, regardless, that you are just being intentional and that you are right across the detail of it.

Cec Busby (19:10):

What about reviewing your prices? Because everything's going up at the moment, but I think a lot of business owners are reluctant to increase their prices.

Clare Wood (19:19):

Yeah, and that's absolutely one of the tools and strategies for making more sales is to put your prices up and to be doing it - and this is where mindset really comes into the whole concept of growing your profit - because you can't just put your prices up willy-nilly and expect there not to be a knock on effect. So, I really support people to understand why they are doing something, the potential knock on effects that it will have, and empowering them to still be feeling like they're in control of the decisions that they're making in their business. And this is the thing, if you just go and put your prices up, there is a chance that you'll lose customers. That's the reality of the world that we live in. And what are you then going to do about it? How are you going to navigate through that fear, that uncertainty? And this is where your mindset really weaves into the process of growing your business profit.

Cec Busby (20:14):

Do you need to really communicate the why of the price rise to your customers as well?

Clare Wood (20:19):

No, I personally don't think you do. To me, when I see people saying, 'my prices have gone up so I've had to put the prices up', to me, it makes it like you're not allowed to put your prices up. I put my price up cause I damn well want to <laugh>. You know, my business expenses aren't necessarily going up. I put my prices up sometimes when my demand goes up, I'm at capacity. People are clearly more than happy to pay those prices; I'm putting my prices up. Other times I might be looking to increase my revenue. And I don't need to justify to anyone why I'm increasing my prices. If I wanna charge more in my business, I will. And I think this is one thing that I see a lot of people do, that they're in this process of justification and why I am doing this.

(21:06):

And it's like, if you don't wanna pay it, don't pay it. Go somewhere else. Like, I know that sounds really harsh, but at the end of the day, there's always a point where people cannot afford something anymore. And I know that's a bit triggering for people, but it's the truth. You know, there's already a lot of people who can't afford your services now, <laugh>. So it really is saying, I'm choosing to put my prices up. And I personally think that if you end up in a justification cycle, it will end up biting you on the backside down the track. Because if you say, well, this is the cost that this has gone up, and someone's like, well, hang on, that's only gone up 5% and you've put your price up 10%, see how you end up in a justification cycle? Whereas if you're just like, my prices are going up, if you don't wanna keep shopping here, that's cool, you can go somewhere else. But I know that I will be able to retract in clients at these new prices. So that's my 2 cents on that. <laugh>.

Cec Busby (22:00):

Thank you Clare. We'll be back with more from Clare in just a moment. We'll just take a short break.

(22:05):

And we're back with more from Clare Wood. Just before the break, we were talking about the mindset that goes with raising your prices. So I'd like to delve into that mindset a little bit more. Not necessarily in regards to price raising, but how your money mindset affects how you do business and your bottom line. And I know that's something that you are very passionate about. So what can we do if we've got a kind of a poverty mindset, how can we change that?

Clare Wood (22:44):

Well, I think it's interesting this whole topic because a lot of people don't even necessarily know that they don't have a great money mindset. I didn't. I didn't even know what money mindset was; I came from an accounting background. And when I first heard about this concept of money mindset, I suddenly started to recognise all of the stories and patterns that I have around money. So first of all, I think it's understanding what exactly money mindset is, which is your thoughts or beliefs around money. Now, a good indication can be, as I've been talking today, maybe you've had some, I call them triggers, but you know, maybe I've said some things and you go, whoa, oh gosh, numbers are boring. Like, maybe that's one thing that popped into your head look. Or, you know, Xero is boring.

(23:33):

Or maybe you thought, 'Clare's so greedy, she's happy to put prices up, doesn't she know people are struggling? Who does she think she is?' And these little things that pop up, you can go, Ooh. And you can start to question, why do I feel like that? And for example, when I said about 'just put your prices up, it's your business, you can do what you want'. Maybe you instantly went, 'She's greedy. There's so many successful people at the moment, people are struggling', and you can observe, like, why is that coming up for you? And for me, I came from a lower socioeconomic family. We weren't in poverty, but we probably weren't far off it. And I know for me, when I first started hearing people making all this money, I thought, 'selfish, greedy, don't you know, there's people who are starving out there'. All of those stories which came from my childhood.

(24:30):

So I guess the first thing is to observe. When you hear me talking or anyone talking about money, what comes up for you? Do you get triggered? Do you get angry? Do you get jealous? What are the stories, when you think about money, what are the things that spring into your mind? And that can be a good indication about your beliefs about money. So that's the first thing - it's really uncovering what is my money mindset? What are my beliefs around money? And that's where the foundations get to begin.

Cec Busby (25:05):

So once you've identified what your mindset might be or what habits you might have picked up from your parents as well growing up, that has either changed how you view money today or has really cemented how you you view money, what are some actionable tips for changing that relationship for the better?

Clare Wood (25:28):

So, once you've identified the story, it's about asking yourself if that's a story that you want to continue moving forward. So for example, if me talking about putting the prices up, you are like, 'greedy, selfish', all of the things, whatever, I dunno what was going on for you ... Then you can go 'Is that something that I wanna keep moving forward?' And you might say, 'Yes it is. I always wanna keep my prices at a dollar for my thing because that's honourable and a good thing to do'. Great, okay. But don't be complaining when your business is losing money, right? Or you can say, well actually, I know I need to put my prices up. I am not making enough money, or even, I just wanna make more money. Well, you might have to rethink that story then. So the next step is really to start to go, well, what's the new story that I wanna believe or I want to create?

(26:17):

And then that is the story that you get to start. To say, what would I do if I was that person? What would I do if I was as confident as Clare is with her pricing, I'd go and I'd put them up straight away. And you get to ... because your beliefs affect your actions and your actions affect your outcomes. So if you believe, 'I will never, ever make any more money than what I'm currently doing', you'll take action that's alignment with that. Whereas if you believe, 'you know what, I could make a tonne more money', you are gonna take actions that support or align with your growth, your next level growth.

Cec Busby (26:54):

Well, someone has to be the most expensive. So why not <laugh>?

Clare Wood (26:59):

Why not you?

Cec Busby (27:00):

Yeah. All right. We've taken some actionable steps towards changing our money mindset and believing we're worth whatever the heck we believe we should be worth. What happens next? How do we flip that switch in our head, but now how do we turn that into a business strategy?

Clare Wood (27:25):

So that is where your beliefs form your actual actions. So, what are you actually gonna do about the new belief that you have? If you believe that you can put your prices up, are you gonna take that action?

Cec Busby (27:40):

It's that simple?

Clare Wood (27:41):

Well, you know, it's as easy and as difficult as that <laugh>. Maybe it looks like showing up more consistently in your marketing. Maybe it looks like hiring a new team member. Maybe it looks like working with a coach. Like, what is the action that you take that takes that new aligned belief into a place where it actually translates into your business growth?

Cec Busby (28:03):

And then, so we're making more money, we've increased our profits - what else can we do to make sure that we're not only making more money, but keeping more of that money?

Clare Wood (28:17):

So I'm a big believer that your mindset, your growth mindset is what keeps you growing. So you can either reach a level and say, I'll just keep doing the same thing for the rest of my life. But to be honest, even if you did that, I don't think your business would stay where it is because the world is constantly changing. But having a growth mindset is so important because it means that you are constantly changing and evolving and adapting how you are doing things in business. And your growth mindset is what keeps you creating new things, looking at new things, changing your mindset or how you're perceiving things, so that you can continue to evolve. Because if you know you're in the industry of service, if you're running your own business, you need to keep changing to both keep the interest, but also to keep growing as a business owner.

Cec Busby (29:05):

So what are some some typical ways you would suggest businesses approach sales in order to be able to keep growing?

Clare Wood (29:16):

So with sales, I'm a big believer that your marketing is your sales engine. And I really believe that the way that you approach your marketing will determine your outcomes and your success. So in my book 'Intentional Profit', I have a whole chapter about how to be intentional with your marketing and how to make sure that you are in the driver's seat. When you wanna make more money, you go, I know how make more sales because I have a clear marketing strategy that I know that works. So that's what I would say is to really make sure that you've got a clear funnel, that you really understand how you bring potential customers. Like how do you find potential customers? How do you make them know, like, and trust you? How do you ensure that they have a seamless purchase process while working with you? And that is ultimately what is gonna continue to drive your sales over time.

Cec Busby (30:09):

Is it also about ensuring those existing customers continue to convert to sales?

Clare Wood (30:15):

Absolutely. I mean, it's so much easier to sell something to someone who's already bought from you, to sell them something new, than it is to find, acquire a new customer. And the way that I always, when my clients are talking to me about their priorities, I say, if you look after your clients first, before you are doing anything else, serve the clients that you currently have. Because your happy customer will become a raving fan of yours. And I've absolutely seen this for my business over the years. So first of all, serve your existing audience, sorry, your existing clients. Make sure that you are delivering value, that you're giving them exactly what you promised them. Secondly, is to be looking for new clients. So your marketing should be your second most priority as a business owner. And then thirdly is all those other things, like emails and, you know, all of the things that seem really important or urgent, but actually aren't bringing you in any money. So a hundred per cent I definitely think that you should look after your existing customers first and foremost. And you know, people who have a great experience with you will buy from you again and again. And I have absolutely seen this in my own business. My customers have an average lifetime value of $4,000. So for me, getting people who buy from me again and again and again is such a fantastic way to continue the growth in my business.

Cec Busby (31:40):

So you've built your business up, you're earning more, hopefully you are outsourcing some stuff, so you're working less as well. What's the big dream for most of your clients? Are they wanting to crack a million dollars in sales? Are they wanting to have enough money to go on family holidays? What's the dream?

Clare Wood (32:04):

Every business owner has different goals and different dreams, and it's one of the very first things that I do with people when we first start working together. I'm like, what do you want? What does it look like? Most of my one-on-one clients are at the multi six-figure mark who are wanting to scale towards a million dollars of revenue in my private coaching. But in my courses, I have people from all walks of life and all stages of business. And the thing that I really want people to articulate is, what do you actually really want? And helping them, giving them the tools to help uncover what their big goals are, because that's the first step. A lot of people don't even know what they really want. So it's really empowering people to choose what they want. Some people wanna work less hours, some people want to hit a certain revenue goal. Some people want to expand their business globally. And I think that everyone's gonna have their own goals and desires, and I really just empower people to unlock what their own ones are.

Cec Busby (33:04):

So building a million dollar business, easy?

Clare Wood (33:08):

Easy? You know, yes and no. I've supported quite a few of my clients to crack the million dollar mark in revenue, and ultimately the biggest challenge is shifting their thinking into believing it's possible, and then shifting their thinking into thinking like a million-dollar business owner. So, letting go of what this version of you looks like and stepping into that next-level version of you. So really the mindset work is, some respects easy, but in some respects it's hard because it's un-writing years and years of stories and beliefs that you have. So, yeah. Yes and no

Cec Busby (33:53):

So, we've talked quite a bit about mindset; ways to get there mentally. What about tools, practical tools? Are there things that every business owner should have in their arsenal when it comes to managing their finances?

Clare Wood (34:11):

Yeah, absolutely. In terms of practical skills, we spoke about a few of them before, but really it is making sure that you are across your business finances. And one of the ways that I empower people to do that is through money meetings, which means sitting down and regularly looking at your finances. Rather than turning a blind eye to it and thinking, 'oh gosh, it's not where I want it to be, let's ignore it and it'll all go away'. It's really saying, 'okay, what is it that I need to do, how do I need to shift things? How can I really understand what's going on in the detail of my business?' Because that is ultimately putting you in the driver's seat.

Cec Busby (34:52):

Are there common pitfalls that you see amongst small business owners?

Clare Wood (34:57):

I think the biggest one is just not being across their finances. Truthfully, like thinking, 'oh my gosh, if I just shot more on TikTok or if I do more of this'. And it's like, come back to basics. How much profit are you making? Really, really making sure that you are in the detail of your money. And also that you are doing the money mindset work. That you are ensuring that you check in. Like, what are the stories that I believe? Are you really continuing to have the faith and be focused on where it is that you wanna go with your business?

Cec Busby (35:32):

And so, profit versus sales, what's most important?

Clare Wood (35:36):

100% profit <laugh>. Look, sales are sexy, but profit is what pays the bills. So, when people talk all the time about a six-figure or seven-figure business, and it's like, yeah, you can be making a million dollars a year and still going backwards when it comes to your profit. So at the end of the day, remember it's profit is the most important metric that you need to know in your business. So yes, growing your sales can be a great way to grow your profit, however, it is only part of the equation. So profit over sales.

Cec Busby (36:09):

<laugh> Thank you so much. Clare, it's been fascinating talking to you about all things numbers this morning for our small business audience. I hope you come back and chat with us again.

Clare Wood (36:21):

Thank you so much for having me. It's been a pleasure.

Cec Busby (36:23):

Thank you.