



– THE PROFIT PLAN –

SCALE TO 7 FIGURES IN 2023

ABOUT DAY ONE

In this session we are all about creating YOUR 2023 Annual Operating Plan. This will let you walk into the year ahead with clarity around your decisions, a forecastable, profitable business and a plan. We're going to create the business plan you want to achieve, so you can see how you are going to get there.

REALITY VS. GOAL 00:21:50

Reality - your current state of business

YOU DON'T KNOW YOUR NUMBERS

I know you may think you know them - but do you really? Maybe you've always had enough money to cover expenses and you're terrified to get into it.

YOU AREN'T MEASURING YOUR GROWTH

Success can't be measured, but growth can. In fact, it should be. So you and your business can see what works AND improve on it.

WHEN YOU LOOK FORWARD...

You don't have the info to set appropriate goals; you can't predict when you

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will have busy or slow seasons AND make decisions.

Goal - where you want to be

CONSISTENT SALES

Understanding your past sales numbers to learn, grow and set yourself up for success with consistent numbers for each of your products.

PREDICTABLE REVENUE

Predictability is good in business, and counting on consistent sales will get you there. With this, you'll be able to plan months in advance.

FORECASTABLE FINANCIALS

This helps me create a plan that is achievable, and helps me drive consistency and predictability as well as growth. This is how you find out where you need to go. The buck stops with you as the CEO. And you need an AOP in your arsenal.

HAVE A FORECASTABLE PLAN

When you understand the levers of business, you are able to better understand what the year ahead will hold.

SET THE RIGHT GROWTH GOALS

Where does your growth come from? How will you do it? Based on your current metrics, the market, your team...

FOCUS ON EXECUTION

By having set your growth pillars at the start of the year, you free up your energy to concentrate on execution of a plan you trust is aligned. You don't want to create a plan that you stick in a drawer and never look at again. What got you here, won't get you to the next level.

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MY STORY 00:27:40

I started my business in 2013, and in 2014 I started to scale. And in 2014 there was a viral article that blew up! And I was not prepared for what happened...

10x SALES OVERNIGHT

Phones were ringing off the hook with business we couldn't handle.

FAILING SYSTEMS

Not enough hands, not a standard process, our website crashed, and we had no tech in place to handle more sales.

We had so many opportunities, but guess what? We didn't capture all those opportunities. It's my biggest regret in business, but also my biggest learning.

And I didn't want it to ever happen again. So we ripped apart every system we had to cope with increased demand.

GROWTH OPPORTUNITY

We spent 1 year revamping all our systems to handle exponential hits.

If your systems are breaking, or you don't have the right team in place, that's ok. But now, we're going to level up.

YOUR ANNUAL OPERATING PLAN 00:31:00

So what is an AOP?

This is your strategic financial document. It looks at your team, assets, sales forecast, products, expenses. And it's an Excel/Google Sheets document.

Aligned - the AOP is consistent with the goals ahead and core values of the business.

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Takes feedback - involves higher leadership, management and your team. Because sometimes when we're looking at something so hard, we lose sight of what it means. We need all eyes on the AOP.

Robust - makes sense financially and given the company's human and energetic resources. Take our template and create what you need for your business.

Why do I need an AOP? 00:33:50

Planning ahead is critical for every business, especially for small and/or young businesses with limited resources.

You need to make sure you're making the best use of your resources. A set of plans can and will focus the team efforts, set a north star and give solid metrics for success.

You have to be mindful of time and resources, but also be willing to take risks. An AOP is also your roadmap to success, and you should always check back in on it throughout the year.

As female CEOs we tend to carry everything ourselves. The biggest advice I can give you is to ask for help - you don't need to do this alone! I, myself, ask for help, and surround myself with the right people. That's what your team is for.

How do I create an AOP? 00:36:10

BIGGER GOALS & VISION

Where are you going and how will you get there? Include as much detail as you can. Start with high level goals. Financial yes, but also think about the actual vision you have for your business. I.e. the impact you will have, the people you will serve.

TRACKING & KPIs

Set milestones and timeframes for each product and team to track effectively.

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FORWARD FORECASTING

Create business sales goals, and allocate the remaining budget throughout the year.

TEAMS & PEOPLE

What does the dream team look like for you to make this a reality? What will your current and future needs be?

FORWARD FORECASTING 00:38:00

#1 - Get your data!

First let's do a retrospective on 2022. This will become a habit for you - do it at the end of every year!

- What worked? Be honest! And ask your team - they see the everyday workings of your business.
- What was draining your energy?
- What was surprising for 2022?
- What could use some improvement?
- What could be bigger for next year?

To take into account:

- TOP LINE REVENUE: gross sales - ideally per product/service and month. You might have months without selling products/services, or you only sell a few times a year - do this how is best for you and your business.
- NET REVENUE: revenue - what were the costs and expenses it took to get there.
- RECURRING COSTS: team on payroll, software and tools subscriptions etc.
- ONE TIME COSTS: website audit, product design, branding...

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Make a note of all of these things, and add into the AOP spreadsheet (<https://theceoschool.co/w1-homework>).

EXAMPLE:

2022 REVENUE							
ID	Year	Month	Product	Unit price	Amount of Sales	Total sold	
202	2022	January	Product A	\$45.00	100	\$4,500.00	
202	2022	February	Product A	\$30.00	300	\$9,000.00	
202	2022	March	Product 3	\$80.00	250	\$20,000.00	
202	2022	April	Product 5	\$65.00	470	\$30,550.00	
202	2022	May	Product 6	\$70.00	525	\$36,750.00	
202	2022	June	Product 7	\$55.00	444	\$24,420.00	
202	2021	Full year	General	\$76.00	1,234	\$93,784.00	
202	2023	January	Product 10	\$80.00	700	\$56,000.00	

2022 EXPENSES						
ID	Year	Month	Expense	Attribution	Dollar Amount	
2021	2021	Full year	General	General	\$95,000.00	
2022	2022	January	Employee 1	Product A	\$12,000.00	
2022	2022	January	Travel	Product B	\$2,000.00	
2022	2022	January	Rent	Product B	\$8,400.00	
2022	2022	February	Employee 2	Product 3	\$1,000.00	
2022	2022	February	Travel	Product 5	\$800.00	
2022	2022	February	Rent	Product 10	\$700.00	
2022	2022	February	Employee 1	Product 7	\$1,000.00	

#2 - Forward forecasting 00:42:20

This is all about your growth goals, and predicting for the future. It's also for you to pick areas to challenge yourself on.

This exercise can help the company's executive management to:

- Make informed decisions
- Set realistic growth goals

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- Identify what needs to be done to meet those goals

INITIAL POINT: Set realistic starting point for initial sales.

GROWTH GOALS: Build in a gradual growth rate.

TIMELINE: Set the appropriate timelines to achieve it.

Get out of the mindset that math makes you anxious! You can do this - it's critical for your business, and you doing it and being familiar with it and OWNING it is so so important. This is a plan for your life and business.

Year 2022

\$483,030
CURRENT PROFIT

	Name	Unit price	Total sold	Annual rev	% Annual rev	Expenses	Benefits	Profitability
PRODUCTS	Product 10	\$45.00	250	\$11,250.00	2.3%	\$15,700.00	-\$4,450	-39.56%
	Product 3	\$80.00	250	\$20,000.00	4.1%	\$13,400.00	\$6,600	33.00%
	Product 5	\$120.00	1170	\$140,400.00	29.1%	\$5,300.00	\$135,100	96.23%
	Product 6	\$140.00	848	\$118,720.00	24.6%	\$0.00	\$118,720	100.00%
	Product 7	\$120.00	888	\$106,560.00	22.1%	\$5,400.00	\$101,160	94.93%
	Product 8	\$80.00	525	\$42,000.00	8.7%	\$0.00	\$42,000	100.00%
	Product 9	\$30.00	470	\$14,100.00	2.9%	\$0.00	\$14,100	100.00%
	Product A	\$75.00	400	\$30,000.00	6.2%	\$12,000.00	\$18,000	60.00%

I love this exercise - it takes your expenses and shows you the profitability of each product and service across the board. It may show you that some products need to go, or can be merged with others. It will open your eyes.

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2023

PROJECTION	Name	Unit price	Total sold	Annual rev	% Annual rev
	Product 10	\$22.50	22	\$495.00	5.0%
	Product 3	\$40.00	27	\$1,080.00	10.9%
	Product 5	\$120.00	13	\$1,560.00	15.7%
	Product 6	\$70.00	27	\$1,890.00	19.0%
	Product 7	\$180.00	9	\$1,620.00	16.3%
	Product 8	\$80.00	15	\$1,200.00	12.1%
	Product 9	\$15.00	27	\$405.00	4.1%
	Product A	\$112.50	9	\$1,012.50	10.2%
	Product 10	\$45.00	15	\$675.00	6.8%
Product 3	\$80.00		\$0.00	0.0%	

\$9,938
Profit

\$1,000,000	0.99%
BEST GOAL	%

\$250,000	3.98%
GOOD GOAL	%

\$500,000	1.99%
BETTER GOAL	%

Trust your gut. But also be realistic in your goals. I want you to create a plan that is challenging but doable and that you feel confident with. And build in some stretch too.

This is time well spent. For me, there isn't one time I haven't hit my growth targets. We got there with action, accountability and following the plan. We use it to guide our year, and we smash those goals.

#3 - Optimizing 00:48:20

This is where your gut really comes into play!

Detach from what YOU want to create in order to see the bigger picture.

Your products are not your babies, even though it sometimes might feel like it.

Focus on building something your audience wants.

Next steps:

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PIVOT: It might make sense to remove a product, or combine some into bundles...

PRICE POINT: This might be creating a higher ticket offer, or you might need to cut the price. This is the strongest lever we have in a business, and we should think about it every single year.

And you do not have to reinvent the wheel. Check out your competitors and others in the industry - you don't have to do the same, but it's something you should know in order to support your pricing strategy.

DELETE: If it's taking energy that could be invested elsewhere — cut it before it takes more. Do not take the power of 'no', or getting rid of something, lightly. Energy-wise this is key.

Lastly, it is all about focus. **We can't be everything to everyone** - you will lose the energy battle! Focus on your value proposition and the experience you are delivering to your customers. You want your customers to know they are in the best place. This will drive so much more success for your company.

CASE STUDY 00:54:50

Goal - 7 Figure Year, using a mixture of services, physical and digital products/services.

Each year, I was able to review the income made from each of our products and services, and work out what to scale and what to drop. I was also able to bring in new offerings like Live Events and The Program because I could see where the gaps were.

Knowing my numbers, doing that retrospective each year and planning forward into the upcoming year, allowed me to work less and maintain that high level of income in the business.

We've even thought about how our launch and campaign energy is going to be throughout the year.

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Friendly reminder - focus on the right things to move the needle. This is so important for maintaining your energy.

#4 - Time 01:09:40

Time is your number 1 asset as a company and as a CEO. And so you need to identify where you're spending your time.

What use is a 7-figure business if you're unhappy? **You built your business to fit YOUR life, not the other way around.** Identify your personal and business goals and assess if your current offering allows you to meet both.

6 questions to ask yourself to know if you're on the right track:

- Is my business seasonal? This applies for every industry type. And if you don't have any seasonal variability, can you add this in? Can you launch twice a year instead of every month?
- What is the time and team's time investment to deliver each?
- How much lead time do I need to allocate for production?
- Do I prefer launch windows or evergreen?
- How often do I want to launch? Monthly? Quarterly? Annually? For a podcast, for example, this is weekly.
- Are there any products that don't require any time-add to sell?

#5 - Energy 01:13:45

What use is a 7-figure business if you're unhappy?

You attract what you're putting out - **make sure what you're putting out into the world is what you want IN your world.**

6 questions to ask yourself to know if you're on the right track:

- What are these business goals supporting on a personal level?
- Am I operating in alignment with my values?
- Am I prioritizing the things that light me up professionally?
- Do I feel supported in my business and team relationships?
- What do I want my day-to-day to be?

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- When am I taking time off? This is so important to think about. What can you automate and plan for in advance to make this happen?

For me, I set myself the challenge of taking July off in 2022 - and I made it happen. And I'm also taking off 2 weeks in December - which is unheard of for me before. 6 weeks off in a year!

Execution is everything - yes you need to plan but you need to put in the work. This is how you will scale up and build your business in 2023.

Hard work is the shortcut. Work and scale smart. This is how you do it.