

The Practical Mindset Podcast

Episode 39: Why Your Revenue Goal Is Too Low

(Transcript)

[00:01] Hello, everyone, and welcome back to the practical mindset Podcast. I'm just Miller and I'll be your host for today's podcast episode,

[00:08] I'm excited to talk to you today about why your revenue goals are likely to low. I know this might sound really counterintuitive, because oftentimes we hear about people coming up with revenue goals that totally freak them out. And, you know, we think that they're aiming too high. And that that is the problem of why their business is slowing down, or they feel stagnant. But I want to offer to you that it's actually the opposite. One of the number one things that I see from clients of mine that are stuck, and there, they don't feel like they have that when underneath their wings. And they're not like kind of cooking with gas, is because the revenue goals that they set are too low. And it is like wreaking havoc on their business. And so today, I'm going to talk about the three reasons why your revenue goals are likely to low. So we're gonna walk through each one of those. And I want you all to think about each one of these things. And I want you to go into your business and look at this, is this something you are suffering with, that you didn't even know might be happening? So I want you to take a listen. And with that in mind, okay, so number one, the number one of the number one hallmark signs that you your revenue goal is too low, and that your business is not optimized for you to make the money that you want to make and get out there and create the life that you want, is that you're not profiting. And I know that sounds crazy. But when you dig into your business, you're not profiting, you have not done the math correctly. So you're falling short of or not making the money or the profit you want. So I talk a lot about pricing in Episode 38. If you haven't listened to it, you should go back and take a listen to the pricing inadequacy episode because sometimes this comes down to inaccurate pricing and not pricing to profit. So if you haven't listened to that episode, I highly recommend that you go back and listen to it if you want to dig into this more. But at the highest level, you're not profiting, you haven't done the math so that you understand what your costs are, what you need to price your products at so that you can actually turn a profit. And so the money that you're making is not cutting it, it's lackluster at best. And it's not driving the business and creating the revenue that you actually want. And thus it feels like a slog. And in reality, it is because essentially, you're trading all of your time and effort for no money. So number one is are you profiting? Have you done the math to figure out the amount of pricing and money that you need to charge in order to profit in your business in a way that drives the revenue that you want to be getting. And if you're taking the revenue, if you're coming up with your revenue goal, based on the money that you're making, versus the money that you want to make, and that money you are making is from you not calculating your business appropriately so that you profit, it's going to leave you flat, and you're going to be struggling in your business to be making revenue. So a lot of people are not profiting and they're not creating a business that allows them to reach the revenue goals that they want. And so they're hitting their choosing a revenue goal that's too low in line with this calculation that they've made, which is essentially in line with them not profiting enough. So they're just sort of scraping by. And it's a drag, and it feels terrible. Okay, so number one is is your revenue goal tied to a number that is not allowing you to be profiting in the way that you should be. That's the first thing. The second

thing is that people are pricing on cost and not value unless they're undercharging until the revenue that they're making and their goals and what they think that they can aim for and make is lackluster and it is actually not driving their business in a way that feels good. So their price is linked to their cost. They're essentially just breaking even the revenue that they're making or aiming for is based off of that. And it's too low to basically be in line with what they want to be doing the business they want to be having in the revenue that they want to be making. And so it is really important to optimize your price so that you are bringing in profits and revenue in a way that is synonymous with the type of business you want to run and the amount of revenue that you want to make. So if you're under pricing, and you're pricing on cost or you're undervaluing your products, you will not be making a lot, you will not be bringing a lot of money, you will not be generating a lot of revenue. And thus it will be lower than what it is that you're looking for or lower than possibly what you need to make your business run in the way that you want to run or to be having the business that you actually want to be having. As a business owner. So your pricing being out of whack or being based on cost, and not value. So you under charge, is another reason why you're coming up with revenue goals that are too low. And last but not least, and this I would say is the biggest one, and one that I want you to really think about, I want you to pause and think about because I think this is one of the biggest reasons that people generate a lackluster amount of money in their business. And that is, what they're doing. And the businesses they've put together and constructed the offers that they have the prices that they're charging, could even be the people that they're working with it in Not that there's anything wrong with one person over another. But, you know, the people that they're working with not being potentially the people that they want to be working with or not doing the work that they want to be doing is that their business is not exciting. Their offers are not exciting. And thus, this business lacks the energy, right, that real passion and fire and momentum. For them, that translates over into their potential clients as well. And not only do they walk around feeling it, but their potential clients walk around feeling it, which translates oftentimes into people not wanting to buy, right buying and selling is an energetic exchange. And when we're just sort of ho hum about it, and we're not really excited, I always say like we're not in a tizzy about it. People feel that. And so it impacts how we show up in our business, the type of action we take in our business, how we communicate our offers our value, our anything in our business, and that is picked up and received by our potential clients. And what it does is it actually, it results in our revenue not being not being seller, it results in us having trouble generating revenue. And even if we're humming along, and we're thinking about this revenue number, if that revenue number is not exciting to us, we lose the passion and the drive and the momentum to reach it to go and grab it and and either hit it or exceed it. And so that is one of the biggest reasons I see that people are struggling, it's that they're not excited about their business, they haven't set a goal for their revenue in a way that is exciting to them. And they haven't put together that ecosystem in a way to really go for it and go for that revenue number and create something that really gets them out of their seat in the morning. That makes them want to go and tell everyone about it or

[08:19] tell their potential clients about it. So when you're putting together your business, the three things you really want to think about as it relates to your revenue goals. And making sure that you are not aiming too low is number one, you know, are you profiting? are you generating revenue so that you profit? And is that an amount that you want to be at? Or is it the thing that you're settling for, because your business is not optimized to bring in a profit. And so thus, the revenue goals that you have are just really low, and they're not exciting to you, they're not something that you want to even go after, is the

way that you're pricing your products on cost and not value causing you essentially to under charge for what it is that you have, which is creating a lackluster revenue stream. And again, you know, when you feel like you're struggling and you're trying to push the boulder uphill, and you're trying to go out there and sell something for a price that you're not excited about. And that's just breaking even, it feels like a slog. And frankly, it is because without that optimization, it really is making you work harder to get your business streamline and generating that revenue than it needs to and that like aiming low, both in the price and the revenue just causes the businesses sort of flatline and it doesn't feel great and it's not exciting and it's definitely not fun. And then last but not least, you your revenue targets your business, the whole, as my kids say, the whole enchilada, right? It's not exciting. The revenue numbers that you're picking are what you think you can get versus what you really want, the things that you're selling into the people that you're selling to, and the impact that you're having is just sort of ho hum. And there's just a whole lack of energy and momentum around your business. Because that revenue goal that you have, and the amount of money that you're aiming to generate, because you think that's as good as it can get, is not a number that is going to get you out of bed in the morning, it's going to get you to jump out of your seat, and go out there and tell everyone about it. And so, really loving what you're doing loving your products, loving the goals that you have, I always say to people, you know, being in that hell yes, energy where you're ready to kind of jump out of your skin. And you're compelled to get out there and tell everyone about it really does generate momentum in your business. And not only do you feel it, but your potential clients feel it. You know, business is an energetic exchange, trust and respect. And that know, like trust feel comes from the energy that we exchanged with other people. And so when we are lacking that energy, when that is how we are coming to the table, our potential clients feel it too. And it results in dulling down or, you know, really flattening that revenue stream. And it is fascinating. I have seen with many clients and one of my clients in particular, I'll share a story with you all. I had a one-on-one client, she's extremely talented, she is a health and wellness coach.

[11:50] Literally this woman has like a glimmer in her eye. She's absolutely fantastic. And she came to me because she wanted to help people. And she was struggling to find those people. And she was struggling to help them in the way that she wanted to help them. And it felt like a slog. And she was essentially holding herself back from charging what she was worth. And all of this was intertwined in her business just sort of struggling along. And she had a full-time job, she wanted to dial that, that job back. And she wanted to work her business exclusively. But she couldn't figure out how to generate the revenue that she wanted. And it just didn't really feel fun anymore. And she wasn't that excited about it. And so I looked at her numbers, and we sat down to talk about it. And I asked her about her offers. And I said "I want you to tell me about why your clients will want to buy each one of these offers". And so she told me about it. And she walked me through she had different levels, it was three different packages. And she walked me through her like, Low, medium high package. And I listened to her and I listened to what she told me. And as she was talking to me, what I noticed is that as she spoke about the packages, from lowest to middle to high, the most enthusiasm that she had the most excitement, and the most clearly, she could talk about the results that she would be able to provide or help her clients get with her. Her business was with the highest priced package. But because she was holding herself back from actually offering that. And because she had so much mind drama over the price of it in relation to the perceived value and all of it, she just couldn't see it. And so the first thing that I told her to do was to double down on really understanding the value of this offer. Why when someone comes into her business, is offering that package, and maybe only that package like yes, you have three, but

you don't need to have three, like maybe you need to have one. And it needs to be the one that you have priced at the highest amount. And right now, why that package is like the absolute best package for them. And so we worked through this exercise, and she was able to really see the value that this package provided in the way that it was constructed, and how she worked with these clients in her return on investment cost ratio that she had for how she priced it. And so she really started to build that momentum as she doubled down on the belief in that offer. And then I told her that she needed to double her revenue goal. She had a revenue goal of 60k. And I said to her you need to double this revenue goal. And I will never forget the look on her face because it was on Zoom. And she almost like went white and looked at me like I was completely crazy. And I said I'm telling you, you need to aim for a number that is commensurate with the impact that you want to have on people in the way that you want to help them. You need to double this goal. So she looked at me and she was like, not really processing it and believing me at first, but she's like, Okay, I came here to be coached, and I hear you, and I'll do it. And lo and behold, she ended 2021, not only helping so many people get through their struggles with their health, and living a better and healthier life. But she not only did that, but she hit her revenue goal and exceeded it. She more than doubled her revenue, in 2021. And the spark that she had and the way she came out of the gate, when she was able to optimize her business, to lock into that revenue number that really got her excited to really see and lock into those clients, she was going to help. And then to optimize it and make sure that she was profiting, she was pricing to profit, that she was really getting her numbers in line, not only like logistically on that spreadsheet, but energetically, she was soaring, soaring. And it was such an incredible, incredible thing to watch. So if you're somebody who is listening to this, that feels like their business is just ho hum, that when you look at what is possible for you to generate in both impact and revenue in your business,

[16:21] I want you to think bigger, because there is a really good chance that your revenue goals are too low. And I know that you'll go out there and you'll hear the word on the street is like, you know, don't be too big for your britches, or don't aim too high, or all that stuff. Like, you know, people are so worried about freaking themselves out or freaking their clients out or whatever with these revenue goals that they quote unquote think are too high. But I'm here to tell you, chances are if you listen to this podcast, you are meant for something big, you are meant to have a big impact, you are meant to dream big. And you want your revenue goals to be in line with your vibe, your vibe. So if that means that they are just lackluster right now I want you to try raising them. And I want you to go back and I want you to look at your offers and look at your business. Number one, make sure you are profiting, make sure you've done the math correctly. So you're not falling short, or not making the mark so that you know you have an optimized offer and price so you're profiting. Number two, make sure you're not pricing on cost. Make sure you are pricing on value. And if you need to kind of get a research of that. Or you need to be reminded go out and talk to your clients who have bought for you ask them why. Why did they spend the money? What was the benefit of that? What you know what are their thoughts around it, ask them for that feedback. Because that will give you an insight into the value and whether or not you're pricing for value versus cost. And then number three and most important, make sure you are in a full on tizzy. Full on Tizzy about your revenue goals about the business you're running about how you're showing up in there, the things you're selling the people you're working with the market, you are leaving on the world, you became an entrepreneur, because you have big things to do in this world. And the number one way to do that is to set your sights on something that lights you up. And your revenue goal is one of those things. And here's the other thing I want to leave you with. It is remarkable the power of vision,

the power of clarity, the power of picking a number that gets you out of your seat, I have seen it more times than not. When people get clear on that and pick that number. The whole universe conspires it's like the craziest thing. And we're talking about here on this podcast, we really focus in on kind of those practical things, right. But when we think about practical things and mindset, they work together. And so what happens when you pick a number that gets you out of your seat, is that you literally have a specific number you're aiming for you can build your business against that number, you can reverse engineer it. But something happens internally, energetically, magically. That is something that you can hold in your hands and measure because you're watching your business grow against that number. So this isn't like, let's just throw spaghetti at the wall and pick a number and pretend from a very practical way. You show up differently with that specific revenue goal in mind, specifically optimized to set your soul on fire. So don't underestimate the power of picking that number, and the vision and the energy and then all the logistical practical things that go around it. It is literally the recipe to become unstoppable to really give you that oomph behind your revenue goals that will send you soaring. So I want you to go back and I want you to look at those three things. And I want you to really press your test your revenue goals, and how they're falling for you. And here's the thing right now as we record this, we're in April of 2022. You've got the entire runway of this year left. Let's make this your best year yet. It is not too late. And you can absolutely double down on your revenue goal. optimize those goals. Make it incredible. So you can not only go and hit those goals, but you can exceed them. Until next week, everyone have a great week.