



## Million Dollar Mistakes

Episode #57

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### Lisa Larter (00:01):

Welcome to, She Talks Business. If you're an entrepreneur, business owner or aspiring mogul, chances are you want to learn more about marketing and mastering and monetizing your business. She Talks Business is where you'll learn all of that and more. My name is Lisa Larter and I'm an entrepreneur, high school dropout, wiener dog enthusiast and your host. Let's get started.

### Lisa Larter (00:24):

Hello, hello, hello and welcome to another episode of She Talks Business. This is Lisa Larter and today we are going to talk about million-dollar mistakes. I have a list of nine, nine things that I have written down that I have either been guilty of myself or I have witnessed other people I know run into on their journey to building a seven-figure plus business and so I want to share some of these mistakes, not to shame and blame, but more as a learning opportunity for you to be aware of as you're building your business. You may be doing some of these things and not realize that you're doing them, or you may want to pay attention to these things so that you don't actually do them as you continue to grow and build your business.

### Lisa Larter (01:14):

So number one, way too much focus on top-line sales and not enough focus on bottom line profits. This tends to be something that a lot of people do when they are striving for the seven-figure mark and I have seen a lot of seven-figure business owners actually degrade their profit margins because they throw money at things in an effort to reach that seven-figure mark. It's like they think that once they crossed the seven-figure finish line that their business is irrevocably changed. And I think that it's really, really important that we not only focus on the top line, but we



also focus on the bottom line, because a business that makes seven figures and spends more than seven figures is not a successful business.

**Lisa Larter (02:08):**

Number two, we spend too much money. We throw away money trying to solve problems without really understanding what the problems are. And this obviously really aligns with number one. If you're not focused on bottom-line results and you're looking at the money that you have in your bank account as you build a business it's really easy to throw money at problems. And when you throw money at problems without really diagnosing what the root cause of the problem is you can in essence end up throwing money at the same problem repeatedly, and that in turn erodes the profitability and even sometimes the long-term sustainability of your business. You've got to be thinking about the structure and processes in the way you do things and looking at ways to build to strengthen whatever it is that's causing the problem versus just throwing money at it. Cassie on my team regularly reminds me that profits are in the process. And so it's important that you have strong processes as your business grows because when you are a one man show, it's easy for you to remember and do everything yourself. But when you get to the seven-figure mark and you are building a team, it's a lot harder for you to do that. And therefore, you do not want to fall into the trap of just throwing money at problems.

**Lisa Larter (03:29):**

Number three, a lack of ability to really drill down the numbers. You know, I'm going through that in my business right now. Because what we've had happen is over the year, my bookkeeper has kind of meshed a bunch of things together without stepping back to look at how my ability to drill down and look at my expense lines really influences my ability to grow and manage the business. So I think it's really important that you're able to drill down to the details when it comes to the numbers in your business so that you know exactly what's going on in the business so that you're making objective decisions. Sure, you're gonna make decisions from time to time from a place of intuition, emotion, etc. but in the absence of data, a lot of times those decisions can be wrong, or they can send you down a rabbit hole of unnecessary spending, whereas if you had clarity on the numbers, you might make different choices.

### **Lisa Larter (04:32):**

Alright number four, failure to delegate and follow up effectively. I talked about this on the show with Stacy Bahrenfuss from the Truth Teachers®. We talked about this, which is failure to delegate and follow up effectively which can result in too many resources and not enough resourcefulness. So if you are not a good delegator and or follow upper you could delegate the same thing to multiple people, or you could create a lot of failure work inside of your organization, where you delegate without the details that people need to do the work well and therefore they have to redo the work over and over and over again. You know, my colleague Myoshia Boykin-Anderson said something on a call I was on a few weeks ago, and she said if you're assisting your assistant, you are the assistant. So, take out the word assistant. If you're assisting the COO, you are the COO. You have to start thinking about all of the different roles that you're taking on and you're doing because you are not delegating effectively. The more effectively you can delegate and the more you can empower your team member to take ownership and take things to the end zone for you, the easier it will be for you to continue to scale your business. But when you get caught up in micromanagement and your hands are in everything and you're not able to delegate effectively, you slow your team down and again, you waste unnecessary resources.

### **Lisa Larter (06:03):**

Number five, you fall into the trap of being busy but not productive. Oh, we're so busy. We're so busy. We're so busy. And this becomes a self-perpetuating story that you tell yourself about how busy you are. But the truth is, if you actually stepped back and looked at your work, you are creative and smart enough to figure out new ways of doing work so that you can be more productive and less busy. Note to self: turn those distractions off and if you haven't read *Stolen Focus*, read *Stolen Focus*. There's a big difference between being busy handling low level tasks and being productive at getting the big stuff done in your business. And what I see happen because a lot of people that get to the seven-figure mark are not able to delegate and follow up effectively, they end up being busy doing a lot of things that they shouldn't be doing. They're doing busy work instead of strategy work or high revenue-producing work.

### **Lisa Larter (07:00):**

All right, number six, they are sales rich and cash poor. So this really aligns with too much focus on the top line where you are so focused on selling, selling, selling, selling, selling all the time, but you're not maybe collecting your receivables. You're not paying attention to how much you're spending. You're not looking at your cash flow situation. You're not anticipating things that you're going to have to pay for in the future. And so while your top line looks really, really healthy, your bottom line doesn't and you end up being a cash poor business. A cash poor business is a business that does not last long, and you put your business at risk when you do this.

**Lisa Larter (07:46):**

Number seven, unexpected tax liabilities. All right, you reach a new milestone in your business, you should expect a new milestone in taxes. So be sure that you are planning and allocating resources to pay the tax man in advance. If you don't know how to do that. You should ask your CPA, Accountant, Bookkeeper. "How much should I be setting aside right now for taxes? And if I reach X milestone in my business next year, what should I be setting aside." Know what the different break points are for where your taxes go up a level so that you can anticipate and be prepared to pay for your taxes? A lot of people get caught without having the money in the bank when taxes are due and that creates a lot of unnecessary stress. It creates focus on selling, which is around, which is really more like chasing money versus selling because you want to be of service.

**Lisa Larter (08:41):**

Number eight, failure to level set with growth. So what I mean by that is when your business is growing, you're gonna notice that the way you run \$100,000 business is different from a \$500,000 business, is different from a million dollar business, is different from 1.5, is different from two and 3,5,7,10. You need to regularly inspect what you expect at the different levels to ensure that you've got the right structure in place. And if you are focused on growth, you don't want to always be playing catch up on the level set. You want to proactively be planning for what the level set needs to look like before you get there. You don't want to grow so fast and not have the right infrastructure in place and end up losing all of those customers and losing your reputation because you didn't know how to level set operationally the right way.

### **Lisa Larter (09:39):**

And then number nine, number nine is pretty simple. Not enough time to focus and invest on your own professional development. As the leader of your company, your role is going to change as your company grows. And if you want to become the CEO of your company, you need to continue to really invest in your growth and development, your leadership skills, your financial acumen, all of those things. It's easy to write the title CEO on a piece of paper when you incorporate that business and to say you're the CEO on LinkedIn makes you feel good and all that stuff. But the truth is a true CEO does not get caught up in the day-to-day inner workings of the business. They really focus on strategy; they really focus on leading the right people inside of the organization to further the organization. And if you do not learn the skills that are required to properly CEO, you'll never be able to do that. So just because you've reached a certain level doesn't mean that you should stop investing in your growth and I would say that that is true for anyone, even for somebody who works inside of an organization for someone else. You are your best investment, invest in your own growth and learning repeatedly. Because the more you invest in your own growth skills and development, the more equipped you are to take on more, be more effective, influence others and be a great leader.

### **Lisa Larter (11:11):**

So there you have it. Nine things that you want to pay attention to. Nine mistakes that I see people often make. If you're making any of these mistakes, you want to take a little bit of a step back and figure out how can I change the situation. Some of these things are not easy to do. It's not easy to level set in a 90-day period, you might need a year to focus on level setting. It's not easy to change your cash situation. If you've made a bunch of financial commitments that you can't get yourself out or you've over-hired employees. But it does require that you kind of step back and look at your business and really figure out which of these things may be hurting you the most. Which of these things is the biggest priority for you to focus on right now? And how can you do that work?

### **Lisa Larter (11:58):**

Do you need a coach, advisor or a mentor to help you? Do you need additional resources on your team? Do you need to get buy-in on your team? Do you need to create a project plan? But start thinking about what

you can do to create change in your business so that you can create a great place for people to work, but you can also create a business that generates profits and has access to cash at any given time. Because that my friends is what success is in a business. It's not chasing money and wondering why you don't have any in the bank. Alright, thanks for listening to this episode. If this was helpful in any way, let me know. You know where to find me, Instagram - Lisa Larter. Bye for now. See you next week.

**Lisa Larter (12:40):**

Thank you for joining me for this episode of She Talks Business. If you enjoyed the show, you know the drill, leave us a review, tell someone about it and join the conversation on social media. Thanks for listening and until next time remember, done is always better than perfect.



Lisa Larter is a Business Strategist, Digital Marketing Expert, Author and Speaker.

The Lisa Larter Group helps their clients to formulate marketing strategies that support their business goals and objectives. Lisa provides consulting & advisory services, and implementation services including: social media & content management, book marketing, and website design.