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Ellen Rohr: Financial Blast #3

Ellen Rohr: 00:00:00 The Phenomenal Financial Blast and today we'll be digging into budgeting. I'll reference the homework that we've already assigned and we'll leave room at the end of the class for interaction. So I'm going to stop presenting at the top of the hour and then I've got a half an hour carved out for you. Oh Victoria, thank you for the update about, as the course continues, modules will be replaced each week. Be sure to log in this week if you're wanting to work ahead. So go ahead and grab those videos. Thank you so much.

Ellen Rohr: 00:00:37 All right, so a reminder of where we are in the process. Week one, we focused on the overview. Week two, getting to a known financial position. Defining that process for you. And this is week three now of the B word, or should I call it budgeting. It just seems like such an awful word, like dieting, like no fun. I don't know many people who associate the word budgeting with joyful goal setting and achieving. I'm hoping to move you to that understanding of how cool budgeting can be for making your dreams come true.

Ellen Rohr: 00:01:12 Next week we'll investigate the financial quick check. Week five, raising your prices, lowering your fear. My conversation with one of my franchisees was all about that this morning with him and his team. Six, finding the sweet spot jobs. Those are jobs that you can do easily, well and profitably like let's make business easier. Week seven is engaging your team in the process. And then week eight, the few numbers, the few things that make all the difference. What to focus on as you engage financial power at your company. All right, the homework assigned last a week was to put the financial meeting on your calendar. Look at Greg, "Get the budget done and the reward is taken [inaudible 00:02:05]." Attaboy.

Ellen Rohr: 00:02:07 I want you to report in on the chat. Did you put a weekly financial meeting on your calendar? Did you invite someone? Is this now... Is this your commitment to make a weekly financial meeting a habit? Let's hear from you. The replay page. Explore that. I just showed you that. It's on the administrative page. The phenomenal financial checklist is one of those downloads that helps you stay organized. You can incorporate this into your phenomenal four projects. Howard's going to be engaging more and more into implementation, EOS is part of that conversation. Use the tools that you're learning from Howard to customize what I'm giving you and make it work for you. Assess your Bean team, talk to them, meet with them. Make sure that these people are there to help you gain financial power. All right, yes and yes, we've got on financial meeting. Yes, Monday mornings. Great. I did put it on the calendar.

Ellen Rohr: 00:03:14 Couple of tips about the financial meeting before we move on. If you miss one week, don't miss two weeks, get back on the wagon. No drama, nothing. Also assume the meeting. Don't be asking everybody, "Should we have the meeting? Do we need the meeting today?" Just go to the meeting and if your boss put the meeting on the calendar. You show up, five minutes early, be there, be ready and be prepared to discuss all things financial, lead up. One other item about the financial meeting. For those of you on the call who are not the owner, and the owner. Let me just give you guys some boundaries here, if the owner calls you while you're watching This Is Us on Tuesday nights. I think you have the right to say no because if it's a financial question, like how much do we have in accounts receivable. That is not an emergency and you can have some boundaries about when you're available for non-emergencies. Do you see where I'm going, emergencies, all hands on deck.

Ellen Rohr: 00:04:24 But very rarely do we have an accounting emergency. So if the information that needs to be shared can wait to the financial meeting, encourage your boss to wait for the meeting. Can it wait for the meeting? That's what I will ask. And if they say, "No, I need this information right now. This happened and this happened," you go, "Okay, but can it wait for the meeting?" And the same with you tackling your boss. He walks in the office and you've got a question about how he coded something. Could it wait for the meeting? This allows you to reduce the chaos. If it's not an emergency. If it can wait for the meeting, wait for the meeting, and you can do this throughout the meetings of your life. A lot of my day is saying, "Can this wait for the meeting?" And if it's a yes, then we put that on that meeting. That's what meetings are for, are to discuss things about that topic.

Ellen Rohr: 00:05:22 I hope that's landing with you, but the idea of having a weekly meeting will save you so much time and energy of tracking each other down all day and all night on things that could wait for the financial meeting and any meeting. Then the last thing I asked you to do, well not the last thing, but one of the things I asked you to do last week for homework was to start auditing your financials. Go through them line by line with your Bean team during your weekly financial meeting. You might need more meetings, more project time until you get to unknown financial position. I gave you some ideas for how to do an audit, just line by line. Ask, ask, ask, how do we know it's right? How do we get it to write? If we adjust this, what else do we adjust? And that process, I promise you, if you will go through that, you will discover what you need to know to become a financial master. Line by line you will demystify your financials. Delicious. So good.

Ellen Rohr: 00:06:28 And the struggle is optional. This is not hard. You can do it. It's easy. You might learn something, you might have some fun. The process always works if you work it. I borrowed that from AA, just saying. Okay. And then extra credit was to read, Where Did The Money Go? Let me back up a sec. Have you read, Where Did The Money Go? How many of you have read it? Ready to reread it? This book is such a terrific tremor for all things financial. I wrote it because I would have given my right arm for that book once upon a time. I got accounting for dummies, it was this fat, it was like 500 pages. I felt really dumb. And Andrew read it a couple of times. Still like the first time through, you might get some things out of it. It's a great book to share with team members here. This is what a balance sheet is. What a profit and loss is. Excellent.

Ellen Rohr: 00:07:28 All right, great. Had it... Printed bound or re-read it last week, share it with your team, pass it around, do book club. It's an evergreen book. I'm very proud of that offering. So yay. I'm glad you're embracing it. All right, so let's dig into budgeting, the B word. What is budgeting? Suppose as you get to a known financial position, you don't love your financial situation. You're not making any money. It's got a negative number on the bottom line, which means that equity is going down, assets are going down. Yikes. I encourage you to work towards a known financial position before you do any financial analysis because until the books are right, what do you have to analyze?

Ellen Rohr: 00:08:20 So work on getting them right, bit by bit, as you do, side by side you could also start engaging the budgeting process and the budgeting process can be quite simple. [Santi 00:08:36], if you're going to hang out with us today, I may ask you to jump in at some point. So be prepared because Santi, for all my work in this area, Santi was really a quantum leap moment, it was a quantum leap moment for me when I saw you share how you put a budget together in the bootcamp that we did together.

Ellen Rohr: 00:08:56 So budgeting does two very cool things for us. It helps us set goals for sales and expenses in dollars and percentages and it helps us justify a selling price. So while budgeting has this connotation of being negative and deprivation and no fun, really, it's one of the most powerful tools there is for imagining a better outcome. If you don't love where you are in your known financial position, budgeting is the opportunity to replace what is with something better. I would rather have this for sales and expenses in dollars and percentages.And to do that, I may need to charge more. And this helps you buy in to your own selling price, to justify how much money you need to make these goals come true.

Ellen Rohr: 00:09:53 So I'm going to introduce you to the Baby Budget. I'm going to move in and out of screens a little bit and I'm going to take you on a desensitization run. So the desensitization run, that's a big word. The desensitization run is this, I want to tell you a little story here. Once upon a time in one of my a hundred jobs, I was a ski instructor. When I taught skiing, I would start on something very easy and I would work on skills like balancing on one foot and moving your foot through the turn. Basically skiing is quite simple as well. Thanks Santi for being at the ready.

Ellen Rohr: 00:10:35 So when I would take a student from a slope that was like this to a slope that was slightly steeper, what was interesting is they would fall back to all their worst behaviors and they would ski awful, like the skills would go out the window because the fear would creep up. So the first time I took him down the steeper slope, I just showed it to him. I just said, "Let's just go down it. I'm not going to talk at all. I'm just going to... We're going to survive down so you can see what it is." Then we'll go back to it and dig into your skill set and do some exercises and work on your skiing. First time through though is just to share it with you.

Ellen Rohr: 00:11:19 So for those of you, I mean if you have never done budgeting before, that's what I'm talking about. Or if you have someone on your team who's never put a budget together before? I'm going to introduce you to a Baby Budget. Something really simple that you can put together. And I'm going to ask Santi for his help. That Santi, you're so good on your feet. If you don't mind when I call on you, could you pull up the section of the Simple Dimple business plan where you put a little budget together? Is that asking you too much? I got a for sure. See, you're so easy and so good to me.

Ellen Rohr: 00:11:54 All right. I'm going to start with the Baby Budget that I've uploaded to the admin site and I'm going to go through the big rock, sales, labor material cost. I'll give you a little example. I'll show you how you can calculate the selling price. I've got a page on the spreadsheet to do that and we'll be establishing goals in dollars, numbers and percentages. So let me escape from this for a moment and let's go to where it, Oh, here it is. Let's go to the administrative page. And then one of my budgets here is a Baby Budget for service. So I'm going to show you one example and then I'm going to have Santi show you an even simpler approach to budgeting. So you know what tools we have available to you.

Ellen Rohr: 00:12:50 All right. So here's, is just a little spreadsheet. So what you would do if you don't know how to use Excel, you're going to find a 15-year old to sit next to you and tell you what to do. Kids today know how to use Excel and Google sheets. So get yourself some help to work through these spreadsheets. I'm not great at writing a spreadsheet, but I've learned how to decipher them. And I'll tell you a little bit about how my spreadsheets work. So this is a three-tab spreadsheet, okay? And on each page, the colored bordered cells are the places where you're going to add information. So you're going to put your company name here and you're going to put the year, maybe you're going to make your budget for 2020 and then whatever profit you want to earn, net profit, you're going to put that in there too and that number will come into play as we go.

Ellen Rohr: 00:13:52 There's some instructions here, super easy. And then the next page is basically a pretend profit and loss, a pretend profit and loss. I set it up with some basic numbers in here. Some of these numbers have a little bit of credence to them based on some companies I've worked with. So I'm just going to share some thoughts with you. Okay, 30%. All right, so a budget would be you look at your actual financials and you're going to craft this chart of accounts to match your chart of accounts in QuickBooks. We talked last week a little bit about a simple chart of accounts and you'll see the pattern of my chart of accounts throughout my... Spreadsheets is similar, sales and then the big rocks of labor, materials, subs, I call those big rocks because sales is an important number.

Ellen Rohr: 00:14:56 Our biggest expenses are labor and material and subs. Most of the time for a service business, whatever they are for you, I call big rocks, the numbers that really make all the difference. This is another big number is what you pay the people on the inside. Another big number is advertising and marketing. So I plugged in some of these numbers so you can see in dollars and percentages how you could play with putting a budget together.

Generally when I budget, I'll come up with a top line goal. Just make one up and a million dollars makes the math really easy. It makes it easy to see the percentages, but if you want it to be a million or 1,500,000 or 10 million or whatever, you can do multiple budgets. Do or save as, do another one. I'll put the sales in place and then I'll start piecing in percentages.

Ellen Rohr: 00:15:53 So if I know my labor is a percentage of sales, my target is going to be 20%, I'll use 20% by massaging this number, right? Because this is a colored bordered cell, this is not, this is a formula. So I don't mess with that one. I go to the data entry cell and I can play with these numbers. Now, the reason why I said 20% is that I've been in the service industry for a long time. I know that 20% is a fairly reasonable goal for labor as a percentage of sales. That just comes from my expertise, Howard hired me because I have expertise in this area. If you have different information or information in your industry that you feel good about, you can use those percentages. Ultimately as you start keeping track of your actual performance and comparing it to your budgeted, you will discover the percentages that will work for you.

Ellen Rohr: 00:17:04 Next week we're going to introduce the financial quick check and the main purpose of the financial quick check is to allow you to see your actual performance compared to your budgeted so you can start playing the game at an even higher level. I'm just giving you training wheels here, kids, and then as you progress, again, if you follow the process I'm describing, you will discover for you what your percentages are. So I've got a couple of training wheel percentages in the budget. Now this number, depending on how much you want to pay yourself and your people, this is going to be a big rock. The more you spend on the people on the nice things that you want to provide for the people who work for you. The right things to do in terms of good vehicles and insurance, et cetera.

Ellen Rohr: 00:18:00 Pop quiz, who pays for all these things? All these numbers you're going to plug in here. Who pays for them? Let's see. Yup, the customer, client's, customer, your customer pays for everything. Customer pay. That's why we love them. Love them. Take their money. They'll make more. And if we want to do right by our team, if we want to do right in our community, our customer's going to pay for all of this. All right? So you're going to put all the expenses in. You can use past data, you can make some guesses, and you're going to massage this number to be your desired amount of profit. You're going to massage these expenses to come up with the desired amount of profit.

Ellen Rohr: 00:18:45 This line right here, special opportunity, that's for stuff we might forget. I call that the oops or the OPS number. As you put the budget together, you'll probably forget something, put some extra dollars in for oops stuff happens or ops a new opportunity. Might even use that for bonuses if it all goes well at your company. All right, so here's the basic rundown of the budget. You're going to massage these numbers and you're going to map out, paint a picture of what you would like to have. On this page, this is where we can crunch some numbers, use the numbers that we created in the budget to come up with a justifiable selling price. Now this is probably, if I were to do the desensitization run for most of you, I'm going to stop right here. For those of you who are ready for more, the key numbers page is a place where you can get some really great targets, KPIs for your business.

Ellen Rohr: 00:19:45 By entering a few additional pieces of data and then coming up with maybe we should charge this much per hour to make our dreams come true. So you'll see that this can be customized. There's some other, you can start to decipher these formulas. Again, it's a little more sophisticated. I want to hold off on it for a moment so I don't confuse the never ever's here, but I'm leaving this here to challenge those folks who are ready for a little bit more.

Ellen Rohr: 00:20:21 But let's go back to this budget. If I did 750,000 last year and I just say this year I want to do a million, you just make this up. You just make it up. Don't take it so seriously. Put a few budgets together and have some... For those of us who are high I's, this can be fun. For those of you who are high C, do several versions, play out different scenarios with different variables. For those of you who are a high D, this is how you make things happen. If you want a million in sales, you start imagining it, you ache it, you state it as your intention and then you determine what kind of manpower and woman power will I need. What kind of advertising would I have to do if that were 10% of sales, how could I spend that?

Ellen Rohr: 00:21:16 This is how you're going to get... Move from dream to results using this budget to set goals and help you make your dreams come true. Now Santi, this would be a good time to pause and just have you do a little rundown. I should have given you the heads up. You're just such a peach to jump into this with me.

Santi:	00:21:37	Absolutely. Can I take over the screen real quick?
Ellen Rohr:	00:21:40	Yes please?
Santi:	00:21:41	Okay, can it-
Ellen Rohr:	00:21:44	Lets see, there you go.
Santi:	00:21:46	Do you see it. All right, cool. Just real quick. I need everybody to play along with me. Who is the here so far like, okay, I get it. I get it. I get it. Type it into the chat bar. I need you to type in right now. I am. Everybody out there type in, I am. I am. I am. I want to make sure that you're clear-
Ellen Rohr:	00:22:04	I am. I am. I am.
Santi:	00:22:05	... and you didn't take off and you're playing on Facebook, right now. I'm calling some people out right now. So if that's you, you heard yourself, Oops. Yes, it's probably you. [inaudible 00:22:18] Facebook. Let's go. Okay, so this right here is a Simple-Dimple Thumbnail Budget. I love this because you can sit down, you're at lunch, your at breakfast, you're wherever you're at, you pull up a napkin, you can deal with this there. Okay and I want to simplify it as much as humanly possible. First of all what we're going to do is we're going to grab everything that Ellen was talking about. So I'm going to use that and I'm going to go from there because everybody typed in. I am. So, that means everybody got it.
Santi:	00:22:51	So from here I'm going to start at the bottom and I'm just going to say, "Okay, how much money do I want at the end of the day," how much? Somebody throw a number or type it into the chat bar, I would be sitting with you and I'd be like, "Hey, play with me." How much money you want. Give me a number. Okay, so 300,000, let's put 300K, cool. We're going to play with this. I'm going to try and do math live and that's not always a great idea.
Ellen Rohr:	00:23:17	I'll help you.
Santi:	00:23:18	Cool. So we got $300,000, okay? Now I want to pause right here for a moment. I want to separate one thing that I always make sure that I say, if I talk about this, you as the business owner should get paid twice. Everybody with me?
Ellen Rohr:	00:23:37	100%, yep.

Santi: 00:23:38 You as the business owners should get paid twice. One from the net. You get a distribution of ownership because you own the business, if you've got partners, they're going to take a part of that money too, but if you work in your business, you should get paid for the work that you do. Pay yourself some sort of salary for the president position, for the technician position, for the 150 hours that you work twice as hard as every single other person in the business, you should get paid twice. So I'm going to put in here some sort of money in the salary and I'm going to say, "Okay, your salary for doing the work that you're doing is 100,000." So I'm just going to put that in there. I'm making that up. So nobody gave me a hard time saying, "Oh, it should be quadruple that."

Santi: 00:24:28 Okay, so just throwing it out. Then we take all of the other expenses that Ellen was talking about earlier. You know what those numbers are, and if you don't know, pause here for a moment and look it up. You can start looking at the last 12 months. Please do me a favor. Don't look at last week. Okay? Like take a good chunk of space and just grab those numbers and put it in there. So I'm just going to say that those fixed expenses are, let's say 500,000 okay? So I'm just adding it up in here. 500,000 total. So what do I do? I'm working backwards, 300,000 for net plus 500, plus 100, how much is that? 900, so I'm going to go 900,000 in gross profit. So far so good. Then we said, "Okay, in cost of goods, we have those variables, right? We've got our labor, we've got our materials," and that's where sometimes if we don't pay attention they will eat up all of this very quickly, that dream of that 300,000 that we wanted to go and buy a new house or go on that super duper vacation and you're thinking where'd the money go? It went now probably right here. Right, and you didn't even realize. So labor and materials, let's keep an eye on those things.

Santi: 00:25:49 Now I'm going to play. Okay. Again, I'm making the numbers up and I'm going to say that labor is about, let's say 22%, I'm trying to make it even harder just on purpose. Okay, so we got 22% for the L. And then materials is going to be 17%, okay? Again, I'm making this stuff up right now so nobody look at these numbers and be like, but mine are less or more, I'm making it up, okay? These are not also ideal or anything. I'm making them up. So, so far we know all our labor is 22, our materials is 17%, how much is those two put together? That's 39 am I right?

Ellen Rohr: 00:26:34 Yep.

Santi:	00:26:35	All right, so that tells us we got 39% for our cost of goods. By the way that's nine, not a four. So here we go. So far so good. Now I want everybody play along with me, if I know this so far, right? How much should my sales goal be? Please try and play with me. By the way, the instructions are on top, okay? But I want... I know I cheated right there. I just told everybody. But [crosstalk 00:27:06]
Ellen Rohr:	00:27:06	That's good, that's all right, we're making it easier.
Santi:	00:27:07	I want people to play and try. If I know this much information, what should our sales goal be? Play with me. Get it wrong... I hope you get it wrong. Honestly, I do. The first time I did this, I was like, I don't even know what you doing right now? The second time I was like, "Oh, okay, I can kind of get this," and so on. So please type it in. Play along. If we know that it's 900,000 in gross profit or cost of goods it's 39%, what's current sales goal be. All right, we got different answers. I love it. Keep it coming, keep coming. Type it into the chat bar and somebody out there is thinking like, "I'm not going to type, what if I get it wrong?" That's the best thing, I hope you do because then you learn.
Santi:	00:27:57	So everybody with me so far? Let me pull up my calculator real quick. So we said this is 39%, I'm just going through on the process, 39% goes to cost of goods. That tells me the difference is my gross profit. So 100 minus 39 is 61% so I'm going to put 61% GP. What do I do? I take 900,000 divided by 0.61 equals 1,475,000 but you know what? I don't like it. Lets say 1.5 million, let's go with a full number.
Ellen Rohr:	00:28:36	1.5 million.
Santi:	00:28:38	Yeah, 1.5 million. And what do we do, let's make sure that we hit those sales goals that are going to hit to that number every single month. And we stay within our percentages and we stay within our fixed expenses. You're going to have $300,000, baby, at the end of the year, whoa.
Ellen Rohr:	00:28:59	Plus whatever you put in for your salary.
Santi:	00:29:02	Absolutely.
Ellen Rohr:	00:29:03	And here's the thing, now I love, love, love it. Thank you for being at the ready. Like I so put you... This is why you are a superstar is that you just said, yes, thank you so much. Now the

		let me share my screen again and you'll see Santi took what... This'll stop. Okay, continue. Santi took my spreadsheet and went backwards. He started at the bottom line and moved up. I started at the top line. We just want you to play with this information. So if I go back to the budget's spreadsheet.
Santi:	00:29:37	Yes.
Ellen Rohr:	00:29:38	[crosstalk 00:29:38].
Santi:	00:29:39	One thing I wanted to say and you said this, and I thought you were going to say it this time. So a budget is what? A financial forecast. How many times do the people that you watch on TV, the forecasters did get it wrong, at least 50% of the times, right? So, hey, it's a forecast, don't freak out, you can get better, you could tweak it, modify, you want more, you add more. You take off, you take off. But it's just a process.
Ellen Rohr:	00:30:07	It's a process and you will get good at... So many people I know don't put budgets together and this is where the C in you may come out. Well it's not going to turn out that way. There were so many variables here. That's why it isn't something to hold to no matter what. It's just what you want. That's all. And it may take a little longer and cost a little more than you thought it would. If you don't hit your budget, no one's going to come and take your dog. It's just a game. That's what Jack Sack calls this, the great game of business. It's a game. If you were to put this game together and you came close because you didn't hit 1.5 million, suppose you're at 1.3 and your best year yet has been 800,000, how many of you would count that as a win?
Ellen Rohr:	00:30:55	So you didn't hit goal. Chuck, "I finally figured this out." Yeah, put something in place and then the real, the process, I love that word, Santi. The process of comparing actual to budgeted over time you will change your behavior to get a different score for actual, you might tweak your budget and you get more and more familiar with your numbers. You might go 22% labor as a percentage of sales, we're tracking 18, I'm not going to use 22%, I'm going to use 18. Over time, even these suggestions that Santi and I are giving you only serve as training wheels. Over time you will become an expert in your business if you just allow yourself to embrace the budgeting process. I'm going to jump back into my slides here and we're going to continue the conversation. Santi, I can't thank you enough, so fun playing with you. All right, so Santi's approach. I saw him do this and I thought that's, I loved it so much. Just start with the bottom,

with what you want, work through with percentages and come up with some numbers.

Ellen Rohr: 00:32:10 So literally you can do a budget in three minutes. For those of you who want to take longer, we've given you some other options. And I'm going to tell a story. I think I've got his picture up here too. There was a friend of mine, his name is JR. I reference him throughout this class because he taught me so much about budgeting. One thing he taught me is that you do lots of them, just do multiple budgets, save as, call this one your $5 million budget. I had one for a while at Bare Bones business, I don't have it anymore. I should resurrect it. But I had one that was the Oprah budget. Like if Oprah called and you just all of a sudden got a million orders, what would that look like?

Ellen Rohr: 00:32:50 So, just have different budgets, one for first quarter, one for second quarter, one for third quarter. You can change the budget as you grow and you're going to want to engage your team members as you put your budgets together. And they can say, "Yeah, we can do it." At Zoom Drain right now we literally think in terms of sales per truck and just to make the math really easy, if you know that one of your service trucks can do 300,000, we will add a person for every 300,000. So we'll add one more chunk of labor and one truck and 300,000 to the top line and then we make a deal with our service manager that this is your game. We want you to add four retracking for four more trucks in first quarter, 2020 and he says, "I'll do three," and we go deal. And that's how we come up with the budget. So this is just how this will evolve.

Ellen Rohr: 00:33:50 Anyway, JR is the one who taught me about doing lots of budgets. Another thing he said that I love so much is he said, "My only job as the owner of this company. So the only things that I am responsible for are being the financial manager. Assuming the financial risk of the company and setting the vision. Everything else I can delegate," not abdicate, but delegate. So he sets the vision. He's the one who will put the point on the horizon and say, "What do you think? Let's go here. I'm going here. Are you in? Who's with me? This is where we're going." You make this up, this is your job.

Ellen Rohr: 00:34:32 He also said, "I live in a world..." This is Jr's quote. "I live in a world that does not yet exist. I'm always thinking about where we're going. I'm budgeting to that next milestone." So JR has created, I think the last County was like at 80 million in sales and he has a billion with a B, $1 billion business plan, assembled.

Budget by budget, location by location. He's got this thing mapped out and he shows his team where we're going. He shows them where the next location is, the next opportunity is, and they're at 80 million yet they're talking about a billion. It is an inspiring meeting to talk at this level. He's imagining this empire. That may not be your dream. I just share it because it's a reminder of whatever your dream is Budgeting is a powerful tool for moving you in that direction.

Ellen Rohr: 00:35:32 If you were a seasonal company, let me give you a little caveat. I generally do straight line budgets because they're easy. I think I'm going to... I have others so if you want to, you can break this down at the Q&A a little bit. If you're a seasonal business, suppose you do air conditioning in Florida. And so the summer is just flat out busy and the winter slows down considerably because everybody has their windows open and it's gorgeous. That's why they live in Florida. It does make sense to do a budget that may accommodate for seasonality. However, sometimes that's a crutch. Over and over in my career, I've heard people say, "Well, September's always really slow." They'll go, "Well, why is it slow?" Like in plumbing, September's just always a really slow month. Well, why are people not putting, let go down the toilet in September? Why would it be slow? You live in a town of a million people. Somebody is having a plumbing problem today. Why aren't they calling you?

Ellen Rohr: 00:36:42 So often we use the seasonality as an excuse, we use it as a self fulfilling prophecy that by saying January is always a slow month, we're going to make it a slow month. It lets people off the hook. Well, we didn't get the sale, well, January, it's always slow in January. Quit saying that. I challenge you if you are a seasonal business, figure out ways to smooth out the seasonality, engage your team in this. Say I'm going to set a goal of 120,000 a month every month for this year and our job is to figure out some ways to get work in the slow season. We're going to take it away from whoever else they're calling, right? We're going to find a way. If you're in Florida doing air conditioning, the winter is the better time to do those commercial projects perhaps. That light commercial air conditioning replacement while the weather is nice and you don't need the air conditioning. How about if we plan to replace air conditioning in the winter so that in the summer you can be free and clear to do more emergency service?

Ellen Rohr: 00:37:51 "Preach it?" I'm getting from Ivy and from Glen, you get this, right? Watch that seasonality. Perhaps you're going to incorporate that into your budget or perhaps it's just an excuse, I can share the story of a roofing contractor I worked with in Pennsylvania. His business model was this, that they would work all summer putting roofs on houses and the winter they'd take off, the whole crew would take off and he created a business that literally made enough money from March through October that they could take that winter off and play, and his whole crew did that.

Ellen Rohr: 00:38:34 So senior to everything is that overarching business planning question. What do you want? We're going to use this budget to incorporate what you want into the spreadsheet. The first time you do budgeting, you might just do sales goals. Just if all of this looks like it's too big, too much, just start with sales goals. You'll never get this done. You'll never get it wrong, just get started. So this are just some tips for what I call freestyle budgeting. Hopefully we're giving you some tools to use and some of this is landing for your disc map, for your particular personality type. All right, I like what Santi said too, if this is landing with you, I want you to say yes. Let's just type in a yes, a yay. "Preach it sister, I do love that." Ivy. Thank you very much. Great, great, great. Excellent.

Ellen Rohr: 00:39:33 All right. Now from the budget and on that key numbers page of the budget, from your budget, you can craft a justification of your selling price. Oh, Paul had a question. "Did the roofer pay his workers just through the season or through the whole year?" I don't remember. I don't know if some people collected unemployment or what they did or if he laid some off. It's a really good question. I just don't really remember what the details were on that. So you could ask them what they want to do, how you want to do it, if that's what you have in mind. Talk to your team and see if you can come up with some ideas. Maybe some of them go and some of them stay during the off season. There you go.

Ellen Rohr: 00:40:24 All right, now let's jump into the selling price sales strategy. What Frank Blau taught me. This is my mentor Frank Blau. It's just a cute picture, including this one. Frank Blau taught me that the budget is the key to coming up with a selling price strategy. So, if we are willing to confront the numbers, now we have some data to use when we put our budget together and when we crunch these numbers and basically that key numbers page of that budgeting spreadsheet I shared with you goes through this math. It adds up the cost and then divides by the number of widgets I have to sell and in the service industry, and this is my industry, in the service industry, that's billable hours. The number of billable hours I have to sell. In the... If you're making a product, if you're making t-shirts, for instance, you would divide the cost by the number of tee shirts you could sell. Now, I do even have a product budget available for you too, if that's what you do, you can find the product budget, the one I just showed you as a service budget.

Ellen Rohr: 00:41:42 I was just looking down the list. Most of the people on our call today are in service industries. Calculating your selling price for the service industry is easier than products because there's only so many billable hours a day per person. All right? So you're going to add up your costs by the number of widgets or hours you could sell and charge more than that. And here's the key. You have to ignore what others do. I'm going to share one other tip. Once you start operating from a known financial position, you put a budget together that pays you twice like Santi says, it gives you an executive salary plus enough profit on the bottom line to pay taxes, to give back to great employees, to reinvest into your own business.

Ellen Rohr: 00:42:33 Once you're operating like that, your going to be a premium priced provider of goods and services. I don't know what else you could discover and when you do, you will be tempted to look at your competition and go, I must be doing it wrong, somehow I got to be doing this wrong because they're charging a lot less than I am and Frank is the one who taught me to ignore what others do. The other people in your industry are going to call you a rip off artist. Your guys may get scared. It is so important that you also engage good marketing practices, that you hone your marketing skills and that you hone your sales skills, that you and your team look for ways to add value at every moment of interaction with your customer.

Ellen Rohr: 00:43:22 If you're going to be premium priced, you have to deliver as Howard and his team do the most outstanding customer service experience ever, ever. That's what allows you to ask for premium prices and get them. I could just feel the energy of that. Just that clunk landed, does this make sense? How does this strike you? Let's hear a little bit of input from you. Like is that landing with you? "Okay you got it. Preach it." Yeah. Thanks Matthew. This is what it takes to be a premium price provider. Now, let's look at this. Let's just look at a really simple math equation. We're coming up with a selling price. Suppose you're a one man band and you want to make $100,000 this year.

Ellen Rohr:	00:44:19	Now, a thousand hours per year, here's how we could get some math on this. If we worked 50 hours a week, you can take notes as I'm writing just to keep track here. If you worked 50 hours a week, sorry, if you worked 50 hours in a year and 40 hours a week, how many hours would you have available in your business? So 50 weeks times 40 hours equals what? Yep. Let's see your answers. 50 weeks times 40 hours. Are you just counting on Matthew? 2000, all right, we got 2000 hours.
Ellen Rohr:	00:45:05	Now if you work all by yourself, you're not going to be able to spend every one of those 2000 hours actually turning wrenches or providing a massage service or baking cakes or whatever it is that you do. You're going to have other things to do like marketing, like cleaning, like answering the phone, like selling, like sweeping the shop. All of those things are going to take some time out of your day. And what I have found and what I would encourage you to use as a starter if you don't yet have this number, is that I have found that about 50% of your time is potentially billable to your customers. And what's interesting, and some of you can back me up on this, let me know if this makes sense. For some of you who have grown larger service companies to get 50% billable time from your team is still an extraordinary level of productivity. Do you agree? Andrew, do you agree?
Ellen Rohr:	00:46:04	For those of you who have been doing this for a while, a thousand hours is workable, isn't it? Yes. I got for manager with an exclamation point. Yes, so if I want to make, if I'm going to work all by myself just to do the math, and this plays out for bigger companies, but just to make this math easy, if I wanted to make just a hundred thousand dollars just for my salary, paying myself once. Then I would have to charge $100 an hour just for that one line item. All right? And then I'd have to buy a pencil and a bowl if I'm a Baker and a massage table, if I'm a massage therapist, Andrew says, "More like 40% billable if we're rocking it, that is more accurate for most of the companies I work with in the service department."
Ellen Rohr:	00:46:55	Now, if this makes you poop your pants, that's probably not the nicest thing to say. If this makes you nervous. Okay, I get it. I get it. This is why you're going to play this out with budgeting. You're going to work on the numbers a little bit and then you're going to share this information with your team. This is how I got my team once upon a time to buy in and the process I've used with so many clients and with our franchisees ever since is I will show them the budget. I'll just say, "Dude, if we have cleaning

		and training and driving time, if we go to the supply house, if we'd go on a call back." All of that takes time. Really the best I could hope for is a thousand hours per service provider at my company. It's easy to see how you're going to become a premium priced provider of your services.
Ellen Rohr:	00:47:55	So while that can be a little scary, that's what makes me so happy to be in the Inner Circle because I know that on other pages of your Inner Circle website, there's phenomenal marketing and phenomenal sales and phenomenal operations so that you can be deserving of the premium prices that you will realize you may need to charge to survive. Now, here's the other thing. I'm not going to beat you over the head on this because if you and me week after week, if you operate from a known financial position and you keep confronting those numbers weekly, month to date, year to date, dollars and percentages, you really can't keep your head in the sand. If you're losing money, you'll know it. And if you're winning, if you're charging less than I might recommend, but your profitability is there and you're making lots of money, then you win. We both win.
Ellen Rohr:	00:48:54	So really the proof is in the pudding. Do the math, get to a known financial position, put a little budget together and the next week we'll be digging into comparing actual to budgeted on a ongoing basis with the financial quick check. What is the worst way to set prices? We're narrowing in on the top of the hour. Let me just have you guys play with me. What's the worst way to set your prices? Who knows this answer? David got it. Call your competition. Look at what other... They're not on this call, they don't know, I said to my mentor, "How do they stay in business? Why don't they go out of business?" He says, "Debt. There's a four letter word for that. It's debt." People can go into debt or how do we know that his wife didn't win the lottery? How do we know that he... We don't know how someone who's lower priced, who's just a low price provider, we don't know how they stay in business.
Ellen Rohr:	00:49:56	And if there's someone like Walmart, well if you have that kind of economies of scale, go for it. Put anybody on this call? "Hey, you're not Walmart." You're going to have to be premium priced, premium service and find that niche that you can absolutely get prices that will support you and your team and your community. Okay, next week we're going to dive into the financial quick check. I'm going to leave that. The other way to just uncomplicate this and I'm going to end our class today with

		this note. Budgeting looks a little overwhelming, if you know you've got still some work to do with getting to a known financial position, all that's fine. You could add one more little piece of homework and I would say just raise your prices. That's what those blanks stand for. Just raise your prices, just to get started, just because to give you a little more wherewithal to get help, to join the Inner Circle to get your accountant to come over for some extra time with you, raising your prices will help.
Ellen Rohr:	00:51:02	So that's another piece of homework. I'm going to just get to our homework for today and I'll catch up on some of those items on next week's class.
Santi:	00:51:16	Hey Ellen.
Ellen Rohr:	00:51:16	Yes sir.
Santi:	00:51:18	Also just real quick, to go back before we open it up to talk about those three things that how we're to bring up as a quick reminder to everybody. I want to make sure that I bring those up and then we'll talk homework a little better, but is that fair enough?
Ellen Rohr:	00:51:33	Yes, please do. [crosstalk 00:51:35]
Santi:	00:51:34	Awesome. Okay, cool. So Howard... Yes, three quick announcements to make sure that everybody's solid. Number one, EOS. So we have made it super simple. If you want to come, you come. If you don't want to come, we can do a digital. And what we're going to do is we're going to have multiple groups going simultaneously so it doesn't matter for the next 12 months, you're in, you're in. And if you can come down to Houston and spend a full day with us or in Destin or wherever we're going to be doing that one full day training, you can come and do it here, but if you can't come, we do it online.
Santi:	00:52:09	There's several people that are jumping in on the online version that we're going to be doing with EOS. Second, drinking coffee because it's good for you. Hey, if you look back, the Egyptians were doing it. It's been around for a long time. It's going to make you smarter. And then the... Number, hey that's right, right here. We've got it. And then number three, sign up for the February conference and we're going to get the replay from our previous event. So again, the link is up there but Victoria probably put it in here just a bit. I'll put it on there as well.

Santi:	00:52:48	And that I just want to remind everybody, if you guys are still thinking about what is EOS, what is that? Watch the video that we put up that Glen was sharing. It's about just over an hour, close to an hour and a half. Go on there, watch it, the whole thing and you'll enjoy it and you will learn a little bit of like, "Oh, I get it." Now also, final thing. When we do the EOS online, this is live, this is not watching a replay or anything. This is literally you're going to be with me all day. We're going to work and we're going to implement all day. So you're going to be on there with your team leaders on there. You get to decide who those people are, and we're going to go ahead and plan it out and start from there. Okay, so I'll leave it right here. Thank you guys so much and I'm pass it on or passing it back to Ellen. Thank you Ellen.
Ellen Rohr:	00:53:42	Thanks so much Santi for being my wing man today. I appreciate you so much.
Santi:	00:53:48	Anytime you need a wing man I'll be there. Absolutely.
Ellen Rohr:	00:53:53	Well, let's open it up. I just want to recap today that this is the homework I have assigned so far in our class as a reminder, that weekly financial meeting, you want to have that on your calendar, access the replay page, study up on what resources you have available to. Use the phenomenal financial checklist. Literally copy that into your Trello board or make reference to it as you work through your Ziglar planner. The steps of this program are laid out in that financial checklist and it's such a great... That alone I think is worth the whole class is just to help guide you through that process. Have it in writing like that. Meet with your Bean team and audit your financials.
Ellen Rohr:	00:54:44	They'll put a little budget or two or three together and move towards known financial position. Make some progress. It took me just as far as the timeline, I fought, fought, fought, getting my act together when it came to my financials, it took me 11 months of whining to just go, "Okay, I'll do it." And then I got caught up in like a month and felt like a big wimp for taking so long and wasting so much time. That was my journey. So I'm not being judgy. I just want you to win. I want you to make progress, reasonable progress in reasonable time towards a known financial position. No bad thing comes from knowing your numbers. And extra credit is I've got another book called how much should I charge? That takes you step by step through using that budgeting form that I gave you, coming up with a selling price from the budgeting process. I lay out the basics in

this thin book with pictures and that's also available on the replay page.

Ellen Rohr: 00:55:53 So you have that information available to you. Now I want to kick up a little Q&A and I'm going to bring up this picture. Another one of the historical figures I am obsessed with is Leonardo DaVinci. And he painted the Mona Lisa, which is on display at the Louvre in Paris, France. It's one of the most famous painting portraits of all time. It was a commissioned piece and he never gave it to the person who commissioned it because it was never finished. He worked on this painting for 16 years and then he died. And I bring this up because you'll never get it done and you'll never get it wrong. Your whole life is a work in progress. Your business is a work in progress.

Ellen Rohr: 00:56:41 So that's our inspiration to move us to a little bit of a Q&A. So what have you got for me? Let's hear from the crew here. "Today is my first day. How do I catch up to where you are? Just missed the last two weeks." So Michael, welcome, you'll get that picture another time. Let me escape from this and show you this page. So this is the members page. Oh, Victoria let's make sure that... Michael, are you in the Inner Circle, if you're in the Inner Circle, you're going to go to this member admin page, you'll get to this page and it looks like this. If Victoria needs to give you your special link because you haven't signed on for the Inner Circle yet and you're going to want to, you'll get to this page.

Ellen Rohr: 00:57:34 Okay, got the link. So I was on there. Excellent. So when you're on this page, if you go here, you're going to have the videos, as you click on these pages, you'll have the video and then you'll... There they are in order. Look, you've got both of them, is this the first one and then the other, I think it is. How about that? Could you be sweeter? Look at that. Victoria, that is so nice. So you have the same information there from when we did it last year and we're doing it again this year and you'll note that the delivery is different. I think it's worthwhile to study it. Thanks Victoria. Thank you so much for maintaining this resource is absolutely incredible. And so as you go through, you can look at the videos, listen to the audios if you're driving. And then these are the tools I reference and this is the financial checklist is right here. And it's a nice word document that you can customize that literally just takes you through the process.

Ellen Rohr: 00:58:39 For those of you who are using Trello, you will also notice, let me find my Trello board. This is it, yeah. So you'll also notice that if you're using Trello to help you keep straight, keep your project straight, you can copy and paste that checklist right in your Trello board and then knock off this project this way. I'm really excited about EOS too, by the way. I have got a discovery day for Zoom on December six. I won't be there then, but I am very interested online, so hopefully I'll see some of you in that as well. Rosalba thank you. I enjoyed this class too. I'm glad it's your first time. I'm glad you're here.

Ellen Rohr: 00:59:23 All right, let's see what else we have with questions. Okay, Glenn, "I'll step out on this, so I love Santi's approach, but I don't still know the multiplier with the 61% from earlier." Glenn, you know what I'm going to challenge you to do? Let me go back to my homework. So I'm going to go back to this member's page. Where Did The Money Go, how much should I charge. In this book Glenn is the math behind, I'm going to scroll through. I'm going to try not to give anybody a headache or a seizure here by scrolling so fast, but in this book, there is an explanation for why you divide the percentage to create the top line. And it's literally the difference between creating a markup and a margin. And my mentor, Frank Blau reminded me of this high school math that I learned and forgot that goes into creating that dollar from the percentage.

Ellen Rohr: 01:00:29 And so my encouragement would be to study up with this book. And I think I have a section in here in this book where I dig into proving out that math. Now some people don't care. They just follow the... It's the difference between a D and a C I think, that some people aren't going to need the math played out, but some people will. So let me see if I can find this. I think it's right in here. The math explained. All right, so this is going to help you with that particular problem. So Glen, can I get your promise that you're going to study up on it and then bring your question to the party? Okay, yes. Okay, excellent. All right.

Ellen Rohr: 01:01:21 Now Tammy has a question, "For an LLC, do we still put a salary number in the budget even though we can't pay ourselves a salary or just add more to the net profit." Now, depending on the type of LLC have, now talk to your accountant when you're at your Bean team meeting. This is a good question and here's how I would craft this question and maybe put it on my Trello board for questions for my Bean team. Okay, so with my Bean team, I might ask a question like how can I pay myself? All right, and for some LLCs it's going to be a salary. Some LLCs require that you have a salary and S Corp, requires that you take a salary and then in addition to the salary, you can also take a draw, but it's going to be salary draw or some combination and you're going to ask your accountant about how do I take money out?

Ellen Rohr: 01:02:19 Also in this question is how do I pay taxes on it? If we pay ourselves a salary, we're going to pay taxes, payroll taxes on that salary. If we pay ourselves a draw, we have to pay taxes on it, but we have to do that separate of taking the draw and you're also going to pay taxes on what's leftover in profit if you're an LLC or an S Corp. So there's a few questions here. Keep this in mind. Regardless of what uncle Sam needs, I like to pay myself and have a profit that I'm going to leave in the company, either share with other team members or reinvest into the company.

Ellen Rohr: 01:03:11 So I would budget for a salary when you're playing this budgeting game and I would budget for plenty of profit. I would do both. Even though when I compare actual to budgeted on a weekly basis. Those numbers may not match exactly. Does that answer your question, Tammy? It's a really good question. I will budget for what I want and then I'm going to talk to my accountant about, okay, now just nuts and bolts how do I do the accounting to pay myself and where did the taxes come into play and how do I stay in compliance for that? On your actual accounting, you're going to do it rock and right, on your budget you can be a little looser about this. I hope that helps answer your question. Okay, if your partner take... I know another question you're asking is I feel like we've gotten in trouble because my partner just takes money out.

Ellen Rohr: 01:04:08 It's a good idea at the beginning of the year to do a little retreat and have this meeting with your Bean team, a safe place with a third party to say, how do we make sure that if we're going to take money out of the company that we do that fairly, fair to you, fair to me and in compliance with uncle Sam because if you just keep taking money out and you don't account for the taxes, what will happen at this Bean team meeting is your accountant's going to say, "Okay great. Now you owe $23,000 on the money you took out all year." And you don't have the cash.

Ellen Rohr: 01:04:45 Just saying that usually happens to everybody in their life as a business owner. If it hasn't happened to you, you could avoid it by talking about it now. If it has happened to you, no judgment, only love, just don't keep doing it. Have the tough conversation, have the awkward conversation and put some rules together.

Because if your partner keeps taking out more money than you, that's not fair. Just saying, like that's not fair. Make sure you don't get resentful and you don't create a situation that is going to snowball on you. Really great question.

Ellen Rohr: 01:05:24 All right, let's see what else we have for questions. David says, "I have no idea how anyone in my town stays in business." I want to tell you one... That is what happened. Okay. Thanks Tammy. Okay, good. Ask a followup question if you want to. I still have a few more minutes, but I want to tell you guys a little story while I'm waiting for questions. For those of you who are still on, let me see. Oh, we've got... Okay. Let me tell you another quick story about raising my prices. This is going way, way back. I'm working with my mentor, Frank Blau. I'm charging $30 an hour. Why am I charging $30 an hour? Because I called around and my competitors were charging $35 an hour.

Ellen Rohr: 01:06:20 So I thought the way you got business was to charge even less. How dumb was that? So we're going absolutely broke and this is what causes me to reach out and find, Frank is a great mentor to me and he was very tough, hit me on the head with a brick. I think that's what I needed at the time. But he's like, you're going to... He told me you just should shut the business down. There was no saving it if I was going to be such a hardheaded know it all about the whole thing. I mean, I really was a slow learner, but he just kept hammering on me and I finally figured out what, I'd rather go out of business than to be going deeper into debt all the time. I'm going to raise my prices.

Ellen Rohr: 01:07:06 Well, when I raised my prices, I started to make more money like right away. Life got a lot easier. In fact, we went from 30 bucks an hour to a hundred, I'd make this... I like to tell you this, I went to 112.50 like that 50 cents was really going to put me over the edge. And then we went to 150, like the week after, and then 175 and 200 and 250 and just kept going up and up. And I learned a few things by this and one is that my customers never wanted to pay anything for our services. It's no fun to call a service provider, especially one who does dirty jobs like we do.

Ellen Rohr: 01:07:44 As the wife of a plumber in a plumbing company or drain cleaning or electrical or any of these dirty jobs industry. Some of you have businesses that people are excited to call. Some of them, they don't want to call you. They just wish none of this happened. So you make it better for them. You become their trusted advisor. You know what? You're going to get more yes's than no's. Learn how to sell, go through a great process, use a checklist. You're going to get those prices.

Ellen Rohr: 01:08:08 But here's another thing that happened and this whole story was inspired by David saying, "I don't know how anybody in my town can stay in business." So what happened is I started this little almost like an AA meeting for service providers. I invited other plumbing and HVAC and contractors to my shop and I started doing this math with them, breaking down like if you want to make $100,000, you have a thousand billable hours, you've got to charge a hundred dollars for just your salary. I started doing that with my competition, I invited them to my shop. I shared with them what I was learning and to my face in that meeting they were like, "Oh yeah man, we got to raise our prices."

Ellen Rohr: 01:08:56 And you can't price fix, I wasn't even trying to do that. I was just so excited about this information and how much it was helping me and I just thought we all deserved more. I wanted to be of service to them. And as soon as they left the shop, they would tell my customers and my sales people what a rip off artist I was. It was very disheartening, not everyone is going to take the medicine. Not everyone in your marketplace is going to learn. And I have made it a personal value that I only offer advice when asked or when I have permission. May I give you some advice or are you asking for advice? Because if they're not asking, I don't bother anymore. There are lots of people who want my help and you included if you're on the call today, do not expect other people outside your hula hoop to change. Your competition isn't going to change.

Ellen Rohr: 01:10:00 It would be great if they did, all boats rise, all that stuff, but you cannot wait for them. You have to do what's right for you and your team and your family and your community that is within your hula hoop. But the whole marketplace changing is outside your hula hoop. Who did that just land with? I want to get a little feedback on that. Have you experienced that? Have you had something like that? Yeah, so that's why we're here. That's why this community, this is a safe place. Kathy, you and I have been friends forever, I no longer care what the other diets do. I love them, but I can't change them, so I'm going to work on me. I'm going to be that shining light. I'm going to magnetize like-minded people who want to charge a premium price because they know that the goods and services that they offer are worth it.

Ellen Rohr: Financial Blast #3

Ellen Rohr:	01:11:00	That's the community I want to hang out in, I'm not being a snob, I'm going to love other people. I just can't control them and someone else quoted Frank here, "You can raise your prices as often as you raise your self esteem." And you have to raise your guys' self esteem, your team's self esteem or try to, you can't change them, but you can tell from your story. You can remind them how valuable their work is. You can compliment them on a job well done. You can share stories of other contractors you have had some success. You can invite him to the Inner Circle event and have them hang out with like-minded people. You can invite them to another shop and see where they are. Pretty cool. Yay. Self-image. Absolutely. Greg, you know this. Yours is a dirty job, man. Those guys are going to get out there and they're going to be dirty and it's so easy to let them give up on getting their hands clean, keeping the truck clean, but not you.
Ellen Rohr:	01:11:58	You're going to maintain those standards and that is another way that you can improve the reputation of your team and your company. "I charge as much as I value myself." It's so beautiful, "Captain of my own ship." Oh, you guys are inspiring me today. Okay, what else? Any other questions before we wrap up today on the information? You've got your homework, right? You're going to study up. Let me get back to the homework page so that you remember, this is the homework assignments, now. Meet that weekly financial meeting, right now you're just reporting in on what you're learning at this class. What the show and tell is on your audit. You're moving in the direction of a known financial position.
Ellen Rohr:	01:12:51	All right. And then extra credit this week could be a dig into how much should I charge? This is all good stuff. You guys are on such a great path. I'm going to let you go. I will see you here next week. Love, love, love to you, a reminder to those in my pod on Thursday. Is that your guest hostess is [Aleaky 01:13:16] this week. So you will be attending Aleaky's pod this Thursday because Howard and I are heading to California to work on the part I'm going to be flying that day, so I will miss you on Thursday for my pod. You'll be in Aleaky's class. I will see this crew next Tuesday. Right here. Bye everybody.