Ellen Rohr:	00:00:00	Okay, let's get started. It's 9:00. Howard will not be introducing today. Victoria, I do want to remind team members that we have a special offer in this lifetime membership. I was pretty excited to hear about this.
Victoria:	00:00:15	Yeah, actually, Santi will be on at the end of the training and give a lot of info on that.
Ellen Rohr:	00:00:21	Okay, excellent. So, let's get go, go, going. Now, let me open up my slides and share my screen. Let's see how we're doing and I will present. Third presentation, kaboom. All right, can you see that?
Victoria:	00:00:46	Yes.
Ellen Rohr:	00:00:47	Yay, okay. Victoria, thanks for being around. I think I'm in good shape from this point on. Welcome everyone to the Phenomenal Financial Blast. You can tell I'm someone who likes to have a little love and support in my life. Thank you, Victoria and Sherri and Brenda for jumping in to make sure that I had what I need to get started today. I can't believe we're on webinar number five.
Ellen Rohr:	00:01:13	And the hour is going to fly by. I will spend the next hour sharing from, as I say, my experience, strength and hope. And my intention is to be of service to you. This class is designed to help you operate with financial power, to understand where the money is, where it goes and how to make a lot more of it. One of my latest favorite books is Traction. And I know another program that we have starting up this weekend is the EOS program with Glenn Smith.
Ellen Rohr:	00:01:45	Traction is a terrific book and a rock-solid North Star reminder that it's not just about imagining what you really, really want. That's the most important thing. To make it so, we have to take aligned action and the books is really inspiring me in terms of holding yourself and your team members to the discipline and accountability that's required to make your dreams come true.
Ellen Rohr:	00:02:13	One thing that made my course work by reading the book, it validated the work we're doing together, how validated I got by presenting this work for us to do together to learn the score-keeping, right? So, if you keep score, that's how you break out from the emotionality. Is that even a word? The emotions of business and family and all of that to the data and to benchmarks that help you move in the direction of your dreams.

Ellen Rohr:	00:02:49	As Howard Partridge says, "Your business exists for one reason only and that's to help you make your dreams come true." As we work together, I love the analogy of the hula hoop. What is within your hula hoop that you can do to make this information come alive? As the owner, you can't make anybody do anything. You can't make one change. There is plenty of work for you to do within your hula hoop to embrace the disciplines and procedures required to make your dreams come true.
Ellen Rohr:	00:03:28	And then, you'll magnetize people who see that vision and see that you're a person of aligned action and want to play that game with you. If you're not the boss, you can't change your boss. Within your own hula hoop, you can learn this information. This information will help you personally. At some point, you might want to start your own business. You get to, if you want to.
Ellen Rohr:	00:03:49	And by your embracing these disciplines and these systems, you may be able to magnetize your boss, the owners, to this approach, to this way of financial stewardship that's going to help you make your dreams come true. Hello, is that Alika here too? Hi, honey.
Alika:	00:04:13	Hi, Ellen.
Ellen Rohr:	00:04:16	What? The noisy girls are on the call today. Yeah, baby. So, here's a little review of what we've done so far. These videos and the information is recorded and stored on the admin page. I'll get to that in just a minute. A reminder, the overview, getting to a nonfinancial position, discussing budgeting and goals. For last week, we talked about the financial quick check.
Ellen Rohr:	00:04:46	That's what really keyed me into the book Traction and EOS is that financial quick check is an overall company scorecard. It's the pulse. It gives you the statistics, the main numbers of your company. I've shared with you a good format. It's customizable, so you can also add a statistic or two that you're tracking, as well. There's room. Just keep it to one page. We're going to dig into some Q&A about the FQC when I check on your homework.
Ellen Rohr:	00:05:16	And today, we're going to talk about raising prices and lowering your fear about doing that. You'll see that the natural progression as you get to a known financial position and you look at the numbers, and you think, "I want more. I want better." Then, you put a budget together, which is setting goals and giving you something to shoot for. If you're at 500,000 in sales, what would it take to get to 600 or 750?

Ellen Rohr:	00:05:40	That's what budgeting's all about, to deuce you up, move you in the direction of what you'd rather have. And then, the financial quick check is this measuring of where we are compared to where we want to be on a weekly basis. And if you go through this process, 99% of the time, you're going to be looking at a price increase. One of the best ways to make your dreams come true, to fix your financial challenges, to get yourself out of debt is to have your customers pay for it all, right?
Ellen Rohr:	00:06:11	That's the only way. They're the ones, how delicious. That's why we love them. Then, next week, we'll be talking about sweet spot jobs, getting the team in on the game, and then we'll be circling back to those few disciplines that I do on a daily, weekly, monthly, yearly basis to make sure I'm operating with financial power. So, I'll be sharing some lessons from the greatest financial managers that I know and work with.
Ellen Rohr:	00:06:37	So, let's look at your homework today. The weekly financial meeting, I asked you week one to put that on the calendar. Let's hear some feedback on the chat. Go ahead and let me know how you're doing with homework, what you're stuck on without whining. Go ahead and jot down something you might be stuck on and brag yourself. What have you done that you're proud of? I asked you to dig into the replay page, the phenomenal financial checklist.
Ellen Rohr:	00:07:02	You might even copy and paste those to-dos onto a Trello board, or a Sauna, or one of the list-building tools or even in your Ziglar planner but to make sure you're adopting these tools and making them your own, to connect with your bean team and do an audit on your financials. Now, that includes the month-end checklist. I'll also be peeking at the year-end checklist with you today, dig into your budget, and then add the FQC to your meeting.
Ellen Rohr:	00:07:31	Now, you'll notice the picture I put up today, as I was thinking about what I wanted to share with you, is of my vision board. And I have my businesses here in the corner, because they're going to allow me to do everything. This is the Phenomenal products team and the Inner Circle represented by this card. And then, all these things that I want, they're just arbitrary. They're just things.
Ellen Rohr:	00:07:58	They're just stuff, just for the pure game of it and for what it allows me to do. Over here, these are letters from the guys that I work with at Joseph Harp Correctional and CCA Davis. Here are guys who are bound by a lot of restrictions to their freedom and

I'm looking for ways to find their businesses through what they can do given their situation. This inspires me and this is why I want to keep score.

Ellen Rohr:	00:08:26	Money buys options. Money gets to fuel all the things I want to be and do and have in my life. Let's see what we've got for some chats. Okay, look at you. Kathy, over the financials with the team, "Lots of questions, which is good. Even caught me by surprise with a few of their good questions." I love that. And your son wants to be a business owner. Think how much time, money and energy you're saving your son and making for your son by introducing him to these systems.
Ellen Rohr:	00:08:57	So proud of you. "Keeping the weekly bean team going, yes. Meeting with the CPA Thursday, playing the budget, playing with the budget." Yes, playing. "And that's been eyeopening, raising prices, raised prices." Matthew, with all sorts of exclamation points, "Excellent. Meeting we set up today with our CPA, financial meeting scheduled on the calendar." Great, working on the budget.
Ellen Rohr:	00:09:20	Oh man, you're making my heart sing, guys. This is awesome. Thank you. All right. I've got a couple bonus finals. Thank you, Victoria, for adding them to the mix. So, I'll show you those. Some of them came up in our call last week. I also have a year-end checklist that I asked Victoria to upload for us. I don't know if you've had a chance to do that yet, Victoria, but let me share what we do have.
Ellen Rohr:	00:09:48	So, I'm going to go to this page. This is the Inner Circle membership page and the Phenomenal administrative systems, as a reminder. Victoria, thank you so much for replacing these course lessons with the latest and greatest version, this version, this time around. Now, there are still more classes to be had. The last class is still up there, download it. We will probably do an office hours in January, just reminding you.
Ellen Rohr:	00:10:20	The financial checklist, this is what I was referencing earlier. These are the overall to-dos for this program. I'm going to open it up just so you see it, in case you haven't and as a reminder that this is a nice, tidy checklist that will help you through this overall process. These webinars are designed to unpack some of the to-dos that I've listed on this checklist. This is worth millions of dollars to you, if you were to just embrace it.
Ellen Rohr:	00:10:56	So excited about being part of this program. So, that's available to you and I have a couple more files. That financial

troubleshooting tips is a new one and the bean team definitions and bean team counter. Oh, Victoria, this is the one to make, rookie bean team, bean team rookie. I'm going to show you this article. I could've given you a little more direction, Victoria, as to what that, the name of that, is.

Ellen Rohr: 00:11:27 But I wrote an article about when I was in the position of being a rookie bean counter, so my rookie year when I went to work with my husband and the challenges that I had. Some of you have heard my story. I did want to document for you the process, what made me turnaround and just do it and quit whining, get to the work of it. Then, putting the audit in place. This is part of my journey, and then I updated the chart of accounts.

Ellen Rohr: 00:12:01 I started using a payroll service. And then, we kicked in the financial quick check is really the... That's where this story really takes off and this article ends but it's, I think, a useful description of this process. So, I asked Victoria to add this. This is also for those of you who are wondering, "Wow, I'm going to need an account and I'm going to need a bookkeeper. I'm going to need a controller. How do I afford all these people? What do they do?"

Ellen Rohr: 00:12:32 This article, nice story, true story. Names have been changed. You might recognize yourself in it. And then, this is the financial team and they're all super part-time positions. So, it describes for you what each person in these roles would do, and then note that one option is to have a bookkeeper who is a controller and an account who helps with financial planning. Another option is a bookkeeper and an account who's the controller and a financial planner.

Ellen Rohr: 00:13:06 Another option is a bookkeeper, you as the controller, an account and a financial planner. And all of these positions are super part-time. And the accountant and the financial planner are not going to be team members. They're going to be outsourced professionals that you use on an occasional basis. This came up during Q&A last time, so I thought I would add this for a little additional edumacation as Homer Simpson says.

Ellen Rohr: 00:13:37 Comments, questions, make sense to you? Keep active on the chat here, so I can get some feedback from you. Daily terms, okay, contributing. What if the bookkeeper is more? The bookkeeper can be on the team, but here's the thing, just a little bunny trail. This is why we're alive. It doesn't take that long to do the day-to-day bookkeeping. And if your bookkeeper is

		taking eight hours a day to do bookkeeping for, say, a three truck outfit, spend some time with the bookkeeper, sit side by side.
Ellen Rohr:	00:14:18	What are they doing all day? Are they also answering the phone? Are they working on special projects? Do they know how to use the software? Are there things that the techs aren't doing that's causing the bookkeeper to have to do a lot of additional work? Do a side by side to determine what rocks are in the road from the bookkeeper just entering the data? The bookkeeper may wear additional hats, but these are the bookkeeping tasks and they shouldn't take forever to do them.
Ellen Rohr:	00:14:46	Entering customer invoices, making the payment, making the deposit, entering bills, paying bills, entering credit card charges, paying the credit card statement, payroll. That's it. That's 95% of all the bookkeeping that needs to be done to get your books up to speed. If you use a payroll service, you just have to do the journal entry. You have to submit time for the payroll service.
Ellen Rohr:	00:15:16	This is not a ton of time. So, work together in a soup of no judgment, no blame, only love to figure out what you could do as the owner of the company to smooth things out. And if you are the overworked bookkeeper who doesn't have time to do everything, insist that the owner sit with you and go through your processes. What could you cut out? What is no one looking at? What are they asking you to do that is just a waste of time?
Ellen Rohr:	00:15:47	Sit together and see if you can't streamline these systems using the information that you're learning from our time together. Comments, questions, concerns, make sense? Let's go back to our slides. Now, I always like to share a story and I got one for you. I referenced this story in previous classes, because it's really good and it's really typical, but I just so happened to save the clipping of it.
Ellen Rohr:	00:16:22	In this article, the business was a dairy. And you can just see. I caught you up in the middle of the story here, oops. I caught you up in the middle of the story here, but what happened is that this guy ends up... this dairy, it's a co-op. And there's a fellow who's responsible, the president of this co-op dairy in a small town. And it turned out that the bookkeeper ripped out $250,000.
Ellen Rohr:	00:16:53	And this article goes on to explain, I guess, how it happened. And in the article, the journalist is trying to say, "Well, this guy never noticed and he's out busy working." And the whole time

		I'm reading this article, I'm thinking, "Where were you? What? How did you not know?", but look at this. He didn't have access to the center's books. He had to take her, the nefarious bookkeepers, at her word when she said the research farm was losing money.
Ellen Rohr:	00:17:25	"We didn't have access to that information. There was nobody for us to argue with. In retrospect, now that everything is come out even though I didn't see the numbers," what? "It was obvious that we weren't losing money. It was something else." This went on for years. This happens a lot. If you're not paying attention, the people who do have access to the money and you've asked to take care of the books are either going to do a really great job for you or might run into hard times.
Ellen Rohr:	00:18:05	Good people do dumb things when their back is up against the wall. Now, I don't know what Raftman's story is, but I know a lot of stories where this bookkeeper's husband got into gambling or she has an addiction problem, or shopping addiction. Or their son is in trouble and if you're not looking, good people take money thinking they're going to pay it back, thinking they're going to do the right thing.
Ellen Rohr:	00:18:33	And then, it snowballs on them. You do not have to type this in the chat, but if you are recognizing this story from either happening to you or someone you know, let it land there. When the why is clear enough, when the why is compelling enough, the hows will fall into place. Today, I wanted to remind you of a very strong and powerful why you want to be a good financial steward.
Ellen Rohr:	00:19:05	As the owner, you want to know. It's your money. It's your responsibility. It's your stewardship and as the bookkeeper, you don't want to be at risk. You want the owner to be involved so that you're protected, so that no one can turn to you and go, "What happened? You had these checks and balances." These systems are designed to increase the financial power of the bean team, of anyone who is connected with the financials at your company.
Ellen Rohr:	00:19:36	Transparency helps, systems help. You don't have to share every number. You do need access to absolutely everything if you're the owner and if you're the bookkeeper, you want that kind of attention to make sure that you are operating in a safe environment. Any thoughts, comments, questions about that as I wrap up this slide? Make sense? Okay, excellent. And you wear

		more than one hat, you're going to find out how much time and energy you need to keep these books up to date.
Ellen Rohr:	00:20:10	And don't do what isn't necessary to operate in the financial position. Thank you, Sherri. I am just here to help you and not only important to protect yourself, but as Sherri says, "And every member of your team." You don't want to put them in a situation where they could be pulled into the small room and questioned. Just make it transparent so you know where the money is, where it goes and that you all are protected.
Ellen Rohr:	00:20:38	Thank you. All right, let's revisit the financial quick check and I'd like a little interaction from you, dear Phenomenal Financial Blaster. The financial quick check, I dove into it last week, the idea of this one-page report where we let the first column build up with where we are month to date and as the days move on in the month, it gets more exciting. Are we going to make money this month?
Ellen Rohr:	00:21:07	What do we have to do? Play offense, sales, play defense, control expenses. How do we look incredible every month? And then, compared to budget, what are our goals? How far from budget are we? If you came down to $100 short, if it is say December 30th and your $100 short of the best year you've ever had, how many of you would buy something yourselves to put you over the finish line and beat goal?
Ellen Rohr:	00:21:38	If you're competitive, man, the financial quick check is everything. It's fun to make money. It's fun to reach your goals. So, any comments, questions, concerns, feedback on the financial quick check just to give me a little bit of fodder here for our call today? I can hear you thinking. I can hear you typing. Look what Glenn says. Glenn, yes, you're such a smart guy. "Should all leaders be included in the financial meetings?"
Ellen Rohr:	00:22:12	I say yes and the reason why that financial quick check is such a great tool is you could share that without sharing every detail, but you're still sharing real scorecard information. Sales, costs of goods sold, dollars and percentages, overhead, one lump sum, dollars and percentages. So, good, are we profitable? Do we have cash? Should the leaders be included? My vote is yes, because you're the people who are making the decisions about sales, about labor, about materials, about subs that are causing those numbers.
Ellen Rohr:	00:22:52	So, why not let your team in on the game? Why not let them keep score? Woo-hoo, hey, I have a story about your frontline

		people that you're going to like. Daila, "I'm working with my bookkeeper to get the balance sheet correct." Excellent, there's good tools for you on the resource page. Do check out that troubleshooting form and bring specific questions to the call. That last half hour of our call is available to you and sticky questions, too.
Ellen Rohr:	00:23:23	All right, let's move on. Continue to add questions or comments to the chat board as they come up. Again, this is just a sample, a different structure on the chart of accounts. We did it for the 7-7-7 and 7-8-7 group once upon a time. We created this format, month to date, aimed to make money to be profitable, compare dollars and percentages, see some patterns. You might just start this a month at a time before you even fill in the year to date.
Ellen Rohr:	00:23:53	Or in this case, this version was compared to last year. Generally, I make this one where we should be according to our budget by this month of the year. Some people like to compare to last year. I am fine. It doesn't even matter. Whatever you do to facilitate a weekly meeting looking at the real numbers in big rock fashion like this and ensuring that these numbers are rocking right. No bad thing comes of it, so excited.
Ellen Rohr:	00:24:27	All right, let's see what David says. "Played with it last week. It does not line up well with our PnL due to classing. We use at a franchise, so I'm going to have to do some flexing." David, yes, you're going to have to customize this column B to foot, oh sorry, I clicked, to foot to your chart of accounts to work with your chart of accounts. Now, you can accommodate the classes.
Ellen Rohr:	00:24:53	At Zoom, we use classes, but we still stack the financial quick check this way. And then, the formulas are literally created to support the classes. If that makes sense, great. If not, let's dig into it a little bit more at the top of the hour but, yeah, that's what you have to do, David, very good. All right. Now, this week's topic is raising prices. In my 30+ years of experience, personally becoming a good financial steward as well as helping hundreds, maybe thousands, of others at this point in my career.
Ellen Rohr:	00:25:35	There's really no better way to fix the problem, the financial problems at your business, than a price increase. I call it the shortest distance between two points. If you are struggling financially and you don't want to struggle, you want to have more than enough cash. You want to sock money away every paycheck, every month, into savings. You want to create retirement for you and your team.

Ellen Rohr:	00:26:01	If you're struggling and you don't want to struggle, the shortest distance between those two points is going to be a selling price increase, a selling price increase. You can also improve your operations. You can also improve sales and marketing. You're going to have to, to sell at higher prices. From a financial standpoint, nothing is as powerful as a selling price increase and literally no marketing and no operational excellence will make up for the fact that you're charging too little.
Ellen Rohr:	00:26:40	If you're charging less than it costs every day, every hour, there's no way to make that right. Chances are very, very good there isn't enough fat in your expenses to account for that. That's why I love addressing this topic and I am so supportive of a selling price increase. Part of your homework was to read, or reread, this book How Much Should I Charge?, which takes you on a little journey of putting a budget together, coming up with a selling price, how my mentor taught me, Frank Blau, taught me this particular method.
Ellen Rohr:	00:27:21	It's not unique. It's just a way to discover what your prices could be based on a certain amount of variables, the variables you put in your budget. I also know that if you don't want to read the book and you don't want to go through that, if you just doubled your selling prices, it would help. Some of my clients just have. "Ellen, what should I do?" "You should read the book. You should raise your prices."
Ellen Rohr:	00:27:50	I don't have time for that. What if you just doubled your prices? What if you tripled them? How would that work out for you? And they do and it does, just saying. All right. So, this is what Frank taught me. He said, "Confront the numbers." That's his terminology. Get to a known financial position. Then, divide your costs, so your costs are going to be your expenses. Another word for expenses is costs.
Ellen Rohr:	00:28:14	Divide your expenses by the number of widgets you sell. Now, for a service company, it's going to be billable hours. And unless you have different data, you might take 1,000 billable hours per service provider. If you're in the home services business, this number is fairly sound. So, if I have 2,000 hours a year, that's 50 weeks times 40 hours a week. If that's my inventory of time per service provider, about half of that time could be considered billable and the rest of the time is driving around, learning, training, going to seminars, getting locked out, somebody not home, blah blah blah.

Ellen Rohr:	00:28:57	But for a one-shop operator, it maybe even high to assume that 50% of your time is billable. Let's say you use 1,000 hours for starters, and then charge more than that. So, divide your cost by the number of widgets you sell and charge more than that. Maybe your widgets are days, hours. Maybe your widgets are tee-shirts. If it's tee-shirts, I've got another budget on the Phenomenal administrative page and it's a product budget.
Ellen Rohr:	00:29:29	Play with the product budget. Have some fun with this, explore. Charge more than it costs. If you are operating in a known financial position, if you have put a budget together, if you're engaging the financial quick check and you're losing money. If the overall score on your profit and loss is a negative number on the bottom, increasing your prices could fix that. Another thing my mentor told me is that you can raise your prices as often as you raise your self-esteem.
Ellen Rohr:	00:30:06	I once had a service tech quit, because he said, "I know you're trying to do the right thing here. I just don't believe I'm worth $275 an hour." That's what he told me as he walked out the door. Isn't that painful? Now, this is a guy who keeps good water from bad water. He's a plumber, does more to support survivability on this planet than virtually anyone except for maybe a spiritual leader.
Ellen Rohr:	00:30:35	I mean, who does more than the plumber to keep us alive on the planet? And this guy said, "I don't think I'm worth it." As you raise your prices, the self-esteem is probably the biggest issue you're going to have. "I don't know if we're worth that. I don't know if I can look my customer in the eye and charge these prices." Another thing that will happen is that, because the work that you do comes easy to you, you can't imagine that someone would pay you your prices to do it.
Ellen Rohr:	00:31:12	Some people will, people who don't want to do it, people who value time more than money, people who have a higher self-esteem and would rather go and work and make money to have other people wait on them, provide services for them. So, self-esteem is going to be one of the challenges you have when it comes to your selling price strategy. Comments, questions, before I go any further? How is that landing with you?
Ellen Rohr:	00:31:39	What are you guys hearing here? What do you want to share? Okay, excellent question. Okay, David says this, "So, my techs are making 25 to $30 an hour. And they're not getting the 276 difference between 25 to 30 and 276. Is that profit that goes into David's pocket?" Let me unpack that for a minute, David.

		And we, at Zoom Drain, we do exercise and there are several ways to do this.
Ellen Rohr:	00:32:22	But essentially what we do is we show them the breakdown of the operating expenses. I've seen people do it this way. They show them a PnL, say a PnL for the year. Show them the whole thing. And they say if you're going to charge $276 an hour, I want you to understand how I came up with it. You can describe the budgeting process and you can show them a PnL, and you can just show them those expenses.
Ellen Rohr:	00:32:48	You can show them the whole thing or you could share some of the numbers. So, for instance, a portion of every dollar goes to insurance. We did a million dollars in sales last year. How much do you think we spent in insurance? Any of you guys engaged? Maybe they'll say $3,000, $10,000. And then, you lay it on them that you spent $176,875 on just insurance last year. How much do you think we paid in payroll taxes?
Ellen Rohr:	00:33:21	Generally, it comes out to be about 10% at total labor is our payroll taxes and you share some of these numbers with them. And then, how much do we spend on money, the marketing. I spend 10% on marketing and you know what? Most of that marketing is wasted, because I'm not sure what's going to work. It is painful to do marketing. However, I've got to market. I've got to spend some dollars and the customer has to pay for that too, even as I make mistakes and even as I learn things.
Ellen Rohr:	00:33:48	How much do we pay for tools and fuel? You're going to introduce them to those other expenses, David, and you're going to do it a few times, all right? That's going to be an ongoing process and you're definitely going to want to go through a selling price breakdown with every new hire. Does that get you started? Are you with me on that, David? Is that making sense? Okay, "My challenge Mr. Z was trying to solve.," yeah.
Ellen Rohr:	00:34:24	Sherri's talking about self-worth and Mr. Ziegler was all about that, wasn't he? Oh, for sure. "Self-esteem is huge. I'm worthy, every area of the business," okay. "I battle self-esteem. Are we worth it?" Yes. You know what's interesting though? Kids who don't know. If you're going to grow your business, invite people who've never done this work before, build the manuals.
Ellen Rohr:	00:34:50	You've been learning from Al Levy. You're learning from EOS and Glenn Smith. And Howard has all these systems in place that you can access. If you commit to teaching never-evers how

		to do jobs at your industry, they won't know that the prices are hard. The kids who've never done this before who come to work with this are so excited to have a price book, because the price is right there.
Ellen Rohr:	00:35:16	They don't have to make anything up. It's right there and they just do it. This is a process and most of the hesitation, most of the self-esteem issues are really going to be going on at the top with the managers, with the owners. And Kathy, thank you for your vulnerability here sharing. Chelle, I get it. Speak of what you want, not of what you don't want and don't poison people on your team by telling them how hard it is, by telling them how high our prices are.
Ellen Rohr:	00:35:48	This is good. This is good interaction. I saw a question here about the billable hour. Who wanted to know more about that? Summarize the billable hours explanation now or later. So, Peter, basically, let me give you this example. I don't know if I have it already. Hang on, Peter. Don't let me forget to dig into a more elaborate explanation of the billable hour. Let me keep clicking away with the slides that I've got to communicate the overall information today.
Ellen Rohr:	00:36:20	And then, we're going to tackle your question. So, breaking it down, what do you think we spend money on? By the way, I once saw an owner take a dollar bill and slice off pieces of the dollars and percentages as to what he spent, 10% on marketing, 35% on the people who work here, and then another 10% of that dollar amount for the payroll taxes. These big chunks came out of it.
Ellen Rohr:	00:36:48	We tell our team members at Zoom Drain, "We're going to teach you how to be a good business owner just in case you want to start your own business someday." Our job is to make such a compelling great gain here that you don't want to go elsewhere. But if you do, you have the right to and we want you to be a good competitor, so here's what owners know. We tell them that. Why not? They can know.
Ellen Rohr:	00:37:11	All right. So, you're going to break down what issues you and your team have to figure out and we're going to also look at what our customer wants that would cause them to say yes, even if you're higher priced than your competitors. So, if you're going to raise your prices, you prove it to yourself and your team by doing the math. And then, you look at what does your customer really want and you only know this by talking to them,

by determining using the words that they say, what their disk map might look like.

Ellen Rohr:	00:37:44	Some of your customers are going to be interested in saving money. And in the long haul, are your higher prices now worthwhile as a good investment, maybe? Some of them are going to want to save the Earth. They're going to want to know that you use nontoxic chemicals. They want to feel better about repairing something versus replacing something. I don't know. Many of them are going to want to save time.
Ellen Rohr:	00:38:08	Many of them are going to want to be comfortable. Many of them are going to want you to make it easier for them. Whatever it is that you do, how can you do it so that they don't have to? And so many of your customers are willing to spend more, if they find my guy or gal to be my service provider. These are all reasons to invest with you at higher prices and not all of your customers are going to have the same reasons.
Ellen Rohr:	00:38:37	This is what marketing is all about, identifying your target market, surveying your customers, talking to your frontline people and coming up with reasons to believe in your company even at higher prices. Jerry Perry, I think you are the master of this, by the way. You get this as well as anybody I've ever met. Okay, one of the other tools that I've got in my toolbox now is a pricing worksheet.
Ellen Rohr:	00:39:04	So, I'm going to escape and I'm going back here, and I want to show you this worksheet. There's a product budget for those of you who sell products, not billable hours, FYI. And where is my pricing sheet? Here it is. Okay. So, one of the tools on the Phenomenal systems training administrative page, one of the resources, is this customizable spreadsheet called a pricing form.
Ellen Rohr:	00:39:45	Let me pull it over, so you all can see it. Okay, now I'll show you the overall look of it. And then, I'll make it bigger, but this is it. And for those of you who are in the trades doing home services, this is a great tool. If you're not, just let this information wash over you but know that there is a way to create a tool that you could use for your business that will help you price jobs.
Ellen Rohr:	00:40:16	Now, I subscribe to what's called flat rate pricing, upfront pricing, menu pricing, which is in other words giving your customer a price before you do the work. You're then bound to that price as the service provider. Your customer knows how much it's going to cost, so they can start breathing a little easier

and so can your service technician. Inside every flat rate price is a time and material calculation based on the number of hours we think it's going to take, the materials we might need, the subcontractors we might use.

Ellen Rohr: 00:40:51 This is a really handy-dandy form and, Kathy, it was funny. I was just talking to you earlier today that you still use this form. I've been using this form for decades. It's just a basically time and materials form. Now, at Zoom Drain, we've customized this form to preload with some materials and prices that we know they're going to use on the install jobs and make it really easy for our system engineers, our sales people, to sell bigger jobs.

Ellen Rohr: 00:41:24 This is a generic one. You plug in what you think you're going to spend in materials, how many hours you think it's going to take, permits, subs, and then it will do the math for you based on your selling price. So, suppose you charge $275 an hour given this much material, this much labor, what we have for permits and subs, what you want to mark everything up on. If you want to put some bonuses in for your team, you can and it'll come up with a selling price for you, how about that?

Ellen Rohr: 00:41:55 All right, so this is a fun form that I have made available to you. We can dig into it a little more at the top of the hour. What I'd like is for you to play with it and bring some questions to the party too on an upcoming call. So, the pricing worksheet is a way that once you determine you've got to charge more, based on the budget, that budget I gave you helps you crunch the numbers.

Ellen Rohr: 00:42:20 Oh, Peter, note this. I'm going to go back to my spreadsheet, note this. On the budget form, I do have a simple calculator for coming up with how much you would need to charge per hour. This one includes materials on average to come up with your selling price. Now, if you do take the time to study this form and practice with it, give me a holler and I'm happy to sit, set up a half an hour with you to go through this, your selling prices.

Ellen Rohr: 00:43:04 But this key numbers page is based on that philosophy of adding up all of your costs of doing business, and then dividing by the possible number of hours that you would have. If you start with 2,000, you're 40% efficient. Let's say you're 50% efficient and you have 1,000 billable hours per guy, and you have four guys. And you divide that number into your cost. This will give you a basic idea of how much you would need to charge per person per hour for your service technicians. Make sense?

Ellen Rohr:	00:43:37	I got a heads up. And look at Kathy's, going back to this form, to the pricing form. I got it right here. Kathy's given this form a little shout-out. I'm happy to share some of these tools with you. Make them your own. It's not Moses and the tablets here. These are just inspiration. Your business is going to be different. Feel free to customize them and I'm happy to check your homework, what you do to use some of these forms to make it easier for you and your team to bring these principles to life.
Ellen Rohr:	00:44:12	Thank you. Thanks for the shout-out. Okay. Someone said, "Another service company say we are overpricing." Greg, that's going to come down to improving your marketing and sales skills. The price is always too high until the value has been established, which leads us to the next slide. So, Greg just asked, "What do you do when you get price objections?" Well, here's what you don't do.
Ellen Rohr:	00:44:43	You don't lower your prices. If someone says, "Wow, man, that's really high." You give them your prices. You go through a nice sales process. You ask good questions and listen. You present prices and options. And then, they say, "Wow, that's really high." If at that point, you say, "Well, let me take 10% off," you look like a crook. "Wait a minute, were you just holding out on me? How come it was 10% higher just two seconds ago until I squawked?
Ellen Rohr:	00:45:13	If I keep squawking, does the price go down?" Trust exits the building, and now you're left sweeping up. You might lose the sale, but I don't like lowering the price. What I would do is talk to my team about how we could present our prices and our options in ways that make it more difficult to compare them with the other guys, hence apples and oranges. So, here's one technique for overcoming price objections.
Ellen Rohr:	00:45:50	Yes, you need the self-esteem and you're going to build that daily. Listen to Mr. Ziegler. Hang out with cool people like the loving, supportive group of the Inner Circle. Come to the seminars. Read good books. Don't talk about what you don't want. Spend time with people who are selling at high prices. You're going to work on your self-esteem. You're going to prove out the numbers.
Ellen Rohr:	00:46:11	You're going to prove why I got to raise my prices. I'm losing money. That's what I had to do. I couldn't deny the facts. Another technique now to get the prices that you're going to need to charge, if you've raised your prices, is to change the way you present your prices so they're not so easily compared

		to your competitors. If everybody's selling oranges and your customers are thinking, "Well, an orange is an orange is an orange."
Ellen Rohr:	00:46:40	That's called commodity selling. So, you sell oranges and the next question is, well, how much do you charge for your oranges? And if I don't have any reason to believe that your oranges are different from somebody else's, I'm going to as the consumer, as the customer, I'm going to go for the cheapest oranges. However, if those oranges are different, if those oranges aren't easily compared to something else, if the oranges are apples or even if the oranges are organic, or they're here now and you don't have to wait for them.
Ellen Rohr:	00:47:13	Or they're particularly sweet, because we grow them in this awesome soil that we've nurtured for the last 10 years. Whatever you can do to demonstrate what makes your services different and better is going to help you sell at higher prices. So, I call this conversation apples to oranges. Could you figure out a way to sell your services so that you don't look anything like your competitors?
Ellen Rohr:	00:47:41	Now, in my business once upon a time, that's when we made the move to flat rate pricing when all of my competitors were charging time and material. I'm going back 30 years now. We were the only ones in our market area that charged flat rate instead of time and material. And why did we do that? Well, our customers wanted to know how much it was going to cost before we did the job.
Ellen Rohr:	00:48:05	It was customer-centric. It also allowed me to get out of this conversation of, "How much do you charge per hour?" So, if my customers are charging $35 an hour and I'm charging $150 an hour, I don't want to have an oranges to oranges conversation. I want to say, "That's the great news. We don't charge by the hour. You're not penalized if we run into challenges or take too long. We'll give you a firm price before we start the work and you can say yes or no to the repair. Does that sound good, Mrs. Fernwicky?"
Ellen Rohr:	00:48:38	That's one way to compare apples and oranges is to change the way you price your jobs. Another way is to ask questions of your customer, going back a couple of slides here. Oops, going the wrong way. Going back to what do they want. Mrs. Fernwicky, we are not the least expensive service provider. In the long haul, here's what we can do that may make your investment a better value.

Ellen Rohr:	00:49:09	We're going to save you money over the lifetime of this blah, blah, blah. We are going to save the Earth," whatever you've learned from them. You're going to have a list of identifiable features and benefits that you can match to their desires so that they go, "They're expensive, but they're worth it. I would rather pay more, because they're worth it." All right? So, going back to apples and oranges, you're going to find ways to offer services that are different.
Ellen Rohr:	00:49:43	So, Glenn, specific, or Greg, specific to your question about, so if property managers squawk. What do property managers want? They want their building not to go down. They don't want to fire in your particular chimney services business. What do real estate agents want? They want deals closed. They don't want to wait around. You're going to get the deal closed. We can be there tomorrow. We're going to bill you and take your credit card.
Ellen Rohr:	00:50:11	You can recoup all of that at the closing and you can close fast. We help you get deals done. I can sell that, a real estate agent. You have to find ways to identify what they want and match what you have so that the price becomes irrelevant. So, don't think of the price getting smaller. Think of the value getting bigger and that's reason number 576 why I love being part of the Inner Circle, that you have training for all your marketing and all of your operations, and your sales development, and systems so that you can get to a yes even in spite of higher prices.
Ellen Rohr:	00:50:51	Comments, questions, concerns? So, how to triple your prices and double your customers. I think if you tripled your customers, or tripled your prices, you're not going to lose any customers. You might lose one or two pain-in-the-butt customers and it might be okay. Mostly, higher prices, this is how I operate. Higher prices gives the assumption that you're better. I like spending money on nice things.
Ellen Rohr:	00:51:22	As a consumer, I am suspect of low price providers. How many of you get that? If a car costs more, I expect that car to be better and I want the nice stuff. Who's with me? There are people like me out there, premium prices and premium service. So, how do you triple your prices and double your customers? You prove it, do the math. When the price is less than the value, you will make a sale at any price.
Ellen Rohr:	00:51:55	So, your job is for you and your team to identify what makes you different and better, the Starbucks factor. I love talking

about Starbucks. I like Starbucks. Starbucks is not arguably the best coffee. However, it's consistent. It's hip. It's cool. They play great music. It smells delicious, probably because they overroast their beans. In the airport when you walk by, it's sweet.

Ellen Rohr: 00:52:21 It'll give you a kick. It's all the things that you want in one convenient location and you can find it all over the world. When I was a coffee shop waitress, we used to sell a bottomless cup of coffee, meaning you could sit there all day with your cup of coffee and I would refill it as your coffee shop waitress for 39 cents. There was no way I would have believed that someone, me, has spent north of $7 for a cup of coffee, but I have. Have you?

Ellen Rohr: 00:52:54 This is a commodity that they have elevated by giving people... giving the people what they want. So, what makes you better? Now, I want a little audience participation right now. I want you to jot in the chat box something that makes you different and better from anybody else providing your goods and services. It doesn't have to be fancy. What makes you better? Clean. At Zoom, our mission, our unique selling proposition, MVP I think is the language we use at Inner Circle, is fast, focused and fixed. That's Zoom.

Ellen Rohr: 00:53:35 We're fast. We're going to beat anybody else to the job. We're focused. All we do is drains and sewers, and that's why we're the expert. And fixed, we get the job done. We're not going to abandon you. We're going to stick with it until it's fixed, until it's done. Fast, focused, fixed, that's our promise. That's our MVP. What makes you different and better? Let's see what you got.

Ellen Rohr: 00:53:56 I'm looking for some chat. Okay. Oh, Kathy, "So scared to raise prices, but followed Ellen's advice. It's been so worth it." Yes, yes, yes, completely love high quality, Nordstrom quality. I love Nordstrom, O-M-G, Sarah, yes. Unique, we are on time, neat, in the same uniforms, offer high-quality service. You guys have heard me say this before. We show up clean, sober, on time, dressed right and use a checklist.

Ellen Rohr: 00:54:27 You can charge five times more if you show up clean and sober, on time, dressed right, and use a checklist. Education, our team knows what they're doing, so good. Integrity, we do what we say we're going to do. We do show and tell. We say what we're going to do. We do it, and then we show you that we've done it. That is awesome. Clean, on time, guaranteed and a long warranty.

Ellen Rohr:	00:54:48	We're with you forever. Andrew, that's lovely. Good at what we do and good workers. We are committed to our team. Some of these, you might have to define. So, what does good mean? Clean, sober, on time? Do you see how behavioral I've gotten in my old age? Define what good means. At Zoom, our mission at the franchisor is to demonstrate the best the business can be. And we've defined best. It's profitable. It's honorable.
Ellen Rohr:	00:55:16	We operate in transparency and high integrity. We do what needs to be done. We do the right thing. We love on our people. We are struggling, not struggling. We are striving to be diverse and accepting and loving of people of all colors and stripes. What is it that you do better than anyone else? And your team is going to help you come up with this list. Best cleaning ever. So clear that if you find a spot, we give you 10% off your next service or something like that.
Ellen Rohr:	00:55:50	We make ID cards. Make it easy. We make it easy. We do this, this, and this so you don't have to. We're the only master sweeps in the state. We are the experts. We're the only ones who've achieved this level of expertise. Demonstrateable, this is Sherry. I love it. A service team that cares, C-A-R-E-S, all caps, cares. In an industry that could care less, that is so true. You have fun. You're with us for the long haul, so good.
Ellen Rohr:	00:56:22	Look at this, you guys. 17-point checklist and our team uses it to make sure we don't miss anything, and we don't leave a mess. Make sure we can make good on our promises. This is so good. And as you do this, how many of you just felt the energy of this? Did it make you stand up a little taller, chest up, chin up, feel a little prouder? This is the kind of conversation, oh, I'm going to cry, that you and your team have to help them with their self-esteem.
Ellen Rohr:	00:56:53	You're going to have team members whose dad told them he never is going to amount to anything or high school guidance counselor told them, "You're not going to go to college. You should just get a job in the trades," or something like that. I know I'm speaking specifically from my experience, strength and hope, but so many of us have just had the hope and the joy and the ambition beaten out of us.
Ellen Rohr:	00:57:17	And your opportunity is to make it better. All right. It is getting close to the top of the hour. I've got a couple of minutes and I have a little story to share. I want to let you know that you can politely say goodbye at the top of the hour, if that's all the time you've allotted. If you're up for it, I'm going to stay on and I'm

		going to be telling a little story as we rollover the top of the hour.
Ellen Rohr:	00:57:44	Oh, you know what? Let me give you your homework before I do that. Weekly financial meeting, replay page, these are reminders. I also asked Victoria to add a year-end statement, a year-end checklist, to the mix. We'll review it next week. FQC, you can add that to the meeting price increase. Look, Ray wrote it on his list. Isn't that funny? I love that picture. And then, what you'll find and especially inspired by our conversation today, you might have to add to your Phenomenal four, to your tops projects list, either on Trello or on your Ziglar planner.
Ellen Rohr:	00:58:26	You might have to add some marketing and sales projects to go through sales training to create our 10-point checklist, to nail down our MVP. Those may be some projects that you add to your list to make it easier to overcome the inevitable objections you're going to get when you're a premium-priced provider. Fair enough? So, I want you to make more money. Let me tell you this story.
Ellen Rohr:	00:58:58	This just happened to me yesterday and I really wanted to share this with you. Just again, now we're transitioning to the Q&A, to the little looser part of our session. So, goodbye if you have to go and if you want to stick around, I'm here. All right. So, thanks everyone, love, love, love. Oh, let me put the homework back up, okay. Michelle, let me put it back up for you in a second. And then, I'm going to tell you a story, but first I have a... oh, gosh. First-
Santi:	00:59:31	And, Ellen, before people leave-
Ellen Rohr:	00:59:35	Yes. Oh my gosh.
Santi:	00:59:35	... can I share something?
Ellen Rohr:	00:59:36	Oh my gosh. Oh, I'm in so much trouble, Santi.
Santi:	00:59:38	No worries at all. Hey-
Ellen Rohr:	00:59:39	I brought it up at the beginning, and then Victoria promised you'd be back and I forgot all about you.
Santi:	00:59:44	That's all right. No worries. You know what's funny?
Ellen Rohr:	00:59:48	Okay, don't go anywhere except for if you absolutely have to drop off. I'm in so much trouble.

Santi:	00:59:51	No, hey, look, this whole time-
Ellen Rohr:	00:59:54	[crosstalk 00:59:54].
Santi:	00:59:54	This whole time, I've been just thinking about how I'll never forget when we were sitting around the office. And we're looking at raising our prices, and then the guys were saying, "Oh, that's just more money for Howard. And then, we said, "Wait, hold up, hold up," and we put it on the board. And we said, "Let's take a look at the numbers. Does anybody know how much money it cost to turn on the lights every day, just that alone?"
Santi:	01:00:23	And then, we went through everything. Went through the numbers, and then we said, "It's 200 and something thousand at that time." Everybody was just like, "What? Are you kidding me? It's that much money?" And I said, "Okay, also second question, real quick. How many of you have ever not gotten paid?" Everybody's like, "What kind of question is that? That's the dumbest question."
Santi:	01:00:50	"Okay, cool. So, if there is no profit and everybody just gets paid more, and more and more, where does the money come from? Does it come from imaginary places or does it come from Howard's bank account?" And so, then the final point was this, "Shouldn't the owner that sometimes doesn't get paid, get paid more because of the responsibilities that they have?"
Ellen Rohr:	01:01:20	You're making me cry.
Santi:	01:01:22	You should've seen it. At that moment, it was like, okay, cool. I'm in. Now, here's one more thing and this is where it got cool. We said, "You know what? There's many companies that don't share any of the profit, that don't do bonuses, that don't do this, that and the other. You want to know what company that does?" And we raised the hand and everybody was like, "Yeah," and then from that point it was on. It was game on. It was-
Ellen Rohr:	01:01:45	Wow, that's goosebump good.
Santi:	01:01:48	It was awesome.
Ellen Rohr:	01:01:48	Goosebump good.
Santi:	01:01:49	Absolutely.

Ellen Rohr:	01:01:50	Thank you so much for sharing. Yeah, I just got the feels for that. They don't know better. It's our job to help them. They're just-
Santi:	01:01:58	Yes.
Ellen Rohr:	01:01:58	Yeah, they want to know. I think that's cool that they even asked. Now, tell us about the lifetime thing, and then we can keep going-
Santi:	01:02:03	Okay, yes.
Ellen Rohr:	01:02:04	... just in case people have to drop off.
Santi:	01:02:06	So, we've got 50 people on the line right now. And so, I just have a quick question to everybody that is out there. How many of you are enjoying Inner Circle and would not want to pay for it ever again in their lives? Just a question. How many guys would like to never have to pay ever again for Inner Circle for the rest of your life? That is something that interests you.
Santi:	01:02:35	I want to let you know that we have brought back an amazing offer. It takes forever to convince Howard every single time that we're going to do it. And so, it's open. So, if you type in yes, if you type in, "I am interested," or, " I want to know a little bit more." Then, we're going to reach out to you and we're going to go over all the details, but again if you love Inner Circle, if you love everything that's happening, you love how things are happening right now and you'd like to be a member for life and never again have to pay for it again just say, "I want to know. Yes, please." I like the exclamation marks. That gets me pumped up. I go whoo-whoo. Let's do it.
Ellen Rohr:	01:03:17	Yes, please.
Santi:	01:03:18	Yeah. So, okay, everybody that is typing it in right now that you're wanting details, info. Make more money. I like it. So, just put it all in there, and we'll go ahead and reach out, and we'll be connecting. And I know that as Ellen keeps on going, please use this time that every... Okay, I just got to say one last thing, Ellen. Every time you were sharing, I was like, "Yeah."
Santi:	01:03:46	I wanted to say something, because I was totally with you when you were talking about raising the value and that way, the pricing's low. I was like, "Absolutely, that's what it's all about." And if your team members can just get that all for themselves, they become just master salespeople.

Ellen Rohr:	01:04:08	You're so inspiring. And can I just add another wrinkle to... Who pays for everything, Santi? Who pays for absolutely everything?
Santi:	01:04:16	The customer.
Ellen Rohr:	01:04:17	The customer. So, if you've got a lifetime net of value, even as a small shop. Suppose, you have 5,000 billable hours a year. You would have to raise your price $2 for one year to pay for a lifetime of this value. And I don't know. I've spent hundreds of thousands of dollars on my education and will continue to do so, man. I'm a learner. When you look at the value and what it's actually going to cost your customers to have you involved in this community, it's quite small, just saying.
Santi:	01:04:55	Yes, I agree.
Ellen Rohr:	01:04:55	And this is-
Santi:	01:04:55	I agree.
Ellen Rohr:	01:04:56	If you raise your prices $2, you'll have it paid for next year and you'll have an extra $2 in your pocket. Why not raise it 10?
Santi:	01:05:05	That is awesome. That is awesome. By the way, thank you for saying you like the beard. I appreciate it.
Ellen Rohr:	01:05:11	I saw that.
Santi:	01:05:12	That's great.
Ellen Rohr:	01:05:17	It's November. It's Movember. Are you going to cut it now that it's not Movember?
Santi:	01:05:18	No, next year.
Ellen Rohr:	01:05:19	Next year.
Santi:	01:05:19	Always end of year, that's when the beard comes out. Yeah.
Ellen Rohr:	01:05:24	You look very handsome.
Santi:	01:05:26	Well, thank you, Ellen. I appreciate it. Just keep it coming.
Ellen Rohr:	01:05:29	I'm growing my hair out. I haven't grown my hair out in 15 years.
Santi:	01:05:34	That is awesome.

Ellen Rohr:	01:05:36	I was going through-
Santi:	01:05:36	I don't think I've ever seen a picture of you with long hair.
Ellen Rohr:	01:05:41	It gets big. Well, and I'm older now. I don't have the hair I used to have when I was a kid. Who does? But I was looking at some old pictures. You've seen some of the ones of when I was a plumber's assistant. And I have this big, old hair and I thought, "I should grow my hair out." So now, I am. Now, it's just looking like a big mess, but why not?
Santi:	01:05:59	I think it looks awesome. I wish I could do that, yeah, because I just don't have that much anymore, but that is awesome.
Ellen Rohr:	01:06:06	I know, me either. That's how it goes, but why not? Oh, look at all those, Santa. Greg says, "Santa? Didn't expect to see you now."
Santi:	01:06:20	Oh, that's awesome. Well, perfect. Well, let me get out of your way. We have it ready on here.
Ellen Rohr:	01:06:22	I've got a fun story. I've got a thought-provoking story, and then I'm going to leave it. I just don't even know what the lesson learned from this story is. I think there's several, but I'm going to just drop it on you. And then, I'm going to open it up to some... I've got some FAQs that I've gotten throughout the week. Update your project board, update your Trello, these are some questions that I've gotten.
Ellen Rohr:	01:06:47	So, I'm happy to address these, but let me tell you the story about your frontline team first. So, I'm going to go back up to this picture of these guys. I like this picture because once upon a time, I was at a shop working. And we sent these two out on a job and it was 4:30 in the afternoon, and we said, "Oh, I know you were thinking you were off for the day, but we've got a job. Thanks for going on this next one."
Ellen Rohr:	01:07:13	And this was the techs that they sent back, just that picture. Now, they can complain, but they went. They can cry, but they complied. And I love them for it, but I like the picture and I thought I'd use it as a backdrop to this story I want to share with you. This just happened to me the other day. If you're still on the call, if you can hang out with us for a little bit longer, big hair, big dreams. Thanks, Cara.
Ellen Rohr:	01:07:39	What do you guys think of this question, that no one on your team could do as well as you could? If you could literally just

		clone yourself, that would be the best team that you could have. And given that you can't do that, that what we have is our responsibility is to help people get good enough, come on our team, and do at least good enough. Now, Sherri put a big N-O.
Ellen Rohr:	01:08:06	Okay, and, yes, Michelle's saying, "Yeah, I would like to clone my team." All right, "I like to have people who are better than me," that's Sherri. I'm not surprised at all to hear you say that, Sherri. I feel the same way. And here's one of the reasons why and I want to encourage you. You probably are. If you're the owner of your company, if you care that much, you probably are pretty darn at doing the actual work and wearing many hats in the company.
Ellen Rohr:	01:08:34	This story illustrates how we can be wrong about that. The other day, I was going to get home late. I was flying in town and I have a house cleaner. Now, I use a franchise company, because I want someone who's bonded and insured and all that. So, I've made a conscious choice with my housekeeping that I'm going to use a bigger company so that they have some depth. I don't want that person to not show and not have a replacement.
Ellen Rohr:	01:09:02	So, my house cleaner's going to come. Now, my favorite house cleaner, I'm going to call her Susie. My favorite house cleaner is Susie and I have worked out if Susie is available, Susie is going to come and do my shop. We offer trainings to help Susie, because I use a checklist. I give Susie the checklist. We've gone through it together. She can share the checklist with whoever cleans my house.
Ellen Rohr:	01:09:23	I will always text Susie with last-minute stuff. "Hey, the sheets upstairs need to be stripped and done," or, "I'm having guests come over. Could you focus on this area of the face?" I might call an audible, which I had done last Friday. And I said, "Hey, I need both sets of sheets cleaned," which means you've got to get started with the sheets right away or they're not going to dry, but there is time during the time they have allotted, if they do as directed, they would've gotten those sheets cleaned but she did not.
Ellen Rohr:	01:09:53	She acknowledged that she would via text. I came home after being in the airport all day, show up at my house at 10:30 and the dryer is full of wet sheets, which I now have to rewash and dry to make my bed and I'm not happy. Now, I know this is a rich girl problem. I've got this in perspective, but I did let Susie

know I wasn't happy. "Dude, I asked you to do it and you didn't do it. You let me down."

Ellen Rohr:	01:10:21	Note, I didn't call her boss. Susie and I have a relationship. I like Susie. She's going to screw up and she did, and I was going to call her on it and I did. As far as I was concerned, as long as she acknowledged the problem, we were okay. She had built up enough emotional bank that whatever happened that she didn't do it right, I was going to let her off the hook, but I wanted her to know that I noticed.
Ellen Rohr:	01:10:48	But I didn't call her boss. I didn't want to rat her out. I didn't want to make a federal case out of it. I just wanted to address and thump Susie. I did. Susie acknowledged. She apologized. As far as I was concerned, the incident was over. Well, the next day I get an email from the owner. It's obviously a form letter. I use form letters. I get it, but it's obviously a form letter that goes on and on about how my expectation as a customer needs to be adjusted and that their policy is that if the sheets are not dry, they are to wait 15 minutes for the sheet, and then go onto the next customer.
Ellen Rohr:	01:11:25	And of course I wouldn't want to interfere with the experience of another customer, would I? In other words, I got totally spanked by the owner of the company, which I didn't need and didn't want. So, I call Susie and I go, "Susie, I didn't bring it up to the owner. I figured you and I could just work through it." I'm going to cry now. And Susie said, "I brought it up. I wanted them to know that because they rushed us off this job and by the way, we had plenty of time.
Ellen Rohr:	01:11:59	They asked me to leave early. They rushed me off this job and I didn't get to the next customer," none of which she told me. None of which Susie told me, because she wasn't going to rat out her owner. You see where I'm going with this? Susie did the right thing. She took responsibility, and then she went to her owner and said, "I just want to give you some feedback. Ellen wasn't happy that we didn't get that done and I could've gotten it done. I'm just letting you know."
Ellen Rohr:	01:12:25	And the owner, instead of listening and responding in an appropriate way, missed it, missed the mark totally. Sherri, "Fire the owner." I wanted you to unpack that story and just think about it. I know the owner. She's terrific. She's busy. She missed an opportunity. So, one of the points I wanted to make is that regardless of what you charge, and they charge a lot. They are

		the highest priced guys I know in my area doing it and they deserve it.
Ellen Rohr:	01:13:09	The point is there was an opportunity to connect on a human-to-human level with your customer and that's what's going to make all the difference in your careers and in your business is invoice by invoice, customer by customer, handshake by handshake, text by text, eyeball to eyeball that you elevate these moments of interaction into something that's special where you lead with love.
Ellen Rohr:	01:13:34	And the team member did, Susie did all that, even in spite of the mistake. Your team is often so much better than you are. And so, you raise your prices. Don't do this in a top-down fashion. As you get to a nonfinancial position, ask people, "Who's interested in learning this stuff?" Help them understand it. Share as Santi just so eloquently did why we need to charge a premium price.
Ellen Rohr:	01:14:04	What goes into our prices? And allow your team to find ways that we can communicate the value of what we do. More than anything else what you do comes down to people. You and the team pull up to do the jobs, day by day, customer by customer, love on them. Sherri, you used the word grace and that is probably the absolute best, best word to describe what I'm trying to capture right here. Thank you, honey.
Ellen Rohr:	01:14:35	And even owners mess up. I get that, too. And the team member was trying to help her. I'm not even hating on the owner. I just want us to remember that it's so easy to get caught up in the big picture that we neglect these moments that we can leverage throughout the day that are really going to make all the difference to our career, no matter how much we charge. It's going to be those moments that make someone say, "They're expensive, but so worth it."
Ellen Rohr:	01:15:02	Okay. Now, let's see what we got for even owners mess up. We need our people to listen, to weigh in. Andrew, perfect example, the fact that you never know who your clients... Will your customer just be used as an example with zero to 100 people? Isn't that true. And it's interesting. It never dawned on me to call the boss. I knew I had a good worker. I was just going to make it between her and me.
Ellen Rohr:	01:15:32	I thought even that was interesting. So, often we go right to the top with the complaint, but I didn't and a lot of people don't. Two or three jobs a day, okay. I think this is a different question.

		I'm going to go with Corey's question now. Are we good for a moment on that story? You can continue to add, but I am fine now getting into some meat and potatoes questions. Let me try not to give you a seizure here as I get to the slide.
Ellen Rohr:	01:16:04	Okay, let's open it up to some Q&A. And, Corey, you've got some good questions. I appreciate you, man. You get involved. Let's see. I have two to four hours a day, a few expenses a week. Sounds like I would be the controller and the bookkeeper. I would just need an accountant very part-time, one to two hours a month. Corey, yes, yes, yes, yes, yes. I think that's an excellent plan.
Ellen Rohr:	01:16:30	So, just to hard change horses here, Corey's reflecting on that conversation I had earlier today, that article that I wrote about the different positions on your bean team. Corey, yes, you could be the controller and the bookkeeper, especially if it's a really small shop. And I tell you why I love this model. As you grow at some point, you could hand off some of the bookkeeping duties.
Ellen Rohr:	01:16:58	For instance, you could have someone enter bills, enter, enter, enter and you pay them. And you could have someone enter, enter, enter credit card charges, and then you reconcile and pay the credit card system, or credit card statement. So, what you're developing as you grow is that you're going to have your CSR, your customer service rep, the person who answers the phone maybe take that hat off and put the bookkeeping hat on.
Ellen Rohr:	01:17:26	And when the phone's not ringing, they could enter invoices from your vendors into the computer. So, now you're leveraging their time. They are wearing that bookkeeper hat on a very part-time basis. So are you, but you're starting to shift some of the duties. Had you done it yourself, here's the really great news, you won't be bamboozled if that person tells you, "It takes me all day to enter 10 invoices."
Ellen Rohr:	01:17:53	You'd go, "Dude, I'm not even good at it and it takes me about 15 minutes to enter 10 invoices, so let's regroup. What are you doing? Let's sit down side by side and see what the issue is." If you have to learn it yourself, because you can't afford to have anyone else right this minute, raise your prices now before you even hire that bookkeeper or that next team member.
Ellen Rohr:	01:18:17	Do the work yourself and you will have enough profit and cash to hire that first team member. And you won't be bamboozled. You will know what it takes to do the account, the bookkeeping

		and to assemble the financial statements yourself. It's so good. So, Corey, I'm giving you a big yes, yes, yes. Excellent. So, any other questions on costs of goods sold, on the chart of accounts versus classes and items, salaries versus draw versus profits?
Ellen Rohr:	01:18:48	Are there any topics here that you want me to go into that might be of service to you? Let me go back here a second. Anything coming up? So busy fixing, we're sometimes not fixing. I love that, Sherri. Hey, if you've got another question or if any of these lists, I talked to people throughout the week on topics along these lines. So, I'm just going to put them up there, if it triggers something for you.
Ellen Rohr:	01:19:23	But, Sherri, I know you're a presenter or you're a panelist now. Share with me what you're thinking. You know how much I love and respect your opinion. And I know you will take the microphone if asked. So, if you would please just give us some feedback on the day to day.
Sherri:	01:19:43	Yeah, this is a really sensitive topic for me, Ellen, because I feel like we're so attached to the money. And I love that you brought up today about the self-image. These are the main points I took away today from your presentation. Number one, we have to operate with financial power and knowing where the money is going and being, not just the sideline, viewing out from the sideline but being in there. Being in the game and understanding what's going on is so important.
Sherri:	01:20:11	I stay within our own hula hoop. I always love it when you say that. So, obviously, I wrote it down. Money buys options. Man, that's so cool. This one is really, really cool. Connect your why to your financials. I do not know why I never did this, but I literally always thought, "Hey, money just takes care of itself." Well, guess what? It doesn't.
Sherri:	01:20:33	And not knowing limits my ability to grow the company. It limits my ability to give options to people on my team and I love that you said connect your why to your financials. Man, I love that. And the other thing I took away-
Ellen Rohr:	01:20:48	So good, thank you.
Sherri:	01:20:49	... which is funny is make sure your oranges are better. I love that. Just make sure your oranges aren't the run-of-the-mill oranges. I just feel like the financial conversation is one for me that for so long I've literally said, "Hey, my husband takes care of that," but newsflash. One day, he might not be here. Who

		knows? We don't know what tomorrow brings. We have got to know. I'm interviewing a gal today-
Ellen Rohr:	01:21:16	Oh, I love you so much. Thank you. Thank you for that.
Sherri:	01:21:19	I'm interviewing a gal today, Ellen, and this just breaks my heart. In August, her husband passed away. The business died with her. She has no idea about the finances, nothing at all. And now, she is looking for work. She's got a nine year old at home. It just breaks my heart to think that just with a few simple steps and aligning yourself with the people that can help you get these things under control, she probably would've been in a better physical situation.
Sherri:	01:21:48	And so, I really am now passionate about this part, which is very funny, because my husband's like, "Who are you and what have you done with my wife?" He loves that you're part of that. He just thinks it's hilarious. So-
Ellen Rohr:	01:22:00	I love Dean. I love you. You know what just hit me is how fortunate that woman was to find you, sister.
Sherri:	01:22:08	Well, I hope we can help. We'll see. I'm looking forward to meeting her today.
Ellen Rohr:	01:22:11	You already have, even just meeting with her once. People are going to come and go. They're going to get on the train. They're going to get off the train. I know that any time someone is spending time with you, Sherri, their life is enriched.
Sherri:	01:22:27	Wow, speechless. Thank you.
Ellen Rohr:	01:22:31	Kisses. All right. We still have a little time. Thank you so much for sharing. What do we have? Matthew, "What are people doing for company at year-end as a thank you?" Oh, a reminder, we do have another course. I don't know when we're going to do it again. We will. We do have a recorded version of it. I think 7-7-7 has accessibility to it. And we call it the Better Way to Pay program. That's the long answer to your question.
Ellen Rohr:	01:22:56	The short answer to your question is what you're going to do this year is going to be what you did last year for 2019, because it's too late to change it. Are you with me, Matthew? They are already going to count on what you did last year this year, so just do it. Now, for next year, could you not do a year-end bonus? If you did a big year-end bonus this year and you don't

want to do it again, because people don't seem to connect the dots with why they're getting it or it's not fair.

Ellen Rohr: 01:23:29 Or you had a really rough year and you're feeling like it's not equitable in terms of what the company can do, there may be reasons why you don't want to do a hefty year-end bonus. I hate hefty year-end bonuses for a lot of reasons. If you aren't doing them, don't start. Give a thank you card and a gift basket, or $100 gift card or something. Everybody at the company, thank you for being you.

Ellen Rohr: 01:23:59 I would work to tie bonuses to performance and I would start with my sales people. So, this year, if you haven't done it, don't go overboard even if you had a really great year, because you're setting a precedent. And a company-wide bonus that's divided equally by hours and salaries or something like that, it is limited in the effect it's going to have on someone's behavior.

Ellen Rohr: 01:24:26 I mean, if I do nothing just by virtue of being here, I get a big chunk of that same bonus? Are you seeing where I'm going? So, my vote would be to be uber conservative, give a gift card. I know a guy who gives each employee $100, takes them all to the mall in his service truck. So, all the service trucks make their way through town, end up parking at the mall. They pile out in their uniforms and they have to spend the $100 in one hour on themselves, on nobody else.

Ellen Rohr: 01:24:57 Now, that's leveraging and I love, love, love it. So, that's an idea. Do you guys have other ideas for Matthew? Feel free to type them in. Oh, Kathy, the five I was talking about were clean, sober, on time, dressed right and use a checklist. Clean, sober, on time, dressed right, use a checklist. What percentage of estimate sent should be expected? I'm running about 90% of estimates I send out. Am I priced too low?

Ellen Rohr: 01:25:26 Corey, probably. On service calls, we expect an 80% close rate. At Zoom Drain, that's just based on the evidence that we have and when we sell big jobs like replacement work, it's going to be a crew, more than one day, more than one set of hands. Average sale on this is going to be maybe four to $25,000 are our big jobs. We sell about 50% of those, sometimes more. If you're getting about 90% of your estimates and you did raise your prices, if you doubled your prices and have your customers, you'd still be making the same amount of money with that close rate.

Ellen Rohr:	01:26:04	If you're going to raise your prices though, Corey, spend some time in the Inner Circle cache on the pages in the website so that you can learn better sales processes. But, yeah, if you're getting 90% of all estimates, I would risk having someone say no a little more often. And how soon do you provide benefits to someone you hire immediately? Chelle, I would give yourself at least 30 days to audition for the job and I would hire heavy.
Ellen Rohr:	01:26:39	This is what we do at Zoom. We are pretty quick to hire, and then we hold team members accountable to show up clean, sober, on time, dressed right and using a checklist. In fact, the checklists in the manual tell them what clean means, that we're going to drug test. On time, when they're supposed to start and stop, what they're responsible for on call, et cetera.
Ellen Rohr:	01:27:02	Dress right is the uniform. It's in the procedure. So, we expect them to use checklists and to do those things for 30 days before we kick in benefits. And also when we talk that all of you, make sure you check with someone who knows more about labor law than I do and that you're in compliance for your state and with the federal government, but that's a really good question. We're down to a couple of minutes.
Ellen Rohr:	01:27:30	Your chart of accounts, if somebody wanted to send me their chart of accounts and we could use this half hour to debrief it. You don't have to have any numbers on it. You just want to look at the structure of it. Bring it to the call next week. If you have any other specific questions, shoot me an email, let me know. I am here to be of service to you and if you get distracted, get back on track.
Ellen Rohr:	01:27:52	Hey, by the way, a little explanation of this picture right here. This is my niece, my grand-niece, Cocoa who's playing hide and seek and thinking she's crushing it. Do you love that picture? I'll leave you with that, complete non sequitur. I love you so much. Make lots of money. Have lots of fun. Love on your people and your customers, build an empire. See you guys.