

Transcription

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Welcome to beyond the Mirror with your hosts Adrienne Wager and Jody Field. In this podcast, Adrienne and Jodie take you on an intriguing journey beyond the surface, deep diving into the world of business in the hair, skin, beauty and wellness industries. From business success tips and marketing hacks to industry insights and trends, it's all here. They leave no stone unturned. So get ready to unlock your full potential, evaluate your business, leave behind the limitations, and embrace the endless possibilities that lie beyond the mirror.

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Hey, welcome, everyone. It's great to be back for episode ten. I'm Jody Fielden and I'm joined with my work wife, Bestie, and business partner, Adriennevaga. During these podcasts, we share with you how you can leverage your passion into profit. Whether you're looking to launch into the next phase, take time away from the floor, or you're looking to sell your business and cash out your investment, you're in the right place because we've done it all.

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And we're here to share with you that you can, too, because it's time to believe your business can be everything you ever wanted. Yeah, and that's absolutely right. Hi, everyone, and welcome back. And today's episode is very exciting. It's actually a carry on from our last episode where we were talking about our mindset and transitioning from a skilled professional who owns a business to a business owner who is a skilled professional and also how it fits into our Iberg method.

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Yeah, Adriennean, we're going to carry on from there and we're going to stick with the theme of mindset because I think we need to talk about the mindset around pricing and also some of the mistakes that people are making when they're looking to change their pricing because they're asking in the wrong places. Because I think we both can agree. And most people that are watching this, whether it's hair, beauty, wellness, most people will jump into their Facebook group that they're a part of with their peers and start asking them what you would charge for this or what you charge for that, and then also sort of look around and see what the competition is doing.

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Yes, absolutely right. And there is a right way to do pricing and there is a wrong way to do pricing, and that's actually going to make or break your business. And you are absolutely right. Most of the time when we take over a business or start a business, we are starting our business out of passion. We already talked about that.

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So that means we don't really have too much of the business knowledge and we don't even think about pricing can be such a big impact on our business and on our profitability. And this is what we do. What we do. We're asking around others how much they are charging for this and that and that. And also we are doing researches and I'm 100% sure you did the same what I did when I took the salon over from you.

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You actually go to different salons websites and I did my researches how much they are priced, how much they are charging for haircut, how much they are charging for foyers or whatever. And I had an idea about how much I want to charge and then I judged it. I thought, you know what, that should be fine. If they are fine with that price, surely we should be fine with the price. What I calculated, it wasn't even calculated what I had an idea to put into.

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Yeah, look, I was the same, I looked around, I inherited pricing the same way as you inherited pricing for me. So I think when you take someone else's business over and you purchase someone's business, you start off with their pricing and you go from there because you have the belief that the pricing must be right because it's been profitable or that's what it looked like on the surface when you bought it, that it was profitable. So yeah, that was a big one. I didn't look around for a little while. It took a little while before I started looking around and when it came time to changing my pricing, that's when I started to see what the competition was doing out there and no one ever told me why that was wrong.

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Yeah, that's the thing. People are going to Facebook groups and then they are asking the question how much do you charge for this? And 90% of the answers are not the right answers. And my heart is actually sinks like when someone actually gives the right answer when someone is addressing it. You shouldn't ask the questions in groups like this because your price should be very individual to your business and that's really good because then people are thinking, all right, it should be very individual to my business.

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But then the next question is, should be individual for my business. What kind of components, what kind of elements I need to think about and why is individual for my business? And based on the answers, like when we scroll through Facebook groups answers and all the questions, you clearly can see the percentage 90% business owners, they are passion based businesses and they just try to make things right but they don't really know what they are doing. They probably are really good with their trade and they have heart in the right place and then the top 10% who is giving the right answer. They are very structured and they are business owners who has really good skills.

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And it is because at one point they realized it must be a better way. They realized maybe with the price, what they had, it wasn't profitable. And then they started to look for answers. And then once they find the answer, then they started to work on their business fundamentals. And it's extremely important for us to understand that you have certain key elements in your business which needs to be right in order for you to become profitable.

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And when it comes to pricing, it's very interesting because we take pricing on emotional level. We base pricing on feelings or on emotions. And pricing is basically surely based on numbers and different indicators in the business. It should. And before we go on, Adriennean, I'm going to get you to fix your microphone because you sound like you're underwater today.

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Oh, wow. Jump back in with me and bring it closer and pull your little thing apart because I think it's. Cover it a bit. Yeah, that's a bit better. Yeah, there is.

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She goes. She's back. Yeah. All right.

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Okay, hang on a second. I'm just going to. Yeah, look, pricing is always a bit tricky, and I see it a lot as well. That one thing that I see people that are saying now that they never used to say before is charge your worth. You need to charge your worth, but no one actually tells them how to calculate what their worth is.

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What is someone's worth? Yeah. And this comes together from many different components. It comes together for basic element of the cost of running your business. Different kind of indicators, KPIs what you are measuring.

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And also that's going to become a big part of how much you are charging and also your skill level. We tend to forget about our skill level and many times happens, oh, I didn't charge for it because it only took for me five minutes. But the fact is that something which usually takes 15 minutes for a beginner, it takes you five minutes because you are a highly skilled professional. So you can do it in five minutes. It is because you have 15 years experience behind you and you should value expert or who you become to.

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And that's really big because we don't seem to see the value or even when it comes to for head assess, for coloring. Oh, that was just an extra 5 grams of color. But if you think about 50 times 5 grams, how much money is that which is costing for your business? Because that was nothing. So I think it's very important for us to understand, pricing needs to be structured and it needs to be logical in a way.

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Also, you need to think about your profit margin. And this is when I say, many times when we are passion based businesses, we tend to shy away to think about profits. And many times people have a really hard time to figure out proper level of profit. And I was thinking at the moment, because when I start to work with people, sometimes 5% seems to them a lot of profit. And then when we work together for period of time, they transition their mindset, they start to become business owners who has high skill levels.

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Then we end up 30, 40%, 50% profit, because then they can see the value, what they provide for the clientele. Yeah. And it comes back to the mindset, too.

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There's two parts of the mindset that I want to bring you to, is one, when you said about just taking stylist five minutes, like an experienced stylist five minutes, or an experienced Pilates teacher can do something a lot quicker than someone that's not. Or an experienced Pilates teacher can have four people in their class and give them the same level of attention as a new person with one on one. There's an analogy that has been used a lot. I can't remember who it came from originally. And they said, if you go to a mechanic and you want to get your car fixed and you're in a hurry, are you going to go to the.

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If you had the choice of someone that was very experienced, could get it done in ten minutes and paid and charged \$200, or you went to someone down the road and it would take them half the day and they charge you \$50, who are you going to go to?

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Exactly? My alarm, going there in the background telling me the kids are coming home, but you are willing, like, if you're in that situation, you're like, oh, I'm going to pay the \$200 so I can get in and out and I know my car is fixed properly, people don't put that same value on the amount of time for coming in and having a quick whatever. So that's one point that I wanted to make. And the second point is it's gone out of my head.

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It was something about I can't remember. Yeah. So when it comes to pricing, when you say it's a scenario, you know your pricing is not right. It can't be right if you are not making enough profit. Or it can be right.

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Like if you have a lot of clients coming in your business, you are 90% booked. I just remembered I do this to Adrienneana all the time. Adrienneana will be having on a thought and explaining something, and then I have a thought and I have to let her know before I lose my thought like I did 2 seconds ago. And I'm going to lose it again if I don't get to it.

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I did lose it, after all.

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Okay, I'll interrupt you again in a little while. This is how we roll. It's a cuff of the seat session. This one today. Go back.

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You go back. And. Yeah, now I lost what I was talking about, so I can't remember either.

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Now we're going to have this planet. All right, look, another big thing is about the mindset. Oh, I know. The profit. I finally remembered.

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It's the profit. Is that a lot of business owners, and I know that I did it, I said it myself, is that I don't care as long as I can break even. I'm not here for the profit. I'm not here to make money. What are you here for?

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We're not here to do spiders. If you're a business owner, you're here to make money, and that's okay. You shouldn't be ashamed. And you shouldn't feel ashamed that you want to make money. And I think that because we've been employees in someone else's business, and then 99.9% of the time, you then go out into business for yourself, is that you have that mindset of, oh, the boss is only here to make money, and that's a bad thing.

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Business is about money. It's about making money. It's about living the lifestyle you want. It's about being able to do the things you want with your family. Profit is not a rude word.

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No, absolutely. That's your reward of your hard work. And this is how it's supposed to be. When you are in business or when you are getting into business, you have very high responsibilities, not just for yourself, but for others also. And also, you take all the risks.

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So because you do have to think of many different levels, the profit is your reward. And I think this is very important when we think about having a successful business. And profit for me does not include my wage, because if I'm working in my business, I need to be paid accordingly for those hours, what I'm working for, and then I want profit on everything, what we have in the business. So it's very important. And what I wanted to say before it was that you're going to have this kind of thought behind when it comes to your pricing, and then your business is really busy.

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You have lots of clients. You're working long hours. They are rebooking and everything, and then you have a look your bank account at the end of the week, and it's not enough money. This is when you need to start to think about, is my pricing okay? Is my pricing all right?

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Because if you don't have any money left in the bank at the end of the week, when you're paying your bills and everything, your pricing couldn't be right. So this is your first thing. What you need to think about, if you think about, is my pricing okay or not. Have a look your bank account. And if you don't have any savings, or if you don't have any money left, then your pricing is definitely not right.

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Or if you're asking your partner to help pay the bills each quarter, or when tax time comes, or super or 401 over in the States and your pricing is not right, there's something missing. And going back to sort of keeping it on the side of mindset rather than the functionality of pricing. Today, the conversation that we had with Jake, so we had our client here, Jake, and we were having a meeting with him, and we all had that realization that there was the time that a client would complain about our pricing, and then in the next breath, tell us that they've just gone on holidays or they've just bought a property. And I think that's when we realize that we have that moment of, aha. My pricing needs.

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If they can afford to do that, they can afford to pay for me because I'm worth.

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Yeah. And most of the time, what happens. We are very emotional. And that happened to Jake also. People were telling him all the hardships they're going through and everything else.

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He said, oh, maybe I should just lower my pricing to help them out. And it happened to me, like, when I was renting a chair from you, and it was one client, I lowered the price because she was telling to me, they're going through hardship. Her husband lost the job and whatever. And then a couple of months later, she came, and she was very excited because they booked, like, a four weeks holiday to Hawaii. And it hit me so hard.

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I was just, like, far out. I'm the one who is trying to help everyone and understanding everyone's problems, and I'm the one who haven't been on holiday for two years. And it was exactly the same for Jake. Jake was lowering the price and everything. And then this lady came to him, and he said he just purchased the property.

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So, yeah, it's very interesting that sometimes we feel that we should lower our pricing. And this is why I'm saying it's business. It shouldn't be any emotional. It needs to be based on numbers, not your emotions. Because we are in business for a reason, and they are basic, fundamental things.

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What we need to need to get right in order to stay in business. And I always say, you always can be good to people, but you need to make your money first. So don't start with being good to people, because then you don't have anything left to give away. You need to make that money first, create a profitable business, and then you give back to the community. It's so much more better for everyone.

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Because once we lowering our price or we don't make enough money, what will happen? We start to get frustrated, overworked, overwhelmed, extremely tired. And the level of service, what we provide with state of mind, it's very different from when you have everything sorted at the back end and you have a business which is working really well, you have clarity, you have confidence, and then you can serve your clients on a much, much higher level. And I think it's also then when people start cutting corners because they're like, I'm not making enough money. So instead of looking at the numbers and finding out where the gap is and why they're not like, are they not holding clients?

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What's wrong with how much they're charging? Anything like that? Then they start cutting corners by looking for a cheaper product, by trying to make their team do things faster, back basin, for example, or adding too many people to a class so that they can't give the same level of quality for the price that they charge. So it all comes down to those cutting corners, and then their business starts to get that. People just start to leave because it's not the same as what it was.

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So, yeah, I think it's a downhill slide if you have the wrong mindset about what pricing actually means and being confident enough to know why your prices are what they are. So that if someone does question you, and most of the time it's just a question, you're able to answer them with a truthful answer. You don't need to make something up. It can just be the truth.

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Yes, absolutely. And when you were talking about the pricing and changing products and everything, in my mind, it's just a picture came into my mind about a chocolate bar and what happens. The companies, many times, instead of changing the price and putting the price up, they are making and like this in the bar for \$4. And now you are still paying the \$4. But it's this much.

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And this is when the disappointment comes because you feel you cheated on. And this is when even your favorite chocolate bar, you're just going to, you know what? I don't trust in company, in this company anymore. I sent Harper down to buy a bar of chocolate the other day and she came back and I'm like, oh, I didn't know they made like, is there a new size? I went to the shop to buy a normal, there's no normal size.

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That was it. Yeah, I felt really offended. And it's exactly the same like say for Pilates to the owners. If you have a room and you can really nicely fit in eight reformers and your customer used to that kind of setup and used to the room and used to the service, and then suddenly next week they will come and it's eleven reformer and they hardly can move because they're hitting each other with their hand, with their leg. You are not doing any good justice for your business.

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That's not the right way to make your business going. You need to trust that people looking for value and it again comes back to the mindset, poverty and prosperity mindset. And you need to make a decision, like in which group you want to belong to. Because people who are dedicated to prosperity, mindset driven business, when you give extra value for money for your client and they don't expect you to lower your pricing or change the price, but lower the service. So you need to make sure you are targeting the right market and your price needs to be right.

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And yes, you rightfully need to have some profit in that business. Otherwise, you may as well, if you add together the hours, what you are working and the money what you are getting out of your business, you may as well, you are much, much better off to working for someone else because you're going to earn more money and then you won't have the stress of running a business. Do you remember when we were doing our retreat and we do an activity, when we do a retreat with business owners and we'll be having another retreat next year, is that we get them to sit down and see how much they're earning per hour. As a business owner, we're not talking about the wage that they're taking home. We're talking about how much they're getting paid per hour to receive that wage.

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And we had one lady, she worked out her hours and what she was taking home. And do you remember it worked out to be something like \$12 an hour. I think it was like \$12.

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There you go, \$7 an hour. That's not even. She was almost in tears. Yeah, she was almost in tears because this is when she realized she can't keep going on like that. And she was a very talented hairdresser, educator.

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Like, she had all this experience behind her, but hadn't realized that she was paying herself so little for all the work she was doing. And, yeah, it just came back down to the pricing. And the reality is, business is not for everyone, and it's not for the faint hearted. So sometimes we start a business and we realize business is not really for us. But maybe you like the idea to have a business, and then you want to hire someone who actually can run your business for you.

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You can hire a manager, and that manager can pull together all the numbers and everything else for your business. So sometimes that could be a solution for yourself. When you, as a business owners, you don't like to deal with certain things. You can employ people for that, but eventually, everything is always going to come back to us. Whatever happens in our business, to our business, it all comes back to us.

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Yeah. And even before you can hire someone to do it for you, you have to understand what it all means. There's no way around it. Like we said before, creative people really don't like it. That's why we didn't start off that way.

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But the only way to make the business successful is to do the numbers and do all the things that we don't want to do. And I guess it's like I was doing the stairs out the front of your place with Graham the other day. We were doing Adrienneana has, at the front of Adrienneana's place, it backs into this beautiful part of the national park, and it's on cliff face and subtropical footpaths, but. Sounds amazing until you realize you have to walk back up the stairs that you walk down. So Graham counted from one side, it's 109 steps from the really steep side.

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So from yours, we haven't counted your side yet. But I said to Graham, I would rather walk back up the steep 109 than go over to your stairs and walk up that slow incline that had the awkward stairs and all the rest of it. And I said to myself, you know what? I must have to walk up those stairs if I really don't want to do it that badly. It's probably something I have to do.

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And I think that's how I felt about doing pricing. When I have my business, and a lot of people just look at it. And it's like, I'm so overwhelmed right now. Yeah. And if you are thinking.

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And if you're thinking about, like, these two girls, they are so smart because they're telling us all these things about pricing, but they didn't tell me how. And the how is extremely important.

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You might feel overwhelmed with all this information, what we gave you today. But in essence, Once you know a formula and once you know how to calculate pricing, and in our courses, actually, we created different calculators, which is basically for you, entering data into that calculator. And at the end of the calculation, you're going to get your whole price list created, including your profit. This is how easy it can be. So it doesn't need to be hideous and doesn't need to be very difficult.

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So if you are wondering, how can I start to work on my pricing, this is one way you could do it for yourself. And that would make it very easy.

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Yeah. Look, we've got that program. It's very affordable. And Adrienneana takes you through step by step. It makes life so much easier.

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And you can use it to revisit every year when you need to look at your pricing, you get to use that each time, and it will be spot on. So that actually brings us to the end of today, because we mentioned earlier that Brynn's bus was on its way. And it's come home. Adrienneana's got another meeting. So what's on our next episode?

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Adrienne? The next one is client. Yeah, it's client journey. Yeah, I'm muted. Keep going.

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So, in our next episode, we're going to continue introducing you guys to the seven layers of the iceberg method, and we're going to move on to client experience and client journey. And why is that so important for your business?

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I'm trying to drive Brynn's home. I can't even get the right person on the screen look. So I'm going to end it here today. If you're ready to either level up or cash out, or you'd like to learn more about our signature growth techniques and winning formulas, jump onto our website, www.focusgdt.com, and register there. You need to be quick before the timer runs out and get it for free.

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Otherwise, it's \$97. Yes, absolutely. And also, remember, we have our quizzes, one quiz for salon owners and that quiz called Mastering Salon Excellence. When you take the quiz and you will reveal your signature growth formula and receive a personalized salon success quiz report, which is very unique to you. And we have a quiz for studio owners.

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And that quiz called Elevating your studio. And this quiz, when you take the quiz, you will learn the secret to turning your passion into prosperity. And also you will receive your personalized studio success Quiz report, too. And that's it for now. If you want to find us on our social media, then we are on Instagram and Facebook, and our handle is focus GDT.

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And I think that's it for now. And we are looking forward seeing you at our next session. See you later, guys. Have a good week. Bye.

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Well, that was beyond the mirror. Thank you for being a part of this exhilarating adventure. Join Adriennea and Jody next week as they continue to help you unlock the true potential of your business so you can leave your limitations behind and embrace the endless possibilities that lie beyond the mirror. And if you have a burning question that you'd like to feature as a guest on this podcast, just leave us a message at the podcast page@focusgdt.com. So until next time, keep pushing boundaries, keep thriving, and always remember that your success is right here, right now, beyond the.