



Lesson outline

DEFINITIONS

Net Profit Margin - The percentage of your revenue that is profit for your business as a whole after all expenses are paid. Example: if you generate \$1,000,000 of revenue and your profit is \$250,00, your net profit margin is 25%.

Gross Profit Margin - The profit margin you make on an individual product. (Selling price minus cost to make it). Example: if you sell a product for \$200 and it costs you \$100 to make it, your gross profit margin is \$100 or 50% gross profit margin.
Formula: \$200 (selling price) - \$100 (cost to make) = \$100 profit or a 50% profit margin

Customer Acquisition Cost (CAC) - The amount (in dollars) it costs to get a customer. Example: if you spend \$1000 on marketing to get 10 people to order something, your average CAC is \$1000/10 customers = \$100 CAC

PSP (Profit, Scale/Systemization, Passion) Assessment - A test that considers the profitability, ability to scale and systemize, and the passion for building it to determine what products your business should focus on.

No-Brainer Offer - An offer that is so hot and or different, that customers do business with you over your competitors because your offer is either so good, so different, or both.

LESSON TAKEAWAYS

Lesson 1:

- Start with the profit margin you want to make (**net profit** - overall and **gross profit** - each product) and work backwards to get your selling price. Do not price what you sell off the market.
- Compete on value, not price: create a differentiator that allows you to charge a premium.
- Always know your numbers (**gross profit margin** % and costs). If the cost to make it goes up, so does your price - immediately!

Lesson 2:

- Work towards a system run business. How you can tell if your business is system run: can you (the owner) leave for 6 months and return to a more profitable, larger business? System run businesses are more valuable to buyers.
- Specialize in 1-5 products, and be known for it. Focus on getting really good at your 1-5 products, nothing else.
- Choose your products to build based on the **PSP assessment**.
- FOCUS. Once you get a few flagship products that make you money, don't get distracted. Keep doubling down on the marketing and sales of what you're good at.

Lesson 3:

- Use **CAC (customer acquisition cost)** in relation to profit made to determine what marketing channels to use.
- Simply track how each customer found you (marketing channel) and how much profit was made.
- Rank your marketing channels in order of highest to lowest **CAC** : Profit ratio (higher is best). Double down on your top performers, get rid of the low performers. Always try new marketing channels to try and beat your current, best form of marketing.
- Try free forms of marketing before you spend money. Free forms of marketing are also a great way to test market demand for new products.
- In any form of marketing, always use a **no-brainer offer** tied to urgency/scarcity. Build the cost of the **no-brainer** into your selling price to maintain your minimum **gross profit margin**.

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- ✓ If you don't think it's worth the cost, we'll give you a full refund.

ACTION STEPS TO IMPLEMENT

Lesson 1 Action Steps (1 hour to implement):

- Download and fill out the provided excel sheet with your correct costs and desired profit margins for your most commonly sold products and job types.
- For preset production products this will be fixed.
- For custom jobs you would re-work the excel sheet for each job with your plug and play numbers from the master cost list. It's helpful to make one job sheet for each job type.
- Be disciplined about using this excel sheet on every job or product as it ensures correct costing and profitability on every job and will give you clarity for the Lesson 2 action steps.

Lesson 2 Action Steps (10 min to implement):

- List all of your most commonly sold products or custom job types.
- Use the **PSP Assessment** tab in the excel sheet to decide what products/jobs you're going to prioritize based on the **PSP** score, and more importantly, what products and job types you're going to get rid of because they take focus away from your most profitable jobs and products.
- Cut the worst jobs and products now, never take another one on, or they will suck too much of your time in exchange for very little money.
- Work on making teachable processes for your best products and job types.
- Write down or video the process from start to finish so you can train employees to do it. You now have an easy way to cost the job or product using the excel sheet, now work on the rest of the process including building jigs, video instruction to build it, etc.

Lesson 3 Action Steps (30 min per month to implement):

- Start tracking where your customers heard about you from using the tracking sheet provided in the excel sheet. This isn't complicated, simply ask each customer how they heard about you.
- For each customer, track the amount of profit made and what marketing channel they heard about you through. The profit made from each customer can be calculated using the excel sheet you use to cost each job/product.
- At the end of the month, add up the amount of PROFIT (not revenue) that each marketing channel brought in.
- Spend more money on the marketing channel that generated the most profit per marketing dollar. (Best **Customer Acquisition Cost (CAC)**)
- Get rid of the low performing marketing channels.
- Try and select new marketing channels to beat your current top performer.
- Over time, your marketing should get more and more efficient, meaning you will generate more dollars of profit with less dollars of marketing.

Conclusion: Implementation of these steps is the most important task of this program. If you do nothing, nothing will happen. These tactics are simple and fast to implement and are guaranteed (or your money back) to change the trajectory of your business [**Enroll Now >**](#)