

The Limitless Experience Podcast  
The truth about Profit Margins in online coaching  
Transcript

Suzy: [\(00:03\)](#)

All of those micro costs add up. So even though you're making six figures, which is £8,333.33 a month, you might have £3,500-4,000 a month going out in expenses. And then when you put the money aside for your tax and then your living expenses, all of a sudden it's like, oh.

Welcome to the limitless life experience podcast with me, your host, Suzy Ashworth. I'm a mum of three, seven figure serial entrepreneur, Hay House author, international keynote speaker, quantum transformation and embodiment coach and believer in miracles. My superpower is helping female entrepreneurs, like you, create six figure breakthroughs in your business fast so that you can expand into limitless living and create an incredibly positive difference in the world. In this space, you will hear me talk all about wealth, yourself, spirit and impact. This is the limitless life experience podcast.

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Hello hello hello you gorgeous human being, it is Suzy Ashworth here, and you are listening to the limitless life experience podcast. And I am excited. I kind of hesitated there cause I, what was going on in my mind was the question, oh, are you, are you really excited? But I am. I am excited to talk to you about something that probably is perceived as quite unsexy. It's definitely not the subject that most entrepreneurs are talking about, it's kind of a bit nerdy, but I think that it is really important. And I love the fact that I am able to share with you on this subject from a real place of proficiency. Might I even say mastery, and this is all about generating profit in your business. So my background, when it comes to money for all of you who have not done it, my programs like magic money or money manifestation workshop, and you will not know that really, I haven't always been that great with cash.

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I learnt pretty early on in my entrepreneurial journey that it was safe for me to receive. And I became pretty early on quite a good manifester of money. And so that was all good. I definitely have no complaints. However, whilst I was great at receiving, I was running a track in my mind that came from my past. So really just carrying my past into my present, who recognizes that they do that? Newsflash. We all do it all of the time. And it's only when we really place deep self-awareness and sometimes need to get outside help in to help us clear old wounds, old stories, old experiences. Allow us, give ourselves permission rather than allowing, give ourselves permission to let those stories go. Are we carrying them into our present and projecting them into a future? All the freaking time. And so one of the stories that was rolling the roost in my existence was we only ever had just enough.

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That is how I grew up. And so in some ways I had such a deep level of abundance. There was so much love that I felt as a child. And I feel so fortunate because obviously at the time I had no idea what I was getting, but I know that I felt safe. I always felt safe as a child. And I am so grateful for that. Especially as I felt super safe, even though there wasn't an abundance of money. And what was really interesting is that for a short part in my childhood. So between the ages of say like three months and seven years old, I think that there was a level of abundance. I remember that my mom would take me to Poppins. I might've spoken about Poppins before. Poppins is like, now it's a really crappy restaurant chain, but at the time it was having its heydays like early eighties and we'd go, we'd have black forest gateau and Knickerbocker glory.

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And I would feel like the queen, it was like mum and daughter date, which even that feels quite revolutionary to me because I don't think that parents were encouraged to do things like that at that time. But so for a period of my life, we had these little treats, these little moments that suggested that there was surplus. And then when we moved to Kent and it's so interesting as I reflect on this, because when we moved to Kent rather than like trading in and getting something more for money, we downsized, we went from a three bedroom semi-detached house to a two bedroom semi-detached bungalow, which was tiny. It was so small. But I remember when I walked into that house or walked into the bungalow for the first time, I instantly knew this is going to be the house that we buy. And we'd been to see a few, but I just knew that this was going to be the family home.

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And it was. Anyway, during this time of growing up, we just had very little, we had always just enough, you know, we had just enough to go to Butlins, Barry island. I don't remember whether it was a Butlins on Barry island, but we used to go to barrier island or holiday in Wales, which I think was voted like one of the worst places to go on holiday. We loved it. You know, it was, everything was very low budget. We'd get are t-shirts Kylie and Jason like stamped onto a white t-shirt from the market, high tech trainers. I mean, it just, it was very, it was very low-key like my mum used to have the catalogs where you'd put your money in each week to save up for Christmas, that was the vibe. And so it didn't matter what we wanted. We would always get a version of what we wanted and we'd always be grateful.

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And we never really felt like we went without kind of, you know, I never worried about there being food on the table. It wasn't that, that wasn't the vibe, but it was just scraping by, just enough. And so after my parents passed and I was working, I was probably earning more money than what they were a year, you know, before that, before they passed, which is interesting to me to reflect on it now, but I never had savings. And even though I would get promotions, I would get promoted. I would ask for pay rises. There was never a surplus. And that really was my life. Even

when I went, you know, I went from 22,000 to 30,000 to 50,000, probably left my last job around the 50 to 60,000 pounds a year mark. There was never any surplus. And what I would say is that Jerome and I were building, you know, we were investing in property, we were doing the property up, but the way that it would work is any money that would come in would be used to buy materials, to get a sofa.

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It was never grand. You know, when we went on holiday, it was never the best hotel, the best room, that just wasn't our existence. We were always building and there would always be just enough to do what we wanted to do. And I brought that into my business, that frequency, that vibration is what ran my business for probably six years, five and a half to six years. And so even though I went from minus 14,000 pounds or 125 to 226 to 469 to 420, there never really felt like there was surplus. There wasn't surplus. Life was good. I always had enough. We always had enough, but there was never any savings. It came in, it went out, came in, it went out, it came in, it went out and came in and went out. And it wasn't until July 2019. So that was six years after I incorporated my company, July 2019 when I did magic money, did I publicly declare, you know, this is the vibe I'm great at manifesting cash, but I'm not very good at keeping it.

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I'm not very good at holding onto it. And by the way, I don't necessarily think that we should desire to hold on. Certainly not in a Ebenezer Scrooge kind of way. I think that money gets to be way more powerful when there is a flow and it's normal for it to flow in and out. But I, there was never any overflow and it was July 2019 that I said, this is the next stage. I've just had a 53,000 pound a month. And the next stage is for me to allow there to be overflow in my life and in my business. And I started very, very specifically paying attention to allowing that and creating that. And it was so interesting because I remember very clearly, it was in my first year in business that I realized that I was running the script. There's only just enough, but it took until six years later for me to say, hmmm right I'm sick of running this story.

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Now I want a different one. Awareness is one thing. And it's very, very important. You can't shift anything without awareness. Like I really truly believe that, but awareness isn't all the things you still have to take action to change certain behaviors, ways of thinking, releasing old experiences and energies that are still running the script in your existence. And so now life is very, very different and it started, the decision was made in July 2019. And then the actual shift happened in January 2020. So isn't it interesting how quickly when you actually make a decision and then choose to live into that decision on a moment by moment, day to day basis, how quickly things can shift. And obviously as always, there was the practical, strategic element of shifting, changing the way that my business model looked, changing the rates that I had, but there was the energetic work.

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It was the permission piece. It was the allowance piece. It was the intention piece and being conscious around not needing to get this money out of my hands as quickly as possible. And on the sea, of course it was never a conscious thought or belief in that way, but you wouldn't know it to look at my bank balance. So some people wonder why I love the personal development side of business so much. And it is because I believe that what we master in life, we then get to play out in business and what we master in business, we get to play out in life. When it comes to the money side of things, I absolutely, in my own personal experience and with the now thousands of people that I have observed working with professionally and just seeing in my field, I know that money stuff is a personal game first.

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And when you can sort out your shizzle on a personal level, it opens the doors for the business. So for me, very specifically, it was saying I'm allowed to be in overflow. And then once I've made that decision and started to take the practical actions, I was then able to look at the business side of things when it came to profitability. And honestly, I think that most of the time profit is not discussed in the online world because the headline figures are way more sexy. I mean, who doesn't want to talk about their six figure launch or the seven figure launch? Like everybody wants to talk about that. Nobody wants to talk about the six figure launch, where they spent an extra 20 grand on team and ads and all of the other, I mean, actually to be honest, if you spent only 20,000 pounds on a six figure launch, then you're winning.

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But the stories, many stories I've heard is it's been more like I spent 80 grand and I've made 20 K and that might sound extreme, but that's way more common than you would imagine. And what I want to say is my own experience has been, whilst I didn't put a lot of attention to this when I was building, I did know that the investments that I was making when I was earning around 30,000 pound a month mark, it, they felt high. And there wasn't a huge amount left at the end of the month. But I knew that I wasn't planning to do anything radically drastic with my business, so that as clients numbers increased, I wouldn't be needing to allocate more and more expenses. And it was a thought and that thought rang true actually in my experience. So what happened is between the 30 to 50,000 pound a month mark, I didn't feel that abundant.

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I felt that I should, in the same way as I hear many people who hit the six figure mark go, 'why don't I feel like I'm making loads of money.' And the reason is is that at six figures, what you're actually looking at is 8,333 pounds and 33 pence a month. And if you have a VA working with you, that might be between 500 to a thousand pounds a month. If you have a graphic designer that might be 250 to 500 pounds a month, if you're using systems, so you're not doing private coaching, but you are doing programs, then you might be paying for things like zoom and teachable or Kajabi, and all of those micro costs add up. So even though you're

making six figures, which is 8,333 pounds and 33 pence a month, you might have three and a half - 4,000 pounds a month going out in expenses.

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And then when you put the money aside for your tax and then your living expenses, all of a sudden, it's like, oh, I actually, I don't have a huge amount to spend on ads. Oh, I don't have any money to put away in savings. What am I doing wrong? Everybody's talking about the holy grail of six figures and I've got nothing left at the end of the month. Actually, you're not doing anything wrong. You're just not actually earning a huge amount of money after normal expenses. So if your profit margin at a 100K is not very high and you're running programs as opposed to doing one-to-one because with one-to-one there are very few other expenses that you need to consider, I want you to know that you're not doing anything wrong, but in order for you to feel abundant and to be able to save for your future and put money aside.

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Then you need to think about how you get to scale. And I would say that for me, what felt most aligned. The thing that changed my life is to, one, run group programs, two, to run high ticket group programs. And so whilst I have a range of prices that people can invest in, a range of programs at different prices that people can invest in, the thing that really changed the balance in my business was having a high ticket residual income coming in month after month, over time. That created over flow. And at that point I was really able to look at, okay, how much profit do I want to be aiming for? And so for us, we have a target profit margin of a minimum of 50% on everything that we do. And that is net profit. We take out the corporation tax, we don't consider VAT.

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It is genuinely net profit. Now that money gets to be reinvested in the business, or I get to take it out and look at other investments. But every program that we run, we have a spreadsheet and I look at how many coaches, how many hours are they doing, how much money are we paying them to be in this container, how much are we spending on ads, how much is the admin? Like I look at every single component. The only thing that I don't put a price by is my time. And really, if I was being a thousand percent accurate, any maths nerds who tell me that I don't need to be a thousand percent accurate, I can be a hundred percent accurate, I know I got it. I'm just making a point. But in order to be really accurate, I should really put a price by my time.

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But outside of my time, everything gets put on that spreadsheet. And what I feel really proud about and what my accountants always make me laugh when I'm like what's the profit and loss for this month, it is always between, is we always hit the minimum of 50%. And often it is between 50 and 60. And we've even seen months where we have a 75% profit margin, which considering we have a team that can

range anything from nine to 14 people, is incredible. And I love the way that the containers run. I feel like all clients are so, so well supported and we are still able to run a lean and profitable ship. I don't think that there are enough people even giving suggestions on what you should be looking at when it comes to profit. And it is more normal for you to be earning less profit in the beginning.

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And then if you choose to go down the team route again, be earning less profit. And so if you are earning less than that right now, I want you to look at what stage you are in your journey and know that if you are nowhere near 50% right now, which I wasn't for basically five years of being in business, don't worry, you're not doing anything, but I want you to have that number as a guiding light, this is where we want to get to as a business. The other big thing that I want to add to this is I've been asked by private clients, like, should I be cutting costs in order to make my business more profitable? And my own stance on this is no. You know, a lot of the money that I spent when I was operating at a way lower profit margin was on coaching.

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I was investing in learning. And the way that I would determine whether the investment was wise or not, and it would never look wise to anybody else looking from the outside in. But the way that I would determine whether it was a wise investment or not would be to think about what's the return on investment, how is this helping me upscale, build my business, attract more clients. And if I could clearly see if I'm invested in this, and I apply this to my next launch, to my next X, and I get this return, this paid for itself 10 times over. And for me, whenever I can see something is going to pay for itself, as long as I do the implementation, then I will always invest. There are less holes now so I'm probably more picky about what I invest in now than what I used to be, but that is the way that I would select what I should invest in.

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And because I am a personal development and a learning junkie, I never, I would never berate myself for those investments either. I know that other more sensible, maybe more risk averse people would be like, what the hell are you doing spending that much on coaching that much on investing? But you know, I look now and I'm like, it was all the right decisions. They were all the right decisions. Because look at what I have been able to create, and I is now a we, look at what we have been able to create as a team because of those decisions. So it's okay when you're starting out for things to be leaner. And I want to plant this as a very clear goal. And then when it comes to making your business more profitable, I don't want you to think about scaling back. I mean there are lots of schools of thought on this and unless you are a natural saver, which I am not, I don't want you to think about not getting your Starbucks.

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I don't want you to think about not investing in Facebook ads or Google ads or whatever it is. I want you to think about how many clients do I need to justify this investment? What am I willing to do? Who am I willing to be in order to call in those clients? That is how I want you to think about it. I don't want you to think about cutting back. I want you to think about growth and expansion. And if you're like, that sounds full Hardy. And I want somebody who's going to you know, talk to me about avoiding risk rather than plowing more into my business, then this is just not the right podcast for you, that my friend is okay. You know, I am about the growth and evolution, and this is the way that I've done it, so this is the way that I personally believe in, even though I really appreciate that there are so many roads to Rome. Your job is to find which one of those paths feels most aligned to you.

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And what I hope is what I've shared with you today, plants the seed of knowing if you are not already there, that 50% is a great goal for you to have and it's something that you get to start looking at. And when you're wanting to increase those profit margins, think about what am I willing to invest upfront in order to get out of the backend. So this container can be operating at 50, 60, 70, 75, even 80% profit margin.

Okay. I hope that this has been interesting. I hope this has been useful food for thought. If it has, please hit me up on the gram @Suzy\_Ashworth. And if you haven't taken the time to leave me a review, and this podcast is one that you come back to again and again, I would really deeply appreciate you hopping over to iTunes and just saying, I get value. I would love that. Thank you so much. I look forward to being in your earbuds the next time you join me. And in the meantime, please remember that faith plus action equals miracles.

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