

GMSB 251

[00:00:00] **Antony Whitaker:** Hey, it's Antony Whitaker here and welcome to today's episode of the Grow My Salon Business podcast. And whether this is your first time or perhaps you're a regular listener, thank you for tuning in today. Now, in case you don't already know, video versions of our podcast are also now available on our YouTube channel.

[00:00:21] **Antony Whitaker:** And so if you want to put faces to the names and head on over to Grow My Salon Business on YouTube and like and subscribe to the channel. So with that said, on with today's short episode. Now, regardless of where you live, let me ask you this question. What do the government and your business have in common?

[00:00:42] **Antony Whitaker:** Now, that's not a trick question. Let me explain what I mean. This year, there are elections going on in many countries. And as always happens, there's also lots of promises being made by politicians about how they're going to make our lives better by spending more money on the things that matter. Whether that's the health service, or caring for the elderly, or building more and better roads and schools, and investing more in the defense forces and the police force, and paying teachers and doctors and nurses better, etc.

[00:01:15] **Antony Whitaker:** But then you will have the government's opposition parties all pointing out that these promises are unfunded and that the only way that the newly elected governments will be able to finance these grand plans is by increasing your taxes. And let's face it, in most cases, people do not vote for someone who is going to increase taxes.

[00:01:38] **Antony Whitaker:** But here's the problem. Your government, my government, or any government, don't make any money of their own. They only have the money that we give them in the form of taxes. So, in order for them to spend more money, they need to raise more money. And there are only four ways that they can do that. But we'll come to that in a minute.

[00:01:59] **Antony Whitaker:** Because that is where you and your salon business do have a lot in common with the government. Because just like the government, your business, meaning the building that your salon is in, doesn't produce any money of its own. And so in order for you and your business to spend more money, you first have to generate or raise more money.

[00:02:25] **Antony Whitaker:** And we do that predominantly through selling our hairdressing products and services. But as I said, the government, unlike you and your team, don't make or sell anything that produces money. So the way that governments can get more money is primarily through raising your taxes in all the various forms that tax comes in.

[00:02:48] **Antony Whitaker:** So if we stick with the analogy for a minute between the government and your business, The government raises taxes to get more money. Whereas the salary earner can, if the time is right, raise their prices to get more money. But, aside from the government increasing taxes or you increasing the prices of your services, there are three other ways that both you and the government can also raise more money.

[00:03:17] **Antony Whitaker:** So, the second way for the government to raise more money is by growing the economy. You've probably heard the politicians talk about increasing the GDP, meaning increasing the gross domestic product. And all that means is growing the amount of money that the country produces as a whole. And the government do that, in theory anyway, by making it easier for businesses to operate.

[00:03:43] **Antony Whitaker:** And to expand and to get finance and to have less red tape and bureaucracy that inhibits growth and investment. And by doing that, it makes it easier for businesses to flourish and be more productive. And if the government get that right, then without having to raise taxes, they will automatically increase the amount of tax they collect because there'll be more successful businesses, more people employed, more people paying tax.

[00:04:11] **Antony Whitaker:** And so as a result, The government will automatically collect more tax revenue. So the analogy is that you need to grow your business economy, your salon economy, your own GDP. You need to increase the revenue that you and your team generate without increasing the overhead by the same amount. So that there is more money left over to reinvest back into the business or to expand or to reward yourself and your team for the increased productivity. The third way the government and your business can raise more money so that you can spend more on the things that we all want is to borrow more money.

[00:04:58] **Antony Whitaker:** But the problem is that the debt that most countries have is totally out of control. And like all debt, it has to be paid back along with the interest on the loans. So although borrowing more money,

which for a country is referred to as increasing the national deficit, is a way to get more money in, it is only a short term fix and it comes with long term pain.

[00:05:23] **Antony Whitaker:** Of course, the analogy for you and your business is that if you want more money, you could just go out and borrow it. You could get a loan or open another credit card. Sure, it's a short-term fix, but it is also long-term pain to be spending money that you don't have. Because whatever profits your business is producing will mostly then be gobbled up in interest payments.

[00:05:47] **Antony Whitaker:** And if you don't believe me, just look at the credit card debts that most people are carrying today. And in many cases, they can't do more than service the minimum payments every month. And then we have the fourth mechanism that both your government and your salon business have as a way to increase the money that you have available to spend.

[00:06:08] **Antony Whitaker:** And that is to reduce expenses. Now in the example of the government, that means reducing the amount that is being spent wherever they can in order to free up cash for them to then spend elsewhere. When your government is doing that, and let's face it, most governments are, it's called spending cuts or austerity.

[00:06:31] **Antony Whitaker:** Either way, there's a certain amount of pain involved, and in many cases, it's unfortunately going to impact disproportionately on those that can least afford it. Of course, the analogy applies to your business as well. If you reduce expenses, if you make cutbacks, if you start spending money only on the must haves instead of the nice to haves, then you will also free up money to spend in other areas.

[00:07:01] **Antony Whitaker:** Whether those other areas are to pay down debt, or to reinvest into training or marketing initiatives that will produce more money elsewhere, either way, it's the same principle. So let's get back to where we started with the original question. What do the government and your business have in common?

[00:07:22] **Antony Whitaker:** Well, it turns out, quite a lot. Your salon is a small business. The government is in many ways, basically, a big business. And although the amount of money a government deals with dwarfs the money a

small business deals with, the principles are pretty much the same. So, with that said, we need to start winding this episode up.

[00:07:47] **Antony Whitaker:** But before we do, we have multiple free resources on our website, from our weekly podcast to the two-minute salon manager videos, as well as our paid for resources, whether it's our books, our one-to-one coaching, or our online courses. Now, relative to today's podcast, there are a couple of resources that I want to point you towards.

[00:08:07] **Antony Whitaker:** The first is my books, which are all currently at half price, but I can't guarantee how long they will remain at 50 percent discount.

[00:08:16] **Antony Whitaker:** The Grow Book Series is a collection of four different books. Grow One Super Stylist is all about getting the individual stylist to understand that they are ultimately responsible for how busy they are and therefore how much they earn. The Super Stylist book gives them the tools and the understandings of what they need to do to become more productive behind the chair.

[00:08:40] **Antony Whitaker:** Grow Two Management is all about the owner and manager. And what they need to focus on to get organized, to create systems, and to free them up from the business on a day-to-day basis. Grow 3 Team is all about what it takes to recruit, train, and nurture a team of stylists. And finally, grow 4 Marketing is all about how to attract more clients, turn them into regulars, and keep them as long as possible.

[00:09:06] **Antony Whitaker:** So if you want to find out more, then visit us at growmysalonbusiness.com or on Instagram at Grow My Salon Business. And I will put those links in the show notes for today's podcast on our website. And finally, don't forget to subscribe and leave us a rating and review on the Apple Podcast app. So, to wrap up, thank you for listening to this week's episode of the Grow My Salon Business podcast.