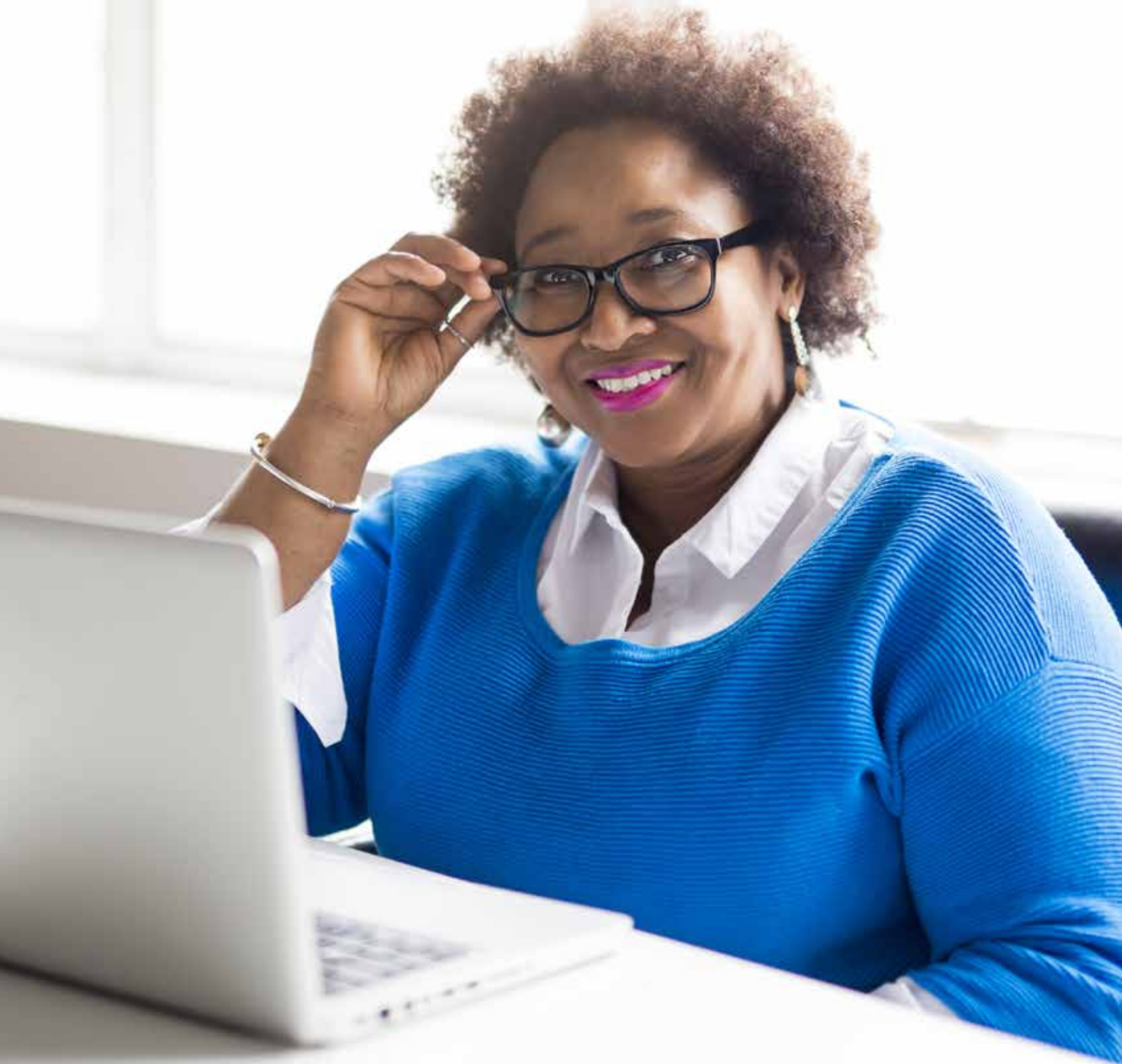


APRIL 2018 • ISSUE 2: LET'S MAKE MORE MONEY!

THE **BOTTOM LINE**

BY HER CORNER



Making
More Money
PG 3

An Interview with
Entrepreneur Mary Schulman
PG 4

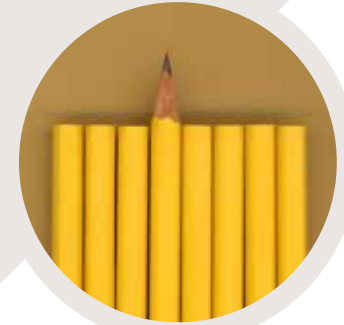
Worksheet:
Understanding Profit
PG 7

CORNER **THE**

Welcome to

CORNER

HER



Making More Money is the #1 Reason Women Join Her Corner *By Frédérique Irwin*

I've often said that it's easy to know when it's time to join Her Corner—and specifically our Accelerator program, which helps you get serious about growing and scaling your business.

It's when you find yourself saying **"I want to be more financially secure."**

What are you really saying? What does "wanting to be financially secure" mean?

You're saying that you don't want to worry about money, to know your business can support you, your family, and children. You want to get to a place where you feel not just comfortable, but confident, that this business provides the financial stability you desire.

At Her Corner we don't attract many women who are under 30. One of our requirements is that your business must have been in existence at least one—and typically several—years, our demographic is

typically women who are 35 and up. Some of these women are coming to us because they've recently gone through a divorce or are about to, but many are single or happily married. But they want to contribute, consistently. They want to feel that the business can provide not just for them, but for their families, and their future.

Sure they might feel overwhelmed and absolutely they want detailed guidance on growth, but they're mainly concerned about securing

their financial future. And that is why they're coming to Her Corner. To learn how to make that happen.

When I watch one of those women stand in front of her peer group and present her financials, confident not only in what she is saying, but also in the trends she is seeing, that's a whole new level of happiness for me personally. Because in that moment, I'm looking at a woman who is no longer afraid or worried about her financial future.



Frédérique Irwin

Frédérique is the Founder and CEO of Her Corner. She has spoken on the topic of the state of women and entrepreneurship at The White House, The U.S. State Department, as well as companies such as Marriott, Chobani, Microsoft, AstraZeneca, TD Bank, and others.

Dear Her Corner Members,

Welcome to the second issue of our quarterly digital magazine, **The Bottom Line!**

We received such lovely comments and feedback to our first issue in January, **I Need A Plan!** Thank you for embracing our new efforts to bring you more useful content. We love hearing from you about how you are using the worksheets and templates to grow your business.

This quarter's theme is **"Let's Make More Money!"** Who among us doesn't feel that way at least once a week? We are thrilled to be highlighting an amazing business woman, Snikkidy founder Mary Schulman, who is currently building her second successful company, PYT Cosmetics. We also have a feature on becoming certified as a Women Owned Business - the process, the pros and cons, and how to make the most out of the certification if you decide to do it.

This issue's worksheets and templates focus on the two parts of the equation you need in order to make more money—increasing revenue and increasing profitability. We often see women entrepreneurs make the mistake focusing on only one of those parts. The truth is, if you want to make more money, you not only need to increase revenue by bringing in more business, but you also need to make sure that you actually make money from the business you win.

As always, we would love to hear your thoughts and feedback on the magazine—everything from how we can improve the content to different topics or features you would like to see. We will do our best to incorporate your suggestions in future issues.

We can't wait to hear about your success!

Fred & Kimby



Kimberly Berger

Kimberly is the President and COO of Her Corner. She is an active angel investor with a passion for women-owned companies. She has worked with venture-backed companies and large publicly traded companies specifically in the areas of digital marketing and strategy consulting.

Your Pricing is Directly Tied to Making More Money *By Kimberly Berger*

I have been working with an accelerator member for the past couple of months, and we finally came to the point where we had to do something about her pricing.

She explained to me all of the reasons why she couldn't possibly raise her prices:

- **What about the competition?**
- **What if I lose clients?**
- **What if I feel badly about charging more?**

All of these were valid concerns, but none were good reasons to ignore pricing. So we took the first step and actually broke down her pricing structure. We looked at what she charged and how much time it took her to provide the service. And you know what we found?

She was charging her clients \$6 per hour. Yes, that's right. Only \$6.

Please tell me what on earth you can still pay \$6 per hour for? Not a manicure. Not a massage. Not getting your lawn mowed. Not getting your hair cut. Not for a babysitter. Seriously, I can't think of anything I can pay \$6 per hour for.

And that was when the lightbulb went off. She agreed that her pricing, when viewed from this perspective, didn't make any sense. She raised her prices, wrote all of her clients a letter explaining the increase and waited for the onslaught of angry emails or even worse, for all of her clients to walk out the door. And guess what happened? Nothing (almost).

She got two emails in response to her letter. She spoke with both clients and explained that she had been charging only \$6 per hour. And you know what those clients did? They agreed that she should raise her prices!

Yes, thinking about pricing is scary. Sometimes you have no idea what the right price should be. Other times, you know it should be higher, or lower, but you don't know how to communicate with your clients about it. Pricing doesn't have to be scary. Join Her Corner to use the power of collective intelligence to figure it out.



CONTACT US

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Planning on Success: An Interview with Entrepreneur Mary Schulman

Mary Schulman knows a thing or two about making money. In fact, she started her first business with her two best friends at age 11. That endeavor, called TML, Co.—for the Tammy, Mary, and Lyssie Company—netted the girls \$1200 over the summer doing odd jobs around the neighborhood.

Schulman returned to her entrepreneurial roots in 2007. After 10 years in the finance industry, she left to start a new venture, this time with her mother, Janet Owings, whom she calls her greatest inspiration. “My mom is my biggest influencer and supporter,” Schulman says. “She taught me from an early age the importance of being an entrepreneur and self-sufficient.” This company, called Snikiddy, offers busy parents a choice of high quality snack foods they can feel good about serving their families. Schulman founded the company after she became a mother herself and grew increasingly concerned about children’s health—and the lack of healthy snack options. Schulman sold Snikiddy Snacks to Utz Quality Foods a little over two years ago and is now onto her next venture.

She is now the Co-Founder of PYT Beauty™, which will sell clean color cosmetics, beauty products without the BS (Bad Stuff)™. PYT Beauty will launch this summer with the NO BS Eyeshadow Palette and will follow with a more robust product launch Fall of 2018.

Schulman has learned that success doesn’t happen by accident—you have to plan for it from day one. She references the Harvard Business Review article “The Five Stages of Small Business Growth” as an excellent resource for entrepreneurs who want to learn more about business development. In that article, the authors provide a framework for understanding

how small businesses progress, identifying five key phases: existence, survival, success, take-off, and resource maturity. At each stage, they pinpoint typical obstacles small businesses face and breakthroughs they experience in their paths to becoming established.

For Snikiddy, several revenue achievements marked turning points as Schulman grew the company from the “existence” phase to the “survival” phase. She recounts: At Snikiddy, the first \$1 million in revenue came quickly as we had the benefit of several large retail partners that needed our products. This demand allowed for larger scale production and rapid growth. This was the time at Snikiddy that I would refer to as “existence” in the phases noted in the Harvard Business Review. In this stage we grew beyond \$5 million in revenue. Next, we needed to survive, in this stage the term cash-flow positive starts to become part of the context. For us, at Snikiddy, this magic number equated to \$10 million in revenue.

But Shulman recognizes that business owners might not know where to concentrate their energies. Should they grow top-line revenue or become more profitable? And, assuming the owner can grow her revenue, what should she focus on to achieve profitability? Shulman believes that business owners need to think about finances from the very start, even though there are so many other challenges when first forming a business.

“I believe that one of the very first steps in understanding the viability of a company is to take the time to draw the path to breakeven and then, more importantly, profitability followed by improved profitability.”



“In each of the businesses that I started, I set a goal for the company to raise capital to fuel growth, I had a goal for myself that once the money was secured, at that point, I would pay myself.”



“It’s easy to say, ‘I’ll fix the finances later, when we’re bigger or have more time;’” Shulman says. But, in her mind, that’s a mistake: “I believe that one of the very first steps in understanding the viability of a company is to take the time to draw the path to breakeven and then, more importantly, profitability followed by improved profitability.” She tells business owners to ask themselves these questions:

- What does the plan look like?
- What is the time horizon for each phase?
- What are short-and long-term goals?

Schulman also thinks new business owners should focus on the end right from the beginning. “Understanding the exit goal—or lack of exit—is a good question to ask even before starting a business,” she says. Schulman suggests business owners consider the following:

- Is this a company I plan to keep and pass on to generations to come?
- Is this a lifelong business for my financial security only?
- Is this a business that I will look to sell in a few years? If so, who would a potential buyer be, and how would this group create more profitability?

“All of the answers to these questions,” she says, “will help determine the most critical key performance indicators for the specific exit plan.”

In all of this talk of revenues and profitability, many business owners struggle with knowing when to pay themselves more—and when to invest more into the business. Schulman’s been there and, not surprisingly, she made a plan for when to pay herself. “In each of the businesses that I started, I set a goal for the company to raise capital to fuel growth,” she says. “I had a goal for myself that once the money was secured, at that point, I would pay myself.”

But thinking about numbers can only get you so far. Underlying all Schulman’s business successes is the good old-fashioned power of positive thinking. “A positive mindset in a business is the most critical aspect of success,” she says. “If we keep our focus on negative thoughts and our doubts, they will inevitably come true.” But if, in contrast, we turn that focus around, real change can happen. “If we spend our energy thinking about our most hopeful outcomes, this too will likely come to pass,” Schulman explains. “This philosophy is true of a revenue goal the same way it is for any other life goal. Set a goal, focus on the goal each day, stay positive, and spend time on the path that leads to the achieved goal.”

It’s advice that business owners can take to heart for far more than how it impacts their bottom line. It’s good advice for success by any measure.

46%

INCREASE IN REVENUE

Accelerator members see, on average, within one year of completing the program.

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Spring Accelerator groups launching in April!

“Her Corner has been a life-changing experience for me.”

Amandine Liepmann,
Mitz Kids



LEARN MORE AT
www.hercorner.org/how-it-works-accelerator



Making Certification Work for You

By Marjorie Solomon



HER CORNER

Many women entrepreneurs explore becoming certified as a woman-owned business as one way to increase their sales and revenues. Some find the process daunting, and abandon it. Others obtain certification, but still find their businesses underperforming.

So how can you make woman-owned business certification work for you?

First, a primer. What is woman-owned business certification and what can it do for you? Government agencies, as well as some private companies, often allocate a percentage of their contracts to businesses that are majority-owned by members of certain groups—like women, veterans, those who have disabilities, or those who identify as LGBTQ. These are called “set asides”. Awarding contracts to members of these groups increases what’s called “supplier diversity” or “supplier inclusion.” So, if a certain number of contracts are going to businesses certified as owned by women, and you’re one of those businesses, you’ve just opened a new sales stream filled with opportunities.

Women have different reasons for seeking—or not seeking—certification. It’s not an easy process—the applications are lengthy and assembling the required documentation can be formidable. According to an informal survey of several hundred female business owners who are members of the

Women’s Business Enterprise National Council (WBENC), some respondents only became certified because a client required it. Others chose not to pursue certification because they didn’t have the time to complete the process, or believed that the investment to return ratio was too low.

Then there are those who took the time and effort to certify their businesses, but failed to leverage those hard-earned certifications, blaming the certification itself for their failure to perform.

So what’s happening? What obstacles are keeping these women from being successful? I’ve personally heard the following more than once from women business owners:

“I’m not a salesperson.”

“I’m busy working in my business.”

“I’ve tried working through supplier diversity channels, but I never get anywhere.”

Have you heard these phrases or have you spoken them yourself? As the innovator, the business owner, and an entrepreneur, you have countless responsibilities, limited time—and, possibly, few financial resources. But those things aren’t going to change. No matter how large your business grows, you will continue to have responsibilities and time issues.

So what’s the solution? It’s all in the marketing. That same WBENC survey revealed that approximately 95 percent of women entrepreneurs’ energy is spent on keeping the engines of their businesses running—in other words, finding talent and capital, building infrastructure, and managing all of their business components. Only about 5 percent is actually invested in sales and marketing.

That’s right. Just 5 percent.

Newsflash. Your certification won’t do the selling for you. Even with certification, you’ll still need a

tiptop sales and marketing plan. The certification just gives you another avenue to market yourself in. And that’s where people get tripped up. What seems to be the sticking point of certification for many small businesses is how to leverage their certifications through supplier diversity channels and build a strong sales and marketing channel.

The key to successfully marketing and selling products or services lies in the makeup of your team. Ask yourself these questions:

- **Do you employ a salesperson?**
- **Do you employ a marketing person—or outsource to a marketing firm—to handle social media, as well as both inbound and traditional marketing?**
- **Do you have a business development director to oversee sales and marketing?**
- **Is supplier diversity one of your channels?**

Let’s focus a bit on that last question, about supplier diversity channels. If you answered “yes,” ask yourself this: Do you have someone on your team dedicated to working within this channel?

If not, then I recommend you either hire an expert consultant to train you and your business development executive, or move one of your salespeople into this position.

It’s that essential.

You might ask yourself why you should invest time and money in a sales channel with a long sales cycle—one that requires more time and investment than traditional sales.

Three words: ACCESS, ACCESS, ACCESS. For a woman-owned small business, this can be the warm introduction we all clamor for.

It works. I’ve seen it. Women-owned small businesses are getting business and seeing sustainable growth by leveraging their certifications and working through supplier diversity channels. But don’t just take my word for it—there’s hard evidence to back this up at wbenc.org. Certification isn’t for everyone. But it can be beneficial for those who make the commitment necessary to follow through. Is it easy to get certified? No. But who said something worth having is easy?

Where can you learn more?

Several organizations provide third-party certifications. Click the links below to learn about their eligibility requirements and certification processes:

Women’s Business Enterprise National Council (WBENC)
*(certifying women-owned businesses)**

National Minority Supplier Development Council (NMSDC)
(certifying minority-owned businesses)

Small Business Administration (SBA)
(certifying woman-owned small businesses)

National Gay & Lesbian Chamber of Commerce (NGLCC)
(exclusive certifying body for LGBT-owned businesses)








Veteran’s Administration (VA)
(certifying service-disabled veteran-owned small businesses and veteran-owned small businesses)

**The largest and most recognized 3rd party certification agency for women is WBENC. WBENC has been certified to provide WOSB (Women Owned Small Business) certification on behalf of the SBA.*

Growing Revenue

PRODUCT/SERVICE EVALUATION

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	PRODUCT / SERVICE #1 <i>(list here)</i>	PRODUCT / SERVICE #2 <i>(list here)</i>	PRODUCT / SERVICE #3 <i>(list here)</i>	PRODUCT / SERVICE #4 <i>(list here)</i>
PERCENT of TOTAL REVENUE THIS WILL REPRESENT <i>(out of 100%)</i>	%	%	%	%
ENJOYMENT FACTOR   				
LEVEL of EFFORT <i>(circle one)</i>	HIGH MEDIUM LOW	HIGH MEDIUM LOW	HIGH MEDIUM LOW	HIGH MEDIUM LOW
PROFITABILITY <i>(circle one)</i>	HIGH MEDIUM LOW	HIGH MEDIUM LOW	HIGH MEDIUM LOW	HIGH MEDIUM LOW
OTHER FACTORS <i>(please define)</i>				

Growing Revenue

FINANCIAL OBJECTIVES

Financial Target for

_____ : _____
(year) *(dollar amount)*

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	PREVIOUS YEAR'S INCOME	THIS YEAR'S TARGET INCOME GOAL QUARTERLY INCOME GOAL <i>(25%)</i>	PERCENT of TOTAL REVENUE THIS WILL REPRESENT	ENJOYMENT FACTOR	LEVEL of EFFORT	PROFITABILITY	OTHER FACTORS	IS THIS THE CORRECT TARGET INCOME GOAL? <i>(yes/no)</i>
PRODUCT / SERVICE #1 <i>(as listed on page 1)</i>	_____	_____						
PRODUCT / SERVICE #2 <i>(as listed on page 1)</i>	_____	_____						
PRODUCT / SERVICE #3 <i>(as listed on page 1)</i>	_____	_____						
PRODUCT / SERVICE #4 <i>(as listed on page 1)</i>	_____	_____						

Calculating Profit

IS YOUR PRODUCT/SERVICE PROFITABLE?

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YOUR PRODUCT/SERVICE: _____ YOUR PRICE: \$ _____ (per month if it's ongoing) **A**

(select 1 of the products/services you listed at the top of page 1)

STEP 1 WHAT DOES IT "COST" YOU TO DELIVER THIS PRODUCT OR SERVICE?*

1. HOW MANY HOURS DO YOU SPEND BEFORE YOU "DELIVER" THE PRODUCT/SERVICE? (eg. doing research or prep. work?) _____

2. HOW MANY HOURS DO YOU SPEND PER MONTH DELIVERING THE PRODUCT/SERVICE? _____

3. HOW MANY HOURS DO YOU SPEND EACH MONTH ON FOLLOW UP AFTER THE WORK IS DONE? _____
(eg. sending follow up notes)

4. TOTAL HOURS SPENT: _____ **B**

5. MULTIPLY **B** BY YOUR HOURLY RATE: _____ **C**

STEP 2 WHAT IS THE PROFIT?

1. YOUR PRICE \$ _____ (enter **A**)

2. YOUR COST \$ _____ (enter **C**)

3. YOUR PROFIT \$ _____ **D**
(**A** minus **C**)

4. YOUR PROFIT MARGIN FOR THIS SERVICE/PRODUCT _____ %
(**D** divided by **A**)

*PLEASE NOTE: This is a simple product/service profit evaluation and does not take into consideration additional costs such as overhead.

Profitability Ratios

THE HIGHER THE BETTER, MOSTLY

HERCORNER

PROFITABILITY RATIOS ANSWER THE QUESTION: 'IS THE COMPANY SOLVENT?'

GROSS PROFIT MARGIN PERCENTAGE

Gross profit is revenue minus cost of goods sold.
Gross Profit Margin Percentage, often called gross margin, is simply gross profit divided by revenue, with the result expressed as a percentage.

GROSS MARGIN = GROSS PROFIT / REVENUE

REVENUE	\$ 260,847.11 (example)	_____ your company _____ (enter A)
COST OF GOODS SOLD	\$ 131,274.50 (example)	_____ your company _____ (enter B)
GROSS PROFIT (revenue - cost of goods sold)	\$ 129,572.61 (example)	_____ your company _____ (enter C)
GROSS MARGIN (gross profit / revenue)	50% (example)	_____ your company _____ (enter D)

OPERATING PROFIT MARGIN PERCENTAGE

Operating profit is EBIT, gross profit minus operating expenses, so the level of operating profit indicates how well a company is running its **entire** business from an operational standpoint.

It is a more comprehensive measure of a company's ability to generate profit.

Operating margin is operating profit divided by revenue, with the result expressed as a %
OPERATING PROFIT MARGIN = OPERATING PROFIT (EBIT) / REVENUE

REVENUE	\$ 260,847.11 (example)	_____ your company _____ (enter A)
COST OF GOODS SOLD	\$ 131,274.50 (example)	_____ your company _____ (enter B)
GROSS PROFIT	\$ 129,572.61 (example)	_____ your company _____ (enter C)
OPERATING EXPENSES (all other expenses besides cost of goods sold)	\$ 125,122.37 (example)	_____ your company _____
OPERATING PROFIT (gross profit - operating expenses)	\$ 4,450.24 (example)	_____ your company _____ (enter E)
OPERATING PROFIT MARGIN (operating profit / revenue)	2% (example)	_____ your company _____ (enter F)

YOUR PROFIT SNAPSHOT

- Gross Profit Margin
(your revenue - cost of goods sold)
_____ (enter **D**)
- Operating Profit Margin
(what it costs to run the entire business)
_____ (enter **F**)