

05 | 🇺🇸 Know Your Numbers: The Doctor's Report for Your Business

You wouldn't ignore a bad blood test result, would you? It's your body screaming, "Hey, something's off!"—and your business is no different. If you don't know your numbers, you're flying blind. And blind pilots tend to crash.

Let's fix that.

🚨 Everything Is Measurable (And Should Be)

You know your birthday, your shoe size, and how tall you are. But ask most small business owners about their profit margin or inventory turn rate, and you get a blank stare or some vague, wishful number padded with guesswork.

That won't cut it.

You need **real numbers**, tracked the same way, on the same day, every month. No "I think," "maybe," or "last time I checked." This isn't just accounting—it's survival.

📄 What Counts? Hard and Soft Numbers

Let's break it down.

🔒 Hard Numbers (Financials)

These are the black-and-white stats your accountant lives for:

- Revenue
- Gross profit
- Net profit
- Accounts receivable
- Accounts payable
- Inventory

These are your business's vital signs. But too many owners take a quick look, nod like they understand, and file them away to gather dust. That's a mistake.

Own your financials. Accountants are helpful, but they're not mind readers—and you're not their only client. When they say things like “depreciation” or “one-time expense,” push back. Ask questions. Learn what the numbers are actually telling you.

Soft Numbers (Emotions + Perceptions)

These are the feelings floating under the surface:

- Employee morale
- Customer satisfaction
- Vendor trust
- Team confidence

You can't plug these into a spreadsheet, but they're just as important. If your people are miserable, your business will reflect it.

Use a 1–5 scale survey. Anonymous. No names. Just honest feedback. Do it quarterly. Look for trends.

The Three Rules of Numbers

1. **Numbers are never vague**—they just are. Own them.
 2. **Track them monthly**—same day, same format.
 3. **You are responsible**—never abdicate to someone else.
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Roadblocks That Will Sink You

1. “I don't want to know.”

That's fear talking. And fear is the enemy of progress. Avoiding the truth never fixes it—it just lets the pain grow.

2. “I'm not a detail person.”

Too bad. This is your business. If you don't touch the paperwork, how will you know what's falling through the cracks?

✔ Action Plan: Time to Get Honest

Step 1: Clean House

Dig into everything—drawers, folders, digital files. If it's a mess, fix it. You can't manage chaos.

Step 2: Fill Out the “Know Your Numbers” Sheet Monthly

(Worksheet is located in the Resource Room in the main menu on the left or download via this link: [Critical Numbers Worksheet](#))

Track it. Study the trends. Compare this month to last. Review it with your accountant—not just for tax season, but as a business strategy session.

Step 3: Measure the Emotions

Hand out your soft analysis sheet (sample is located in The Vault in the main menu on the left). Anonymous. Judgment-free. Ask things like:

- How confident are you in our direction?
- How supported do you feel in your role?
- How satisfied are you with our customer service?

Track the scores. If morale is dropping, don't wait for an explosion.

Reflection Question

What number—or feeling—are you avoiding right now in your business, and why? (Be honest.)

Quiz: Do You Really Know Your Business?

1. I know our monthly revenue and net profit without guessing.
 - A) Absolutely
 - B) Nope
2. I review the numbers on the same day every month.
 - A) Yes
 - B) When I remember

3. I track how employees and customers feel with surveys or feedback tools.

- A) Regularly
- B) Rarely (or never)

4. My accountant is a partner in strategy, not just compliance.

- A) Definitely
- B) Just files the taxes

👉 Mostly B's? It's time to grab the wheel and drive this thing.

🌟 **Business Coach Wrap-Up**

You can't manage what you don't measure. If you're too busy to look at the numbers, your business is running you—not the other way around.

The cure? **Clarity. Discipline. Ownership.**

It starts today.

Got a question about one of your numbers? Need help decoding a confusing stat? Email Bob@coachfirm.com

Helpful Resource:

Download the worksheet associated with this lesson: [Critical Numbers Worksheet](#)