

Cash Flow Coaching Kit Logo

Tracking your Progress: Tina's Hair and Beauty

[Narrator] - Tina has a hair and beauty salon.

Her accounts are updated once a month by her bookkeeper.

She watches her sales figures and debtors, but otherwise doesn't track the performance of her business.

To attract more customers, she took out a lease to upgrade to massage chairs at the basins.

[Tina] - I installed the massage chairs as I know customers love them and I thought I'd attract more customers and easily cover the payments.

It's been six months and I've just realized I can't afford to keep leasing them.

They haven't brought in any more customers.

I had no idea, as I hadn't been keeping track.

I thought I must have been okay because I've been so busy.

[Narrator] - It is good practice to run a profit and loss report at the end of each month.

It tells you how much real profit you're making or losing.

You need to compare how your business is going against how you have planned for it to go.

This cycle or pattern can help you plan ahead and make sure you always have money to cover your payments.