

# BUSINESS RULES !

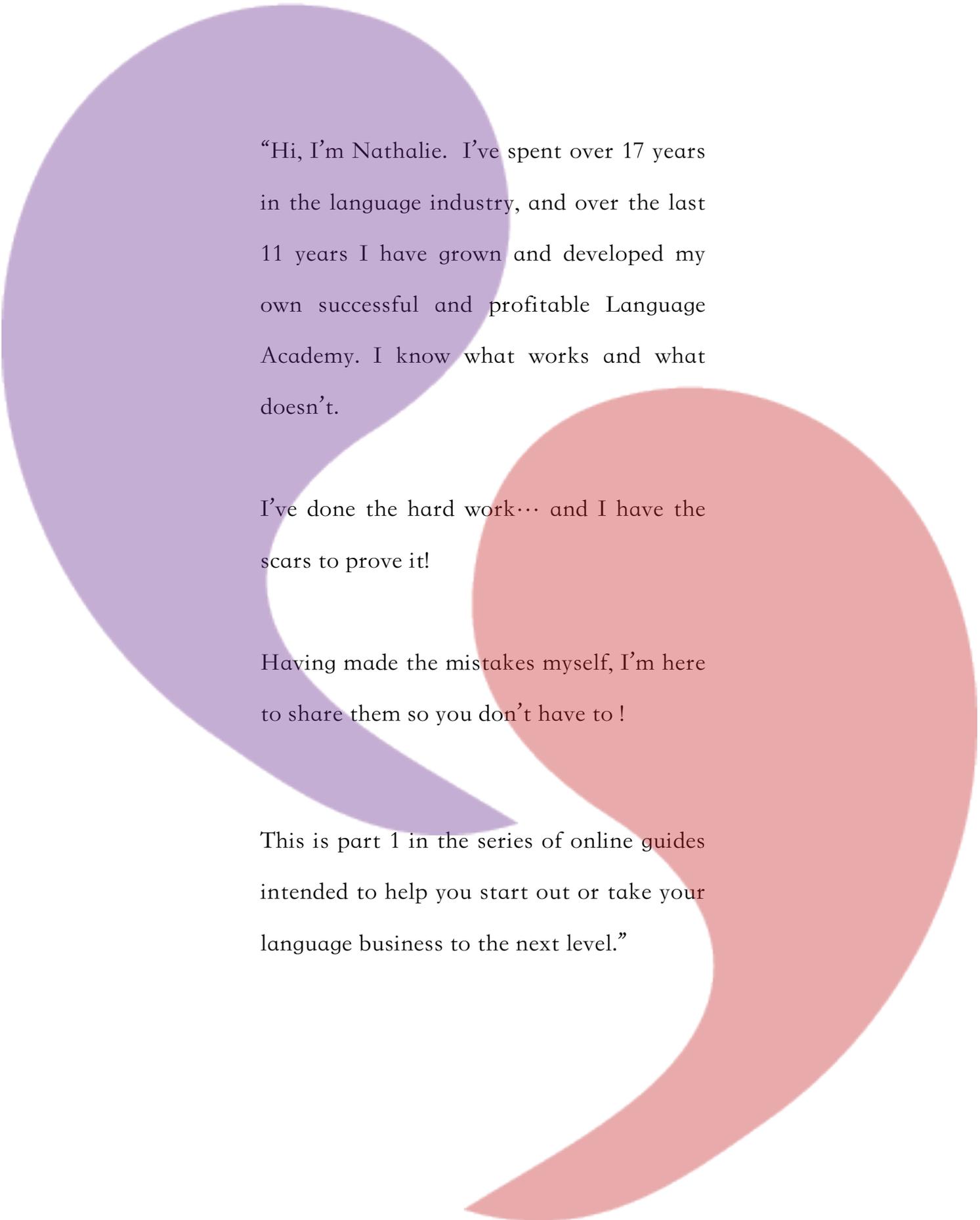
Insights to Transform Your Language Business

**Nathalie Danon**

Turn your love of languages into profit

**Part 1:  
The 3 mistakes  
Everyone Makes**





“Hi, I’m Nathalie. I’ve spent over 17 years in the language industry, and over the last 11 years I have grown and developed my own successful and profitable Language Academy. I know what works and what doesn’t.

I’ve done the hard work… and I have the scars to prove it!

Having made the mistakes myself, I’m here to share them so you don’t have to !

This is part 1 in the series of online guides intended to help you start out or take your language business to the next level.”



## MISTAKE #1: RUNNING FROM THE NUMBERS

I have yet to meet someone that has set up a language business who has come from an accounting background. That's not to say that some of us aren't good with numbers... but many more of us find the prospect daunting!

Where hours of time and energy are often poured into networking, developing new business ideas, competitor research and marketing, the ever-present task of going through the numbers often falls by the wayside.

It's an easy trap to fall into. We tell ourselves we don't have that many clients so it's straightforward and can wait another day. That we have good money coming in and low expenses so it must be fine. That we aren't a big business so we don't need a professional Accountant. (And that the overhead of employing one is an expense we can do without.)

But what are the implications of ducking your bookkeeping because it's not your strong suit? Or scrimping on a professional accountant to do your end of year tax return?

## HERE'S WHAT HAPPENED TO ME:

Finances weren't a strength of mine, so I avoided looking at them. My primary focuses were developing a high quality offering selling, selling, selling – so I took my eye off the ball. Some of my classes seemed really successful and were bringing in good money, but when I eventually looked at the money spent on marketing, actual ROI and cost per customer acquisition, I realised they were nowhere near as profitable as I thought they were.

I had tried to grow the business before the foundations were strong enough, so I wasn't just scaling my business: I was scaling errors and weaknesses.

The fact is, if you don't have a professional on board, you may not be getting all the tax relief your company is due. And in the event you need to borrow money for the business (or yourself), if an accountant hasn't signed off your business plan, you're unlikely to be successful in your loan application. It doesn't matter how thorough you are, or if you have 3 years worth of accounts on file – not having an accountant can be a handicap for your business and for you, personally.

It doesn't have to be a huge expense - there are a lot of accountants who specialise in working with small businesses and can do amazing things for a small monthly figure.

BUT, it's not enough to hand all of your accounts over to someone else and think you can continue your business in blissful ignorance! You need to at least know and understand the basics of how your numbers are shaping up!

Make sure you speak or meet up with your bookkeeper and accountant regularly. Ask them to educate you!

**Key takeout:** Understanding the numbers of your business is crucial to your success. If you have a grasp of key figures, and have an understanding of your business' accounts, you are more likely to make good business decisions. If you need to hire an accountant, see it for the investment it is.

## MISTAKE #2: THINKING YOU CAN DO IT ALL

This one leads on from *Mistake #1*.

Nobody can be perfect at everything! And most of us are self-aware enough to be able to list our skills and weaknesses and market ourselves accordingly. One of the interesting things I have noticed, however, is that we aren't always so willing to take these factors into consideration where running our businesses are concerned.

As small business owners we feel like we have to do everything ourselves. We can't trust anyone to do a good enough job. We don't want to share information. And – most importantly – we tell ourselves we can't afford to spend any money.

We get tricked into thinking we have to be the master of all trades – and it's simply not realistic! The tasks that we are weak at often correspond with those we procrastinate over, are slow at doing, or fail to complete to our own quality standards.

The reality is that, like the archetypal “problem child” we tend to give more attention to the problematic jobs than the others.

Here's an exercise I undertake with some of my coaching clients. On a piece of paper draw up two columns :

On the left, list the work tasks you plainly hate and leave until the last minute: those you find boring and mundane, know you have to do but don't enjoy.

On the right, write up the things that give you a sense of purpose and pleasure: the jobs that you want to do first thing on a Monday and fill you with positive vibes.

When we analyse these lists, we often see personal features reflected in the strengths and weaknesses of the business.

So let me ask you a question: If you hate paperwork, are terrible at filing, persistently send your invoices out late and fail to keep your database organised, what's the best thing to do about it? Does it really make sense to keep plugging away, pouring hour after hour into jobs you frankly aren't good at?

Think about your Opportunity Cost. If it's taking you 4 times as long as it should to plough through your admin tasks, your business is suffering (as are you!) because it's taking you away from the things that you excel at. These are often things that will be making or saving money, and that will consequently help move the business forward.



### *What is opportunity cost?*

The concept is fairly simple: given a set of limited resources, “opportunity cost” represents what you lose out on when you choose to spend your resources on one alternative over another.

In this case, you have a limited amount of time and money available. Let's say you're rubbish at bookkeeping and brilliant social media... If you focus all your time on bookkeeping rather than on social media, is the financial (and psychological) benefit greater or lesser.

It's okay that you're not going to be great at everything. Instead, improve what you can and get involved with people who have strengths that balance out your weaknesses.

So if admin is your nemesis, consider the relative merits of paying a virtual assistance a couple of hours a week to help. If it's saving you time that can be better employed doing meaningful jobs that are in your skillset, this may be the most sensible economic decision.

Many entrepreneurs bring this up as an "aha!" moment for them. Once they get involved with the right people who can deliver some things better than them, their business is able to become more productive and effective.

Whether your specific needs are for a virtual assistant, a bookkeeper, a copywriter or a designer - surround yourself with an *"A team"*. It is possible to hire freelancers on a project to project basis, so this doesn't mean you need to be turning over £500k a year!

## REMEMBER:

*You don't have to do it all yourself.*

*Key takeout:* When you understand your strengths and weaknesses, you can use your time more profitably to help develop your business.

## MISTAKE # 3: PLANNING FOR SUCCESS

“What? Surely success is exactly what I should be planning for! Isn’t that what this is all about?!”

Yes! Of course! It’s absolutely vital when setting up your own language business to orientate yourself towards victory… but planning for success ALONE is a recipe for disaster.

When I decided to transition from a tutoring agency to running a language centre, I had a business coach who was completely brilliant. He taught me so much, helped me structure my academy from the ground up and truly believed in me. I will be forever grateful for his influence. But… we were so busy focusing on bringing our amazing plans to fruition, we never took time to plan for the challenges.

Here’s another real life story: when I began the Academy, I’d never had business premises before. I signed the lease and things began to go wrong almost immediately - the council stopped me trading over a paperwork issue. I lost peak ‘go back to school’ revenue plus I was paying for staff and had bought resources and furniture and couldn’t monetise any of it! The recession was biting, and because I’d changed my business name, my good credit history meant nothing.

It was a series of unfortunately events, many of which were out of my control – I couldn’t stop the recession or influence the council. But I could have prepared for challenges ahead of time. This lack of contingency planning was a shattering mistake.

At the time I was upbeat about it – even in the face of adversity we must move forward. And that saved my business, and my sanity. But I reflected a lot on the fact that I didn’t have a fallback and vowed this was an error I wouldn’t commit again.

*Key takeout:* The vision of success and believing in your business is incredibly important and will help you through the difficult times – but planning thoroughly for failure is also key.

# AND THE #1 THING YOU MUST DO: GET YOUR SALES HAT ON!

Many people who end up in the language industry have backgrounds that really don't feature much by way of Sales. The entire concept can be misinterpreted as being awkward, uncomfortable, undignified, desperate. We've spent a lot of our lives being conditioned to avoid looking at these things, and Sales has a reputation for being pushy and irritating.

So I'd urge you to reframe 'Sales' in a more positive way.

Rather than seeing it as selling, think of it as opening a relationship and solving someone's problem. Don't think of it as transactional – see it as an exchange of service.

I absolutely encourage sales training – in fact I run a 4-hour session, designed to teach the fundamentals of selling, including:

- How to make it feel natural rather than seeming forced and pushy
- How to identify buyers
- How to handle follow up
- How to handle objections

These are all skills that you *have* to learn, otherwise it doesn't matter how much of an excellent trainer or educator you are, your business is still going to struggle.

*If in doubt, remember the business adage:*

*"There is no problem that a good sale can't solve."*

# Summary

## Don't:

- × Underestimate the important of keeping track of, and understanding your business financials
- × Tell yourself you have to take everything on, even if it's not in your skillset
- × Forget that in addition to planning for success, you need to have thought about contingency planning as well
- × Dodge sales, even if it feels awkward to you

## Do:

- + Keep an eye on your finances
- + Hire a cost effective small business financial specialist
- + Make sure you speak to them on a regular basis
- + Get them to sign off loan applications
- + Make lists summarising your strengths and weaknesses and see how these apply to your business
- + Identify your weaker areas, and consider the opportunity cost
- + Decide if it makes better economic sense to hire someone, and if so start building an A-Team of trusted individuals
- + Get a handle on Sales, including training if needed, so that you can be confident about your abilities

# About Nathalie Danon

I arrived in the UK in September 2000 after failing my degree at a French law school, with just a suitcase in my hand, a little money in my pocket and big ambitions to make the most of my bilingualism!

Six years after forming my first language company, I was working with 625 students every week and business was thriving...but I was frustrated by the limitations of being on the road, term time only sessions, and limited resources. I started to explore ways of improving learning environments through immersion and consistency, and in 2008 took the big step of evolving the company into VICI Language Academy. Now in it's 11th year, VICI is a successful and profitable Language Academy, going from strength to strength.

During this time, I've discovered success requires being open to continuous personal development and willing to ask for help when needed.

So for the last five years I've been providing coaching and mentoring to language professionals, drawing on my first hand experience to help people with a similar background get the leg up they need to make a success of their business.

Whether you're a language tutor needing to scale up, a language school owner looking for growth or a secondary school teacher who loves languages but is fed up with the education system, I'm here to help you *turn your love of languages into profit.*

My role is to help you understand where you are, to realise what you need to do to go through the different stages of growing your own business, to help reinforce some things and let go of others.

I can relate to all that you are experiencing.

*Let's connect!*



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**Book your free 40-minute consultation with me**

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