

# Want To Make Some Money?

By Jim Collar  
London Aire Services  
Forest Lake, Minnesota

Federal Reserve Chairman Ben Bernanke made a speech on October 4, 2006 in Washington, D.C. saying, "Reform of our unsustainable entitlement programs should be a priority. The imperative to undertake reform earlier rather than later is great."

What Mr. Bernanke is talking about is taking away as much of your and my retirement benefits as they can get away with. Think they can't do it? 10 years ago who would've thought that Ford, G.M. and all the airlines would or could strip away their loyal employees' hard earned benefits?

The only way for us sweeps to assure a comfortable, carefree retirement for ourselves is to learn how to price our services properly in order to squirrel away an adequate sum (always way more than we think it will be) to provide for our own "sunshine" years.

## Learn to Value Your Service

Let's face it, the average sweep just doesn't have the educational background required to calculate our cost of business, the value of our level of service, or what the final, correct price should be. But it can be learned.

The National Chimney Sweep Guild has been trying to stuff money

into the pockets of their members for the last several years now by offering a variety of basic business classes and seminars.

The good news is that you don't need to be an accountant or bookkeeper to profit from these seminars. I'm certainly far from being either of those. I happen to dislike doing the math formulas and business math exercises that are sometimes done during these training sessions. I'm terrible at remembering all those accounting catch phrases that some people like to toss around, and I hate doing data entry.

Luckily, I'm able to grasp some concepts. That's all any one of us needs to accomplish from any of these business training opportunities. By focusing on the concept that any given instructor is trying to get across, I profit not only in the short term, but every year thereafter that I'm in business.

NCSG has absolutely nailed it for their upcoming convention in April with their mix of business diversification, retirement planning, and profitability seminars. Most impressively, they say they've inked Ellen Rohr as a speaker. I have not attended a NCSG convention in three years, but you couldn't pay me to stay away from this one.

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The most financially successful chimney sweeps in this industry, regardless of company size, are well diversified. Being properly diversified frees us from the tyranny of having to compete on the basis of price. Some of the more astute companies have learned to leverage one service off another in order to maximize their prices and income. The key in being able to do this is simply to be able to calculate the correct price for each additional service you may offer. All service companies, regardless of industry, are governed by the same business math formulas. If you can grasp even part of this concept, you will be literally filling your pockets with money.

I've attended two separate all day classes given by Ellen Rohr. By implementing a small percentage of her instruction, and thinking about the underlying concept, which involves understanding how to properly price any service you happen to offer, I'll improve my bottom line by literally hundreds of thousands of dollars over my business life.

## Personal Results

I'm not talking pie in the sky stuff here. Looking at my profit and loss statement and previous year-to-date comparisons after attending Ellen Rohr's last class absolutely floored me. The improvement in my net income is really that significant.

I never talk about my actual sweep income; that's boring, unimportant and irrelevant to anyone except my wife. To help make a point, I'll just say that my net income has never been anything to be ashamed

of. My starting point is from an already respectable income level. Also note that my actual "sweeping" rates have not changed in over a year and have no direct bearing on the following improvements.

For the period January through May 2006, my net income was \$2,749.36 less than the same period in 2005. In April and May, I started implementing some of what Ellen Rohr taught in her second class.

It's important to note that my total cost of business went up by only \$2,459.53 in 2006 compared to the same period, January through October 2005. My advertising expense actually decreased by over 15% during that period.

For January - October 2006, my net income before taxes is up \$20,514.05 over the same period in 2005. (Remember that at the end of May I was down by over \$2,700.)

Although I knew that the numbers were accurate, I feared that there might be some unintended slight of hand or unusual circumstance to



Ellen Rohr

explain such a dramatic improvement in my bottom line.

After spending the better part of the day with my CPA, we concluded that what Ellen Rohr did was to get me more focused on the margins and ratios of the other services that I offer and get my billable hourly rates more closely into line with my sweep rates. The next step is to get those other hourly rates higher than my sweeping rates. I've already proven that it can be done with masonry repair. The exciting thing is that I've just scratched the surface of this pool of knowledge.

## Go For It!

It's been said many times that most sweeps don't own a business, they own a job. Nothing wrong with that, except you are not going to have anywhere near the retirement income you'll need from what you make operating a "job."

Wanna make some money? Consider clearing your mind of distracting clutter and preconceptions. Go to the NCSG's educational seminars this coming April with the attitude that knowledge gained and applied is money earned. There are only a few percentage points of difference in knowledge and insight between those on the bottom of the income heap and those near the top. The only other variables are motivation and ambition.

The only thing preventing this opportunity from being the best investment you've ever made - is you.



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