

How Learning Revenue Vs Profit from a Business Coach Saved Me and My Business

Introduction

A while ago, I was talking with a friend who owns a business coach. His specialty is helping small businesses increase their revenue and profits. He told me there's a big difference between the two: revenue refers to what you make in an hour or month; profit refers to how much money you keep after paying your expenses.



I Used to Think Revenue and Profit Were the Same Things

Knowing [revenue vs profit](#) is important, especially if you're a business coach. Revenue is how much you make from your clients, while profit is how much you keep after paying expenses (like taxes). Knowing these numbers can help you budget better and make more informed decisions about what services or products to sell. For example, I charge \$500 per hour for my coaching services but earn only \$200 monthly. In that case, my business isn't profitable because I spent only half of my time working—and therefore creating value for clients—so we have less than \$100 left over per hour after paying expenses such as staff salaries and rent costs, etcetera.

Why Is It Important to Know the Difference Between Revenue and Profit?

Knowing the difference between revenue and profit is essential for several reasons. First, it helps you understand the value of your business. If you are growing fast but still in debt because of high costs, it's time to look at what is driving that growth so that you can make changes and start generating more profits.

Second, knowing how much money you are making or losing will allow you to see whether or not there are areas where you could save money on operations or marketing efforts without sacrificing quality service delivery to clients who purchase from them regularly (e-commerce businesses). Thirdly, if something seems too good to be true—like getting paid thousands of dollars per month just by sitting on Facebook all day—then maybe it isn't worth doing after all.

How Does Knowing the Difference Impact My Bottom Line?

Knowing the difference between learning revenue and profit is a huge help in understanding your business better. In addition, it helps you manage your business better, set goals for it, and plan for it.

For example: If I know that a certain course could net me \$10 in revenue but only \$1 in profit, then I can decide how much time I want to spend on that course or if it's worth spending my time on something else instead. Or people buy other products from me because they liked one of my courses or bought one of my coaching packages. In that case, these products will generate more sales than just one product alone would have done - so there's more value here than just taking away some money from someone who still needs to buy something else from me!

Knowing About Revenue Vs Profit Helped Me Understand Why

Profit is not revenue.

Revenue is not profit.

Sales minus cost of goods sold is not profit.

Knowing the difference between revenue and profit helped my small business flourish.

Revenue and profit are not the same things. Revenue is the money you make from selling your product or service, while profit is the amount you keep after subtracting all expenses from revenue. In other words:

- Revenue = Cost + Profit
- Profit = Revenue - Expenses (including taxes)

Conclusion

This article has helped you understand the difference between revenue and profit and why it's important.