

Where Did All the Profit Go?

Recently, I was speaking with the owner of a busy trades business. By most standards, business was going well. The phones were ringing, the schedule was full, and there was no shortage of work. Like many owners, he was putting in long hours while carrying the weight of leading both a growing business and a growing family. As we talked, one thing became increasingly clear. The challenge wasn't finding customers or keeping everyone busy. The challenge was profitability. In fact, his profit margins were well below industry norms, yet despite working harder than ever, he wasn't sure what needed to change.

Profitability is a subject that receives far less attention than sales, marketing, or growth, yet it is one of the clearest indicators of a healthy business. Unfortunately, it's also one of the most misunderstood words in business. Some people hear the word profit and immediately assume it means putting money ahead of people or compromising quality in pursuit of a bigger paycheck. Nothing could be further from the truth. Healthy profitability isn't about greed; it's about stewardship.

A profitable business has the freedom to hire good people, invest in better equipment, weather difficult seasons, serve customers with excellence, spend more time with family, and give generously to causes that matter. Without healthy profit, even the best businesses eventually begin operating from a place of pressure instead of purpose. That's why every business owner should occasionally stop and ask one simple question: "Where's the profit?" Not because the business is failing, but because it's remarkably easy to confuse activity with progress.

One of the most memorable pictures in Scripture comes from Haggai 1:6: "... he who earns wages does so to put them into a bag with holes." It's a simple picture,

but one many business owners can immediately understand. The work gets completed. Customers pay their invoices. Revenue comes into the business. Yet when the month comes to an end and the income is reviewed, there never seems to be as much left over as expected. Like the business owner I mentioned earlier, our first instinct is often to chase more work. Sometimes that's the answer. But often the issue isn't what is going into the bag; it's the holes we've failed to notice.

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To provide a little more context, God wasn't saying that earning a living is supposed to feel like putting wages into a bag with holes. Rather, He was correcting the Israelites and showing them that there was a reason their hard work wasn't producing the results they expected. Whether you're reading the passage from a business perspective or simply appreciating the illustration, it's a picture that still speaks today. A bag with holes will never hold what it was designed to carry, and businesses often work the same way. Most companies don't lose profitability because of one catastrophic decision.

More often, profit quietly slips away through dozens of ordinary decisions that seem insignificant on their own. Over time, those small leaks become significant, leaving owners wondering why the reward never seems to match the effort.

One of the most common patterns I see is what I call the cycle of unprofitable busyness. It's interesting how being busy can deceive us into feeling productive. At the end of the day, we collapse into a chair exhausted. Our spouse asks, "How was your day?" and after working twelve hours, we laugh and respond, "I have no idea." Most business owners have experienced that moment. We worked hard, answered

the calls, solved the problems, and put out the fires. But did any of it actually move the business forward, or were we simply moving faster inside the same problems?

Business owners are especially susceptible to this because activity feels productive. Profitability, however, requires reflection. Eventually, every successful owner reaches a point where they realize they can no longer wear every hat, solve every problem, and measure success by how exhausted they are at the end of the day. Instead, they begin measuring something far more important: the overall health of the business.

If you're reading this and thinking, "I really do need to focus more on profitability," here's a simple place to begin. At the end of each month, instead of simply asking, "How busy were we?", ask yourself:

- Which jobs produced the healthiest profit?
- Which jobs quietly drained our profit?
- Did we price our work in a way that reflected the value we provided?
- What is one hole in the bag we can repair before next month?

While you can't solve profitability overnight, these questions will begin changing the way you think about your business. Before chasing more work next month, take a careful look at the work you've already completed. Ask where profit was earned. Ask where it quietly slipped away. Ask if you priced your work correctly rather than competing on price. Then begin repairing the holes. You may discover that the greatest opportunity for growth isn't found by adding more to the bag. It's found by making sure the bag no longer leaks. **PB**

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