

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)



Full Episode Transcript

With Your Host

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Hey designer, you're listening to episode 74. You might have heard of ROI, or return on investment, and today we're going to take a totally different approach to this business term and I'm calling it return on energy. This concept is going to help you cut through the mental clutter, take efficient action and also know when you shouldn't be taking action at all.

Welcome to *The Interior Design Business CEO*, the only show for designers who are ready to confidently run and grow their businesses without the stress and anxiety. If you're ready to develop a bigger vision for your interior design business, free up your time, and streamline your days for productivity and profit, you're in the right place. I'm Desi Creswell, an award-winning interior designer and certified life and business coach. I help interior designers just like you stop feeling overwhelmed so they can build profitable businesses they love to run. Are you ready to confidently lead your business, clients, and projects? Let's go.

Hello designer, welcome back to the podcast. I hope you are having an amazing day, whatever day this is you are listening to it. It's actually quite early for me to be recording a podcast this morning, but I felt like now was the time to do it. So here we are, I'm at my desk and actually I have a brand new candle, which I'm pretty excited about. I went to this local shop, it's called Foxwell, and purchased a birthday gift for a friend and then picked up a little something for myself too.

If you've never heard of Illume, it is an awesome candle company. It started out of the Minnesota area, where I live. And the one that I got, it just smells so amazing and it's really beautiful. I didn't realize this when I opened it, or until I opened it, but it's got a black glass container, like the jar that it's poured in. And then the candle is actually black as well. I've never seen that before, but it looks really cool. So anyway, that's a little picture of what I'm doing here with my coffee and talking to you.

Today, we're going to get into getting a return on your investments in your interior design business, but we're going to take a different approach today than what you normally hear about when it comes to getting a return on the investments you make in your business.

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

Typically in the business world, owners will talk about this acronym ROI, or return on investment, often in a financial sense. And looking at investments in your interior design business in relation to the return they could provide is generally a wise business practice. You want to aim to make investments that put you ahead of where you've started, whether that's in the immediate future or when you look at how that investment will play out or compound in future success or future returns.

Like I said, often this is talked about from a financial sense, but I personally think that ROI, return on investment again, is a concept that really extends well beyond the financial realm. You can invest in a resource or support because it makes your life easier.

There's a return for you that isn't necessarily financial. It might be financial too, but it doesn't have to be. Or you can make an investment in a resource or support because it increases your wellbeing or makes life or business more simple. There's lots of reasons or ways that you can get a return on something.

And as I was thinking about this, I was thinking it's really about, yes, getting a return on your financial investments, but it's also about getting a return on your energy. And so today I want to present to you that ROE, return on energy, is the new ROI. And it's not that we're, again, throwing out ROI. It's just that I want you to think about it in a totally new way. This is a way that I believe is really going to serve you, not only in your business, but in your life too.

When you start to think about the idea of return on energy, I encourage you to think about the energy as effort, whether that's your mental output or the physical actions you're taking. I like to think of myself as maybe having endless energy, and maybe you like to pretend that that is true for you as well, right?

I can be really focused during my work hours and get a lot done, and I also have to remind myself there's a limit to where the return on my energy is being directed to projects and clients. It starts to diminish because it actually isn't endless or limitless. I can definitely recharge it and reset it, and my energy is

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

also something that I have to be cognizant of in how I'm using it in the day to day.

The energy throughout the day, whether that's with my family or in my business, it creates value. Maybe it's value for me, value for my clients, value for the other people that I interact with or care for or support in my life. It could be all of us at once, which is the best case scenario.

And when I'm talking about it in my business, when I'm thinking about the diminishing returns on my energy investment, I see this a lot especially just as the day goes on. And I'm guessing that that is true for you too, although I know for some of you, you have that kind of second wind or do a little bit better with focus in the afternoon. So this is just like not a blanket statement, but I'm sharing what is true for me.

But as I work throughout the day, my energy output or the value I create through my energy is definitely going to be less for me at 3 pm than it is at 8 am. So that means the return on my investment of energy, my ROE, is lower when it's later in the day and I've been working all day. I'm less focused and sharp. So the energy I invest, for me personally again, this might be different for you but think about how it applies to you, produces less value and less results in the afternoon than in the morning. So that's a lower ROE for me.

And by starting to think about it that way, then I can consider how I schedule my day, what types of activities I put on the calendar. When am I doing maybe content creation of these podcasts? When am I seeing clients? When am I creating new programs? And I can make decisions about if I want to wrap something up a little bit earlier or maybe push it a little farther, right? I can make a conscious decision if I know that, oh, it's getting kind of late, I'm feeling my energy wane and I know that it's taking more output to get the same return, I can decide in that moment what I want to do about that.

But this doesn't just apply to scheduling, you can think about the value and results that you create in your business by investing energy and what the return is. So what are the different things that you engage with in your business

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

throughout the day that provide value or create value and results? And what are the things that don't? And then you can look at what is the return on my energy investment?

I want to give you an example when this comes to return on energy with marketing specifically. I've had a few clients where I've been coaching them on this, and it's interesting how it's shown up in different ways. So I'm going to use this as an example to just highlight how you can think about this concept. But of course, it's going to apply to anything that you're doing in your business, whether that is client-facing or on the back end of the business to build business.

One of the clients I was talking to about marketing was mentioning that their firm had stopped posting their weekly blog because they weren't seeing the value or the return of allocating resources to this strategy. In this case, they were testing the blog as a way to increase findability online to get more ideal clients on their site and to inquire about their project. The end result being signing ideal clients and working with them, establishing that relationship and having a great project to add to their portfolio.

The blog definitely required energy. It required her team members' time and energy, her own energy to oversee the content and think about the overall plan for that content. And it also required a financial resource, which is really just another form of energy in your business.

We use our energy and effort as the human in the business to create value for our clients. And in return, we use the financial resources that come through those services to then put more energy into our business. Whether that's hiring a team or a PR agency, or maybe building out a system or having someone else build that system out for us, or paying overhead in an office space. These are all different types of investments.

For that particular client, the return on energy wasn't producing the value or results in the business that she wanted it to. And so the ROE was low. And so as she's thinking about allocating energy or resources, she has to think about

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

what is going to be the best ROE for our office and for our firm? It wasn't the blog at this point.

We can contrast this though to another client of mine, where blogging provided a great return on her energy. She found it brought quite a few clients into her business. She really enjoyed creating the content. And it actually gave her energy as the human running the business. And it also brought in the energy of revenue to her business. So it was a net positive ROE.

The last angle I'll share on this is another client that I was coaching on getting her email newsletter up and running. She was getting really frustrated by how the images were looking in the layout she had chosen. And the feeling of frustration that would build as she tried to work on this is definitely a use of energy, and it's probably not one that you're going to get a good return on. It was a negative return on investment.

The frustration was not providing value or results on the back end. And not just because of the frustration, but the frustration was such that it was really preventing her from getting started with sending out the regular touch points to her list. So yes, the frustration of the formatting and the images and all of that, that was definitely not a great ROE.

But it was also preventing future ROE in the business because she's using it as a marketing touch point, and if the touch point doesn't exist at all because of this one thing, then she's never going to see the results of that or get the data of how this particular marketing tactic is going to work for her so that she can decide if she keeps doing it or tweaks it, et cetera.

When I was coaching her, I suggested it might be better to leave out the images right now to save the energy on this and use the energy for where it would provide a better return and more value in her interior design business.

I even used this reframe of ROI to ROE this week for me too. You might've heard me mention on a previous podcast that I have a new coaching experience coming for you all. It's a hybrid of one-on-one and group, and that I'm going to

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

be starting to offer that this spring. And it's for the more mature business owner. They've done the work to clear up the initial chaos and overwhelm, and now it's really time to step into that bigger vision for their life and business.

And if you're hearing this and you're interested, send me a message because I can get you more details about that. It's going to be a super intimate group and I'm going to be talking to everyone personally to make sure it's very curated. But anyways, that's a side tangent, but I do need a way to share all of the details of this program with the designers that I want to invite into it.

And what I found myself doing was mentally circling on how to present this information. My brain was looping on like, what would be the quickest but look the best? What would give me the least amount of technology troubles? And on and on and on. And now these are questions that I think could be useful for me to ask, but I'd already really asked those and narrowed it down to a couple of good options. And so essentially I was just in the thick of overthinking. I really just needed to make a decision.

The circling on trying to get the best outcome or the best return for me was actually diminishing my ROE. So I noticed that. I noticed I was investing so much energy and time into something that was not producing value for me and my clients. And hemming and hawing over the right layout was not going to get me anywhere.

It was going to prevent me from creating a result in my own business of that finished landing page. And then it's going to prevent me from getting it out and sharing it with people to create more of an ROE. So the best ROE would actually come from just picking a template and starting to get the text in so I could share it with the designers I wanted to invite into the program so that I was getting the return on my energy and I could also help them then get future returns on their energy.

Lastly, I'll share that you can also think about this concept of ROE just in the day-to-day mundane sort of habits we pick up or behavior cycles we get into. Maybe you find yourself shuffling things around in your office or maybe

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

repeatedly deciding to give something a major overhaul on a whim or procrastinating or looping on worries. That's a good time to think about ROE.

Often these types of actions masquerade as useful and productive, or even being responsible, right? Some of that worry, but often the worry is just the looping, not actually problem solving. So that's an opportunity to pause and check in and ask yourself, is the energy invested worth the return?

That's what I encourage you to focus on this week. What energy investments are you making in your interior design business? And do you like the returns? You can ask yourself, is the energy, mental or physical, that I'm investing going to give me a good return? And if not, what do I want to do about it? Because you get to decide as the designer CEO.

Before we sign off, I do want to remind you that one of the greatest returns on energy in your business is planning. Does planning take some time and effort? Absolutely, I can't deny that. And I also have to ask then, will it make everything easier, more efficient and ensure you consistently make progress towards your goals? Yes, 100%.

I feel very strongly that you do not have enough energy to not invest the energy in creating a plan of action in your business, whether that is on a daily basis, yearly basis, quarterly basis, whatever it is, because the day-to-day of running an interior design business gets busy. You're going to get to the end of the day and you're tired, you have a million emails and it's easier to get lost in your inbox than take strategic focused action. That is unless you have a plan.

Planning makes it easy, the way that I teach it, to insert moments of progress into what you already have going on. And that's why I'm offering a very, very limited number of coaching intensives this April. In your one-on-one 90 minute coaching intensive, we are going to plan out your next 90 days so that you know what you're doing, what you're not doing and how you're going to do it so that you can optimize your return on your energy.

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

I'm calling this the 90 in 90 Coaching Intensive because we're taking 90 minutes of dedicated time just for you for fully personalized support and planning out the next 90 days. This intensive includes questions to prepare you for our time together so we can dive right in, the private session with just you and me focused on your business and then also two weeks of email follow-up for support.

The link is going to be in the show notes to select a date and time that works for you. If you can't find something that works for you and you want to reach out, please do. Or if you have any questions about how this works or if it's the right option for you, you can always reply to one of my emails or send me a DM on Instagram, I'm just @DesiCreswell.

I'm really excited to see how this concept of ROE lands for you. I'd love to hear how you apply it this week. And that's what I have for you today. As always, I will be back next Wednesday with a brand new episode. And until then, I'm wishing you a beautiful week with a very high ROE.

Have you ever wished I could be your coach? If so, keep listening. For a limited time when you leave a rating and review for the podcast you'll be entered to win a one on one coaching session with me. I can answer your questions and coach you on your unique challenges.

All you have to do is scroll down to the bottom of your podcast app, tap the five stars and leave a review. Tell me your favorite episode, why you look forward to listening every week, or why another designer needs to check out the show. It won't take long, and as a thank you for leaving a rating and review you'll have the opportunity to win a private coaching session with me.

Just click the link in the show notes to submit your review so I know how to get in touch. I can't wait to select a winner and it might be you. I'll talk to you next week.

Thanks for joining me for this week's episode of *The Interior Design Business CEO*. If you want more tips, tools and strategies visit www.desicreswell.com.

Ep #74: ROE (Return on Energy) is the New ROI (Return on Investment)

And if you're ready to take what you've learned on the podcast to the next level, I would love for you to check out my signature group coaching program, Out of Overwhelm.