

# Sink Handle Episode 35

Hello, everyone, and welcome to Episode 35. So it's the New Year. Everyone is talking about goals, right? The end of the year, and the beginning of the year are always about reviewing last year, and making goals on every podcast, on every blog. Everywhere, everybody, everything is goals. One of the biggest topics for goals is money, right? What are we going to make next year? How much revenue is my company going to bring in? What are my profits going to be all of that kind of stuff. I mean, we're all in business to make money. By definition, business means to make a profit. Otherwise, it's charity or a hobby. So we want to make goals around finances. I'm going to go through a little bit of a common scenario for business owners talking about goals. One business owner makes goals by just throwing out a random number. I am going to make six figures this year, I'm going to make a million dollars this year, etc. to no plan is made to get to that number whatsoever. Three end of the year comms goal has not been met. Business Owner feels like a huge failure because they didn't hit that goal. Does that scenario sound familiar to anyone out there? I think it's much more common than we realize. I run into this constantly with my clients with my people, I coach this idea of like a crazy revenue number, and then no plan, and then feeling like a failure. That just connection with the numbers side of the business doesn't usually stop there. Most people don't find out until the end of the year, whether they've even met the goal. They don't have any idea until the end when the accountant does the taxes if they made a profit or not. They haven't tracked in either progress. any of it. Why not? Because numbers are scary. numbers and money can feel so emotionally charged when I bring up numbers or tracking revenue or anything like that, or how are your finances? Or how is the bookkeeping? Is it all up to date? I see people actually have a physical reaction to me saying that, like they wince at the thought of having to deal with it. It's so ingrained in most people's brains that my money is scary. And it's and we all I've got it, I've got to avoid it.

People tie their self worth up in those numbers. They are a success or a failure, whether they've made it whether they're a good person based on those numbers. We compare ourselves to other people who are making six figures a year, or six figures half the time we're going to make it in or all that comparison of these numbers. We also have things in our head, that we are basing all of this on, because of our history with money, how our parents treated it, how if we were broke, or not, or rich or not, or whatever. So there's all these things, this whole mindfuck of stuff in your head about money and numbers. But it's bullshit. Because numbers are just facts. That's the greatest thing about numbers. They are literally two plus two always equals four. There are answers to the questions. They are just facts. They are just things. We pick what they mean. We choose how we feel about them. And most people will argue with me on that they'll say oh no, I don't choose how I feel about them you do the number two does not make you feel bad. You make yourself feel bad about the number two the number two is just hanging out there doing nothing. The hardest part is telling your brain new things when you believe the old things for so long. And sometimes you really have to work a little by little to get over those things and to move past them.

So here are some of the things I have heard people say that may feel true, but aren't one I can't make money in this blank job industry whatever. To I will never make more than I did in corporate. Three. I'm just a mom. I should make a lot of money. For I'm not a numbers person. I can track my finance To keep my books, no my numbers, whatever, it's not my thing. I'm calling bullshit on all of these things. And I'm going to tell you why one by one because I hear the same things over and over again. And it drives me crazy. And all of this is in our power to re Jaeger, the way we think about things. So one, I can't make money in this industry or job. Everyone says that until someone else does it. Just because no one ever has doesn't mean you can't, it just means no one has yet. Right? I mean, classic example is the iPhone. If you had said you were going to charge \$600 for a phone, when we were on those little tiny Nokia, things, everyone would laugh. And Steve Jobs like, I don't care. I'm doing it anyway. Now we pay \$1,000 for a phone, it's ridiculous. So instead of conforming to that job or industry, and saying, Oh, well, this doesn't fit in the current rules, change the rules. Brooke Castillo is a famous example of people saying, Oh, you can't make any money as a life coach. I think on her podcast today, she said she made \$37 million dollars last year. Change the rules, to, I will never make more than I did in corporate, there are no facts here. There's no fact that you can point to that says this, oh, I can't make more than I did in corporate or with a quote real job. Total ball. I thought this when I left, I left the city, I left Wall Street. And I thought, well, that's it, I'm never gonna make that much money again, I'm gonna have to get some part time job. And it's gonna suck. And I'm not gonna ever feel smart again. You know what, in 2019, I beat my best year ever on Wall Street. In 2020, iv 2019. You can do whatever you want. And corporate doesn't have the upward mobility that we have as business owners. Right? Like, we can come up with new products, new plans, we can pivot so much faster than working at a big insurance company or working at a big bank. They tell you that you're going to make 60 grand and here's your benefits. And that's it. And maybe you might be able to get some kind of raise. As a business owner, you could do whatever you want. You could create anything, the sky's the limit. Okay, three, I'm just a mom, I shouldn't make a lot of money. Why wouldn't life be easier if you made money? Some people really take pride in budgeting and coupons and all of that night and I understand because it's when you don't have a lot of money getting as much as you can. Out of that money is really, really exciting. Everyone loves a discount. I get it. But stopping yourself from making more money because you shouldn't seem silly. When your life be easier with more money. Like, are you just supposed to be only good at laundry and and grocery shopping? Or homeschooling your kids? And that's it. That's all you're allowed to be? Why can't you do all of those things? Why can't you do all of it? Why can't be a great mom and make money? There's absolutely no reason what you can do both.

Okay, four, I am not a numbers person. Okay, I understand that some people have strengths in certain areas. I love numbers. I love that all the things add up. I love that it's pretty. And there's an answer, I get that. I could say I'm not really that great at building websites. But I figured out how to make my own because it mattered to my business. So when someone tells me I'm not a numbers person, that just is a whole block telling me that you just don't want to be it's easier to say you're not a numbers person, and then just push it away. And when you say that I can't Oh, I can't handle tracking my finances or doing my books. Alright, I get it. Tax loss sucks. So if you wanted to have a bookkeeper doing the actual books of it, and then you just taking all the reports and looking at it and saying, Oh, this is how much I made this year. This is how much I spent this year. That seems like a lot of money on expenses. Maybe I can make adjustments. You can have other people do all the reporting and reconciliation because I

understand that that is not fun. For some people. It is really fun for me, but it's not fun for some people. But it doesn't mean that you can't understand your numbers. You need to know what's going on in your business to make decisions. If these things sound familiar to you may want to get started making friends with numbers. They are not scary. They just are. Okay, first step. I want you to start looking at what's happening in your business. So what's coming in from What's going out expenses, and how much you get to keep? It's pretty simple, right? I made \$2,000. This month, I paid out 11 \$100 in expenses, I got to keep 900. Except for taxes. Just remember to put some aside for taxes, we're not going to get complicated about all of that, right? The second, but just remembering that because most people forget the taxes part. Okay, so it's only a business if you have something to keep, which is the profit. Okay, so revenue is coming in expenses is going out. Profit is what you get to keep. So if after working 40 hours a week, you only get to keep \$3 Would you rather be going to the beach, I probably go to the beach, then make nothing and work all day. These are the kinds of decisions you can start to make broadly, even just seeing how much money comes in, how much money goes out? What do you get to keep? isn't worth it? That's not complicated. So next, you're going to start your goals with a dose of reality. I want to be clear here, I am not saying you can't do anything. I'm saying we are starting with a dose of reality. What do you need to bring home to make all of this worth it? Maybe you need to cover a certain amount for bills, maybe you the whole point of your business is to pay for preschool for your kid, or to pay off your debt, whatever that is, it doesn't need to be a lofty billion dollar goal, whatever you need, at a minimum, to cover the whatever, that becomes your minimum goal. What do you need to get? What do you need to bring home to make all of the whatever worth it? This is your minimum goal is what you need. Next, I want you to make a better goal. This will be awesome to achieve. You've met your minimum stuff. Now you got some money to play with. Maybe then you can no take a vacation or pay for that course you thought you couldn't afford. This is the better goal. This is the Oh, okay. We're gonna make it here. Cool. And then we are going to make a crazy goal. Seriously, this is something that will change your life. It is probably double or triple A minimum goal. Oh, who knows? Maybe it's way more than that. Make a crazy goal. Like what? How would this change your life? Do you want to make enough money to be able to have a huge down payment right away for a house? Do you want to pay off a whole bunch of debt? Do you want to? I don't know what is your crazy goal. So now we figured out where our money is going in and out. We're thinking about what our goals are, what are the crazy crazy things we're going to have? Now I want you to look at what you have, right now, that makes this possible. So look at what you're selling, and see if it's even possible to sell enough of the whatever you would do to hit those goals you picked. Like if you want to make \$100,000 this year, but you only have enough products or hours. If you're selling out your hourly services, you only have a capacity to make 50,000 Well, then you can't possibly make your goal. Right? Like if you're selling at a price for whatever that is. If you are only selling, I don't know, things you make you can only make enough to make \$50,000 in sales, then you can't ever make that goal. So how are you going to change whatever that is to make it actually possible to make those goals? So we're going to start connecting what we're doing with our goal. How do we have the capacity to sell \$100,000 worth of stuff? Do we have more products to sell? Do we have to ramp up the Etsy shop? Do you have to have more digital products to download? Do we need to raise prices? Are you not charging enough per hour that your hourly rates there's no way you can make that much because you're tapped out? Or do you have to build a team? Like I can't I'm not gonna work 80 hours a week. But I can work 25 hours a week and then my team can build out those other hours and that's how I'm gonna fill it in. So start to think of like connecting those dots. How can I make this possible? Okay, so let's recap. First step, we're looking at our the money

that's moving around our business coming in, going out, what do we get to keep? Second, we're gonna start our goals with a dose of reality. We're gonna start our minimum goal and then get better and crazy goals. Then third, we're going to look at our business and see if what we have currently makes any of that possible. And if you say, No, that's fine. It's January.

Right now, what I'm doing is not possible for what my goals are. It's not, I don't have enough hours in a product, whatever my offers currently cannot support my goals. So what I'm doing in January is working on what those should be, how do I offer these things, so I can increase my revenue to make those goals? So if everybody called me right now and wanted to buy something, hand me money, could I could I sell things like that? Do I have enough things to sell? Those three steps can be very complicated and can be get very scary, but I've just I want to keep it very basic here. Just look at these from a basic way, it doesn't have to be scary. And then when you have these numbers, you can start to look at your business and how it's working, start to look at these monthly at the very least, start to see how all of these numbers work together, and what things cost. You may not be tracking anything right now. And you don't know how much your contractors are really costing or how much your software is costing, because we all sign up for that software, and then it gets on recurring payment, and then all of a sudden we're paying for a whole bunch of things, those kind of things, we can start to look at them. And then we can start to make decisions based on them. Then making goals, but connecting them to something, you cannot make a million dollars if you only have \$50,000 worth of product for the year to sell. And those are just numbers, right? That's what I said in the beginning. It's just numbers \$1,000,000.50 \$1,000, they're just numbers. Neither one of them mean you're a failure. But setting yourself up by getting over your fear of numbers, and really looking at what you're talking about. You can then make the decisions to make those numbers possible. Then it's just based on what's happening in the world. And you start to see like, Oh, well, it's not my fault that I didn't make a million dollars, it's because of these three things. It's because the whole worlds in an apocalypse.

Whatever the thing is, it starts to make it much more effectual thing that you have control over, then I'm a failure because I didn't make a million dollars. You see how I'm trying to connect reality and the crazy numbers, I want you to have crazy goals. But I want you to connect them. So you don't always feel like a failure if you don't make them. So all of these steps can be done on paper and pen. You can write everything down if you'd like. And I know some of you don't want to because numbers are scary, and you'd like to do this as quickly as possible. So if you are looking for someone to kind of walk you through this whole thing, I have my no your numbers tools, which I've mentioned before in here. So the know your numbers tools is three different tools put together. And they come with videos to walk you through and directions on the sheet itself. So you don't have to watch the video next time. And you just look at that. And that helps to walk you through all the things we've just talked about. And then also do the math for you. So you don't have to add up everything. And you know, divide over six months or whatever. It is a goal tracking sheet. I use this seriously, I use it every day. And it was the thing that helped me double my revenue. Knowing that I wanted to make, let's say \$5,000 for the month. And I'm halfway through the month that I made 1000. So if you want to make that money in that month, you know exactly where you are in the month. And if you have to hustle to get that done. There's also a business decision tool in there that will help you map out your expenses, your revenue, the money that's coming in and going out, as well as saving money aside for taxes based on whatever tax rate your accountant suggests. And all of that will help and then you can kind of make decisions based on

like, can I afford this? Is this a good idea? And it'll help you lay out and do all the math on what is costing you things and what's not costing you things and see the effects of changing things. And then the last tool is a cash projection tool. It helps to map out let's say the next six months the next year it gives you room for the next year so you can see like okay, well if I'm gonna make money over the next couple of months, I have these bills over the next couple months. Can I cover all my bills, like it lays out where everything is going to end up and lay so you can make some decisions. So that is on my website, Reynoldsobm.com under no your numbers.

So if you have any questions, please reach out and then I just want to say money mindset work covers this huge area, there are entire books written on it sections of business or roll up revolve around money mindset. It's a lot. And it's way more than I can wrap up in one episode, especially with things are so deeply ingrained is like learning about money from parents that were terrified of money or things like that. But I want to start talking about that because numbers are so important to making great decisions and knowing the numbers in your business. It's vital. It's vital to making great decisions, to not wasting money or resources. I really, really want you to try to embrace numbers even if it's a little scary for you. Some of the resources I'm going to put a list on the show notes for this episode, but Jensen churros book you're a badass at making money literally changed the way I thought about things about goals and how you can think how you your brain almost has to change in a way for you to understand how to do different things differently. It was mind blowing to me. Mike Michalowicz says profit first. putting money aside, being able to figure out how much to put aside for things and cover things and pay for things. That was huge. And really, really helpful. I don't know anyone that says profit first doesn't work. It's so helpful. And then Denise DT or Denise Duffield Thomas, she is a money mindset coach. I have not gone through her money mindset courses. But I've been following her for years. I've read all of her books and she's fantastic. Those are three that really changed my thinking on knowing your numbers, making goals, being realistic about things but then also not being realistic and wanting to completely rule the world. Okay, so I know numbers are scary for some of you. But just remember they are facts. The number two, the number seven, the number 13. Even none of them have anything out for you. There they just are. They're not even. They don't even talk. They're not scary. They just are. It's all about what we project onto them. So our messed up head telling us we're failures. Don't believe it. Tell your mind to shut up and then go learn some things about some numbers. I'll talk to you next week.

Thanks for joining me this week on the Sink Handle podcast. I can't wait to do all of this again next week. Make sure to visit us at reynoldsobm.com for the show notes on anything we talked about today. If you love or you mostly like the show, please subscribe and rate us on iTunes so we can help more people avoid the Sink Handle.