

Sink Handle Episode 40

Hello, everyone, and welcome to Episode 40. So today, I want to ask you guys a question. How do you choose what you spend money on in your business? I feel like even though this the podcast and I'm not on the phone with you, I can already hear you cringing because we're going to talk about numbers. Most people as soon as I ask a question like that, any kind of question about decision making involving money, the freak out, covers their face. But I want to talk about it today. Because I've had to, I've had to make some decisions on different things that I was going to spend money on the last couple weeks. And my mindset is very much different now than it used to be when I first started my business, but they're still things that kick through in my own head about why I should do something or shouldn't do something. And I thought it was an interesting kind of play in my head of why these things were coming up. And I figured they might be happening for you too. So how do you choose what you spend money on in your business? When I started out this gig, I like many starting out, wanted to find all the free things, free templates, free software, free, whatever. I would tell myself, I couldn't afford anything. The word being anything. I really had to think long and hard if I want to sign up for the \$5 a month for G Suite. Like was this worth it. And of course, it's worth it. It's \$5 a month, you get a whole bunch of things, you get a professional email, you get drive, you get sheets, you get all the things, right, you can run most of your business right out of there for \$5 a month, which is a ludicrous price. But I thought long and hard. And I looked at how I could do it for free. Could I use a regular Gmail? Could I use? I don't know, free word for word, something I don't know, why do we do this ourselves? I think number one, we're no idea what we need. Or we're not sure of what we need. Right? We get distracted by all the shiny things. classic example of this is like picking some kind of software. Like if you ask any operations person, what project management software they use, they've tried them all. Because we love to fact find and go after things and try them all out.

Let's see which one we like which one has this and which one has that. You'll say things to yourself, like, Oh, this comes with a help desk system built right in. I have no need for a help desk system in my business. I don't have that kind of customer service that I need a dedicated Help Desk. But when it's built in, you feel like there's some kind of value in that. But if you're not using it, you're it's there's no value to it, right. But we get distracted by the list of things that this one has more or this one's cheaper, instead of figuring out exactly what we actually need. So make a list of the things you actually need out of a thing. I need these four things, I don't need these things. And then look at the options you have. Now, you may say this would be perfect, but it's three times what I can afford. Okay, so maybe you make adjustments for now. And you kind of push, you can hack a couple things together to get you where you want to be for now. And then you can move up to that once you grow a bed.

But the idea that you actually find out what you need, instead of just buying a whole bunch of stuff. And this definitely goes for the people that buy everything. They have all the courses and all the software to finding what you need. And then getting that or at least getting some version of that and then working toward it. But having an idea of knowing that you could get that in the future if this happens, knowing what's going on. And don't get distracted by all the bells and whistles. Those late night infomercials where it was like it slices it dices. If you don't need to slice or dice, it doesn't matter if it doesn't, not

helpful to you. I think that the second thing is going to be it's scary to spend money. And this goes back to that \$5 with the G Suite. Right. It's scary to start a business you and maybe others will tell yourself that you can't make money. There will be that doubting voice in your head that says you'll never be able to make your money back. You don't deserve to invest in yourself, you, you can't spend anything on this venture, it has to make money first and prove that it's worth it first. And then, especially if you have other people that are not very supportive in this, and they're telling you that this is a ridiculous waste of your money, and especially if you're married to that person, that's really hard to then turn around and spend money and then feel like it's being wasted. I mean, I've been very lucky, Brian is usually telling me to spend more than I do. I'm the one who's always scared to spend. And I get it because when I started this business, we were, every penny counted, Brian had been laid off, I was not in the city anymore. And all of a sudden, we went from, hey, this is a great life to holy. I'm clipping coupons, and hustling to get this business together. So that \$5 a month really was, Oh, my God, do I want to spend \$5 a month on this. So I needed to start very small for my when I was starting out when I didn't have a lot of cash to put into this business and lots of cash, meaning I didn't have any money. So I started small, and I focused on what was going to give me a return, what could I do the most by spending the least. So that \$5 in G Suite. Yeah, that made a lot of sense. I got a professional email, I had a whole suite of software, I could build a whole bunch of things out in a business, my first couple VA clients, that's all I used, just that that one software, so that \$5 investment a month, easily made back. So make sure that what you are spending is worth it. But you have to start spending something, it is a business. And that can be scary. But that just goes back to your mindset. And it also ties into the next two things as well. So my third thing that I think comes up a lot is we're not sure what we can afford.

Our first inclination is, oh, I'm not going to spend the money, or I can't spend the money, or I can't afford it. But if I asked you a number that you actually can't afford, most people cannot tell me that number. Because they don't know. You need to know your numbers. And I know I say it a lot. The phrase, you need to know your numbers comes out of my mouth all the time. Because it's so important. If you know you have \$15 to put to this business, then you can find a way to spend that \$15 in the best possible way. If you have no idea, you say I can't invest anything or on the other side, you think you can spend \$300, because you could just write it off, which is not the way taxes work. Those are not going to help, you're gonna be either one, you're not gonna spend anything and you're gonna get nowhere. or two, you're gonna spend \$300 and be in debt and not be able to pay your, you know, the food bill this week. Knowing your numbers is so important. You need to know what you have to spend on your business, but also what you are willing to spend. There are lots of things out there that might make something better, and they might be a good investment. But I wasn't willing to spend the money on that yet. I wanted to use it somewhere else. For a very long time. I didn't pay anyone else to do the work. I wanted to keep that in house. I worked a little bit more at night. And then I took that money and I use it for other things. I bought a better computer so everything ran smoother, things like that. So knowing how much you have to spend and where you want to spend it, and making those decisions intentionally instead of going, Oh crap, I overspent that's when we get into trouble. Classic.

So getting a budget and then you can then you can make decisions. Okay, and the fourth one is the big one that I think always screws all of us in the head when we're talking about this kind of stuff. And that is you don't believe you're worth it. This comes up when you're first starting out. This comes up every other time. It comes up all the time. Am I worth spending the money on this? Oh, I couldn't possibly.

When I hear that phrase coming out of my brain, I know that I'm telling myself that I'm not worth whatever I'm about to set follow that with. I couldn't possibly spend this money on myself. I couldn't possibly buy the new computer I couldn't possibly buy the new camera that makes my videos look so much more professional. It could have possibly, or some variation of Well, of course Amy Porterfield uses that software because she's a big deal, but I'm not a big deal. All of those things run through our head and it's just a big mindset thing. We don't think we need certain things, even if there is clear evidence that they will help us because we don't believe we're big enough for it. We're not a big deal. We're not like them. They're special. But they're not. They got there because they believed that they could we have to do the same thing. those thoughts creep into our head, and they mess with you. And it's so hard to get over that. Right? You need to review the evidence. So when your brain starts really freaking out on you, you need to review the evidence. Is this true? Right? Is it possible that maybe you are a big deal? Even if you don't feel like one? Whatever big deal means to you? Is it possible that investing in yourself in this way will catapult your business somewhere else? Is it possible that you're only saying you can't afford it, because you're scared to spend the money, like you have plenty of money, you just scared to spend it. Because it keeps you safe. There's a whole mess of mindset things going on here, you're you have imposter syndrome, you don't think you're worth it, all of that. And when you say I can't, and I'm not going to spend this money on myself, I'm not going to invest in this thing. It's keeping you safe. Because if you do the big thing, that's scary. So if you tell yourself, you shouldn't do the big thing, then you stay safe. But that's not helpful. So when you look at whatever you're going to invest in, if it's a software or coaching, or bringing on a virtual assistant, review the evidence, do you need this? Why do you need this? Will it help you be more organized, be less stressed, sell more things? save you money somewhere else? What if you hired a virtual assistant, and they took a whole bunch of data, like data entry stuff off your plate? And you could go and then sell more hours of whatever you do great coaching or products or whatever it is? He make more money? So you Yeah, yes, you pay someone some money. But then you can go make more money over here and your head. So if you don't believe you're worth it, if you don't believe that you should be more organized, less stressed out some more things, save money, you're lying to yourself, and you're just trying to keep yourself in a safe place. But that is not what we do here. as entrepreneurs, we got to do the scary things. So you have to start believing in yourself. Now, I am trying through all of this, to show you that I want you to be realistic, right? I want you look at your numbers, see what you can afford, what do you actually need in a business? What do you need from software? I do want you to be realistic on what you can afford what you need now. But I also want you to think about the future. Right? Like Where are we going here? Because we have a plan, right? We're going to be big deals. Even if we're already big deals, we're getting bigger deals. Right now I need one kind of software to automate sending out contracts and invoices, a software that I've been avoiding because one of the software's out there, drives me mad. And this week, instead of just avoiding it altogether, I decided to find a different one that I liked better. Yes, I probably spent too much time on research. But I did solve the problem. And I put a cap on how much research I was allowed to do. I had to make a decision quickly. Because I could research for ever. So I got that up and running because it's what I need.

Now to get things done. I'm going if someone came to me right now with a credit card and said I want to buy your thing, right, this new VIP day I'm putting together I literally had no way to take it. I could send them an invoice. But there wasn't a contract, there wasn't a questionnaire, there wasn't any of the pretty stuff that you'd like to do. I needed to build that out. And I need to get it done now. And I needed to be

able to figure it out pretty quickly. So I bought one software for that. But then, I also just bought a much more complicated and expensive software to set up funnels, handle my marketing. It has course hosting capabilities, if I ever want to have some kind of vault of slps or some kind of course I could share with everyone. All of that stuff in there. I bought that this week. It was not cheap, but it's in beta. And it's stupid cheap for what it is. And that price is going up every couple of weeks. So right now it's a steal. I have no idea how to use it yet. Do I know that it'll be great. Yeah. Is it an investment My future? Yes. But I have no idea what I'm doing. But I made that decision on evidence, yes, I'm going to need these things within, let's say, the end of the by the end of the year, I'm going to need to have these things in place. And if I buy it now, I get it at a great, great price. So I looked at the evidence, what do I need? What am I going to need in the future? So I don't want you to just think I'm telling you like, oh, right now you can only spend \$40. So you can only spend \$40, if there's something that you know, you're going to need, but you're not ready for it right this second, but there's a great deal, or you need to learn how to use it so that you can build it out yourself. So you can save the five grand that would be for a professional to come in and set everything up for you and run the whole thing. Okay. I want to be clear, I'm not telling you that you should or shouldn't be doing these things that you should be buying these things or not buying these things. I want you to look at the evidence of what's in your business right now. I don't want you to buy crazy stuff, because I bought crazy software. I want you to look at the evidence of what you need. What do you need, make your own decision? Don't just buy things because everybody else is doing it. make smart decisions based on the data and your goals. What do you want to do this year? What will get you there? And how much money do you have to spend on it? make these decisions based on data and goals. Not fear and panic. But I do want you to invest in yourselves. investing in yourself is the best place to put that money and time and energy.

You are the best investment. So take a look at what you have out there what you need and make some great decisions. And I will see 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 and 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.