



Smart Money Diva Training Series and Inner Circle Training Program

Training Call 11

January 22, 2012

Call Transcripts

Plugging Your Cash

Flow Leaks

Welcome to the call everyone! This is Maureen Campaiola and our call today is the tenth call for our Money Breakthrough Inner Circle Training Members and the seventh Smart Money Diva Training Call in the Series.

We have a really great call in store today with lots of content so get ready to take lots of notes. There is one handout for today's call but I don't think it's up yet in the forum. Check back tomorrow it should be up by then.

I ask and appreciate that you do not share this material with anyone. It's intended for you, the program participant and not for others who may need this help but haven't signed up for the program.

Our training today is **Plugging Your Cash Flow Leaks**.

Before we move into the content, I want to take care of some quick announcements first.

Our next and last training call is Thursday February 7, 2012 at 7PM

You've heard me say before that money isn't a set in and forget it relationship. What you will be learning here tonight is just the next step in your money training. I want you to think about it like the layers of an onion. We've been peeling the layers, right? As you peel away each layer you go deeper and deeper with your evolution; you move closer and closer toward the core of the issue. That's what happened for me and it will happen for you too if you continue to do the work and consciously think about your money differently.

How's it going with your money journal? Are you reflecting and writing in your journal? I hope so.

Finally, you will be sent the downloadable transcript of this call along with the MP3 file for your records. This way you can refer to them whenever you feel you need a refresher or just want to look something up.

Ok, let's get started with our content!

People having cash flow issues is something that I've been hearing about for years. It has nothing to do with the economy. The economy only serves to amplify the result of a person's cash flow attitudes and behaviors.

I'm not hearing this from all of you, but I hear it from other people out in the world. They're blaming the economy for cash flow issues. Certainly, if you're in the construction trade, this is an issue. There are trades that have been hard hit by certain events in our country.

A lot of people are blaming the economy, but the economy is not the issue here. There is plenty of money being spent. People are purchasing things. Money is very cheap right now. I don't know about you, but I'm getting a bunch of credit card offers every day. Money itself is very cheap right now, which is good in a way.

There is a lot of money out there. There is a lot of wealth in our country. Certainly there are people hurting with the economy, but it's not the entire story. That's why we have the focus of this call on cash flow. I'll give you a lot of very practical tips.

You need something to write with and write on. I'll give you many specific tips aimed at making a shift in how you handle your cash flow, regardless of the economy. The habits and behaviors you have now, as well as your attitudes and mindset around it, will serve you no matter what the economy is doing.

With that in mind, the other thing that struck me in preparing for today's call is the three areas that I see affecting cash flow.

Cash flow is something I have begun to pay a lot more attention to over the last several years, more than I ever used to. Before I was like everybody else. I thought, "I need to pay my bills. I'll do the money juggle thing to do the bills. Whew! That's done for the month." That was the extent of my cash flow management.

Over the last couple of years, I've paid a different type of attention to cash flow. As a consequence, I have made a lot more money. In making money, I still find myself need to pay a lot of attention to cash flow.

This is what I have experienced, as have many of my clients. I hear this mostly from my higher end clients. They are the people I'm in more communication with. They're making more money, but their expenses have kept right up with what they make. They actually don't have any more money available to them than they did before. The gross income is higher, but what they get to keep is not any higher.

I hear that from a lot of people. It's not just my private clients. It is many people. I've also experienced it myself. This is something I've paid a lot of attention to.

That's when I realized there are three areas that affect your cash flow:

- 1: Marketing cash flow leaks.
- 2: Operations cash follow leaks.
- 3: Spiritual cash flow leaks.

I want to look at the spiritual cash flow leaks first. I want you to hear what the other ones are from this mindset. You'll hear them very differently. We'll spend a few minutes here, and then we'll go into the marketing and the operations leaks.

It's both leaks and opportunities. I have to confess, my opportunities list is bigger than the leaks list. That's the way my brain works.

What I mean by cash flow is how much money is coming in the door and how much is going out the door. Cash flow issues represent what you value and what you have been valuing. I really want you to understand that. Cash flow simply represents what you have been valuing.

We can tell what you've been valuing very simply. I'll ask each of you to jot down what is truly important to you when you think of being in business for yourself. What is it that you value? Take 20 to 30 seconds to jot down whatever words or phrases come to mind when I ask that question.

What is it that's important to you? What do you value? I'd love to hear somebody's list. Who here would like to volunteer?

Ok, so we don't have any volunteers.

What I typically hear is: Freedom of my time. I want to be able to travel whenever I want to.

I want to be able to take care of my daughter at home while I work and not compromise that value. I don't want an alarm clock.

Making money and having money squirreled away, socked away, stockpiled. I love all of those phrases. Those words are implied in most people's list. Saving money is usually not on someone's list.

It makes sense because these things don't have to take money. You can accomplish freedom of your time. You don't have to have a lot of money to have freedom of your time. You may not spend it the way you want to. You can still travel. You can take care of your family at home. You can wake up when you're finished sleeping with or without great cash flow.

I'll ask each of you to put in the word "money." I encourage you to make it one of the top three on your list of values.

When I first started doing this exercise for myself, on my list of values for my business, money was number one or two. I don't remember. It was right up top. It makes sense. I have a history of making money through my business. I made great money working for other entrepreneurs even at a young age. I was salaried, but for my age I was making great money.

By the way, you can do this in your personal life as well. When you think about what's important to you in your personal life and create your list of values, it's very important to see the contrast. I think money was number two on my list of values for my business. It wasn't anywhere on my personal list. I had 15 values on my list for my personal life and money wasn't one of them.

It makes sense to me that I would make money through my business, but not really have a lot of it personally. Doesn't that make sense to you? I'm valuing it in one area and not in another.

I already had it pretty high up in my list of values for my business. What I needed to do was to add it to the top of my list for my personal life. I think I put it number two in my personal life. It wasn't necessarily comfortable. It felt a little fake or false in some way to put it there. That's okay. I ask you to do it anyway. The feeling of discomfort is just because you're not used to it being that high a priority.

I'll ask you to put the word "money" in the top three of your business list of values. It should be one of the top three. I happen to love saving money. I come from a family of savers. I was trained to do it as a kid. It works very well for me in my life. Then "saving money," also needs to be way up top.

I want to remind us what we're after here. We're after cash flow. We're after having a lot more money coming in than going out.

When we get into the marketing and the operational part, I'll give you very specific, practical tips. Those tips and behaviors stem from how you are holding money and in relationship with it. That's why I'm asking you to put saving in there. If you have a different word you like, that's fine. I happen to love the word "saving." I have attached to that word some things that mean a lot to me and are very emotionally powerful.

Of your top three values for your business, two of them revolve around money. That may feel very different for many of you on this call. I hope the answer is yes. I want it to feel different.

We'll move over to marketing and operations cash flow leaks and opportunities. Then we'll come back with another piece around the spiritual cash flow. I want you to hear the marketing and operational tips from this new perspective of valuing and saving money.

Let's talk about marketing cash flow leaks and opportunities. Marketing is how we get cash coming in the door. I brainstormed a list. I have so many elements on the list to share with you. There are a lot here. There are probably more than I can even think of.

I want to give you areas where you may have leaks, and also where you may have opportunities. We'll look at the leaks first. Leaks are just an opportunity to make something be different. That's pretty exciting.

In the area of marketing, where cash flow may be leaking out of your company is in follow-up. Specifically what I'm talking about is following up after a presentation. You certainly want to follow up with the meeting planner. It's following up with people you spoke to, either over the phone, with a free report or a thank-you note. It may be all three of those things.

Id you've had a prospective client conversation, it's following up immediately with a thank-you note. Imagine having a prospective client conversation and popping a thank-you note in the mail the next day. Then two or three days, later that person will receive your thank-you note. They will be impressed. I bet they will be very impressed. They'll feel very taken care of and special and that you are really into them.

That's what they want. Whether you have corporate clients or entrepreneurial clients, it doesn't matter. These are human beings. These are human, high-touch actions to take.

We won't go through a lot of follow-up strategy here. I just want to say that follow-up is an area where most people have a pretty big leak that's extremely easy to plug and create some opportunity.

Here are some other leaks. This is a biggie. You want to put an asterisk next to it. It's offering something to existing or your best clients.

Many of you have heard me say often that of all the people on your list, a very small percentage, maybe only 10% of your list, will actually purchase something from you. That may be a service, product or teleseminar. Of that 10%, a huge percentage will continue to purchase something from you.

I think we forget this. We get into a groove or rut. We're offering our service. Your clients have unmet needs. You could meet them. You may be lucky enough in that they come to you and say, "I have this need. I really want this and this and this. Could you help me with it?" but honestly, it's pretty rare.

An incredible leak and opportunity here is to survey your clients, have conversations with them and pay attention to what they seem to be struggling with. Find out what they want help solving. They are much more likely to want to buy that solution and get help from you than to go outside to somebody else.

I want to ask each of you to circle two or three specific actions by the end of the call. I want you to make a commitment to two or three specific actions that will plug your cash flow leaks and create opportunity. As you're going through this list and hear one that makes you think, "Oh, wow, that one right there!" put a big circle around it or a big red star next to it.

Here is another cash flow leak: Do not discount because someone asks. Many people just ask out of habit. They think, "It never hurts to ask." That doesn't mean you have to stay yes. It does mean you need to restate the value at that moment. That's all you need to do. You say, "I can't discount and here's why."

Another cash flow leak to plug is to really stay on top of client payments and any late pays. Late payments are a warning sign. You cannot ignore them. I see many women in particular do this. The client is late paying you. You end up being the one who is embarrassed or uncomfortable. You feel guilty about saying something to them. That is backward.

We won't go into much detail on this. It's something I'm putting in a new product I'm making around the topic of money, boundaries and courage. Let me say this for today. When somebody is late, you need to be on top of it. There is something going on there.

You're in a relationship with this client. It's about honesty and trust. At the very minimum, you need to have a conversation with the client by email or telephone so the honesty and integrity of your relationship is preserved. Don't take it personally. It's not personal.

Don't ignore it, especially because you think you have to be nice. That is where I see gals get in trouble. You think, "I have to be nice. I feel guilty." Don't do that. This is just business. It's not personal. It just needs to be taken care of.

Another cash flow leak, and therefore an opportunity, is to make sure that your current offer, whether it's a 30-day program, product or course, leads to something else. That something else should not be kept a secret.

A fair amount of you are growing savvy to this. You're getting the idea because of the profit pyramid. You're working with that. You know it will lead to something else. Many of you keep it a secret. You think you're not ready yet. You don't want to do that.

You want to keep tantalizing people. Let them know. You can do it with a postcard. You can drop hints in your newsletter. I often drop hints in my newsletter. Depending on the size of the product or program I'm about to launch, I'll start dropping hints months in advance. I'll certainly do it a few weeks in advance.

You could do a special mailing. If you mail a product out, include an insert in the package that goes out to let them know about some other opportunity. It would cost you nothing to send out a little piece of mail that goes out with an existing product, yet you never know when it may land with just the right timing for your client.

Another place where cash flow leaks can be taken care of with opportunity is something I've mentioned before. I want to put a finer point on it. Find three problems your current clients already have. These are people already paying you. Have a conversation with them about solving one of those problems.

That doesn't mean one client has all three problems. It could be three different problems that your client base represents. Then you want to create a solution and talk to them about it.

People like new. It's exciting for them. They get very excited. They think, "Woohoo! It's something new!" It gets their attention. It's not overselling to people. You're not hitting them over the head. You just have a new thing. They'll want to buy it. That's great for cash flow.

Another direct opportunity for improving your cash flow is to offer bundles. You can offer bundles of different ebooks, products and services. Bundle them in new ways to get people excited so that it feels new. They know they're getting a great deal.

Another idea is to offer payment options. I love offering payment options. I make more sales with all of my products or programs by offering payment options. I offer monthly, quarterly or full payment options with my programs.

It's great for cash flow. If people choose a spread-out payment, you're getting a smaller amount of money, but you're getting it month after month. It's wonderful.

Offering payment options is definitely way to go with your marketing cash flow. Another opportunity is to create a premium or a high-end option. It could be anything that you're doing. Look to create a premium option with any kind of service you have.

There is a lot of money in this country. What's disappearing is the middle class. There are a lot of people without money. There are a lot of people with a lot of money. People with money like premium. They like specialized. They like to feel like they're being pampered. Do not ignore this. They are spending money. Always offer it with any service you have.

Let's go on to the operations cash flow leaks. What I mean by "operations" is the back end of your business. Operations are how your business is actually running and how your money is being handled.

Here's what happens for most people. I used to be like this as well. They run a program. Let's say they run a teleseminar or coaching group. They get the money coming in, and then that money is spent. Does that sound familiar?

They don't put anything aside. That creates cash flow instability. It creates ups and downs. I used to run my business that way. It was nerve-wracking. This was several years ago. I'd have a \$35,000 month, then the next month was a \$6,000 month.

I thought it wasn't predictable, but it was the way I was handling it that made it unpredictable. It was very stressful because I never knew if I was going to have enough money to cover all of my expenses.

You have to change that strategy today. If you take nothing else from this call except for this piece, you will be in a more positive place a couple of months from now. You have to change that strategy right now. Even if you only have \$1 to change it with, that's fine.

Here's how you change it to create cash flow stability. Let's use an example where you're running a 30-day coaching program. You get a bunch of people signing up who pay all of this money. It's one payment for 30 days. It's simple. You absolutely must have a portion of that money set aside in a business savings account.

I don't care if you start with \$1. It isn't the amount of money that matters. It's the action that matters. If you start with \$1 today, you'll have \$5 next month and \$50 the month after that. It's going to grow. I promise you.

You can't wait. People say, "I need that money, Maureen. I have this credit card I need to pay down. I have this. I have that. I can't do that right now. I need to wait."

What you're waiting on is your feeling of power with your money. You're setting aside everything you want. Don't wait for what you want. I want you to get what you want as quickly as possible. This is the way to do it.

You'll want to open up a business savings account. It doesn't matter if you're a sole proprietor, incorporated or an LLC. You can check with your CPA if you want. Open up an account.

You can open one online with a company like www.ING.com. These online savings companies are easy to work with online. They're FDIC insured and all of that good stuff. It's not a problem to use them at all. They make it very easy for you to transfer money into them. There's no excuse.

What I'm going to ask you to do is decide right now what your commitment is regarding how much you're going to put in each month. Even if it's \$1 or \$5, it doesn't matter. The action is what matters.

Go to your calendar and put it in. Decide if it's going to be on the first of the month, the first week, the second week or the 15th. Pick a date, put it on your calendar and do it every month.

This is not rocket science, folks. The only way to have more money is to give it to yourself. I guarantee that, as far as paying your other bills, you'll find a way. You find a way to get them paid now.

We're not going to talk about personal savings today, but I absolutely support people putting money into a savings account. I have two savings accounts, one for my business and one for personal. I do the same thing.

I actually put money in twice a month. I did this when I wasn't making as much money, and it was so hard to do. Some months were harder than others, but I did it. I never skipped.

I remember that there were a few months when I thought, "I don't know how I can do this but damn it, I made a commitment. I'm going to do it." I put the money in there and somehow my bills got paid. That's the funny thing about money. People always make it work. They always find a way.

I do it twice a month. The first of the month is for my personal savings. The middle of the month is for the business. I spread it out that way.

You want to be really clear what the money is for. I want you to have a strong, positive emotional connection to what that money is for.

I have one account for the business savings. The bank knows it's just one account. It just has a total dollar amount in there. But on a very simple by-hand, paper-and-pencil tracking sheet, I have that total divided up into several different buckets.

One of the buckets is for information product creation. It does cost money to create an info product. You have to pay for printing, cover design and somebody to record and edit it. There are costs associated with it. It isn't free.

Every time I add money to my business savings account, I have a goal of how much I want that info product bucket to reach. When I add money each

F: 978-794-4991 • Email: Info@BreakThroughYourMoneyBS.com

45 Washington St, Suite 41, Methuen, MA 01844

© 2012 Maureen Campaiola. All Rights Reserved.

month to the savings account, I portion off part of that money to that bucket until that bucket gets up to the amount I want it to be. Then I don't have to give it any more money until I take it out to use it to create an info product. I'll replenish it in the same manner.

I have a bucket for rainy day money. I don't want to energetically create low months. I don't want to say, "It's a low-volume month." To me, a "rainy day" is a neat thing. That feels positive to me. Give it a name that feels positive to you. You want really positive emotions.

I have a bucket in my business savings for taxes. I don't want to resent paying taxes.

Every month or two months, my accountant says, "Okay, Maureen, we're writing a check to the IRS." It's no problem. I have the money in my business savings to cover that.

Another great bucket to create would be for training. I know that all of you love to learn. Set some money aside for training. It's a great thing.

If you're only putting \$5 or \$50 a month into this, you might think, "Wow, it won't go very far." That's okay. You have to start somewhere.

When you put the money in, bless it. Be grateful you have \$5 or \$50. You can put it all toward one of your buckets. You can spread it out. Do whatever makes you feel good. I personally like to spread it out. That makes me feel like I'm adding something to every bucket that I value.

At the top of the paper for each little bucket or column, I put what my goal is to get it up to. I do the exact same system on my personal side. Bless the money that you put in, regardless of the dollar amount.

When you get a bulk payment, like when I get a private client making a deposit with people paying in full instead of making payments, you'll get a little windfall. The temptation is to spend that money. You know I'm going to have an opinion about this in just a moment.

When you offer a program or product or anything in your business, it's vital that, prior to offering it, you pencil out what your estimated expenses are. It might be a teleseminar using a free bridge. You think, "I don't have any real expenses." That may be, but it's not entirely likely. You may have an affiliate commission. There is usually some kind of expense. Pencil out what those estimated expenses are.

F: 978-794-4991 • Email: Info@BreakThroughYourMoneyBS.com

45 Washington St, Suite 41, Methuen, MA 01844

© 2012 Maureen Campaiola. All Rights Reserved.

When you have an estimate of your expenses, and you have a little windfall of money, you immediately want to take the amount you've estimated and sock it away in your business savings. I would also take a portion of it, like 10% or 20%, and sock it away to fill up some of those other buckets, particularly the one for when you have a low month.

Do this first. You can't have more money unless you give it to yourself. Then spend the rest of it. You do get to spend it, but most people don't do those first two things. They just spend it. This is really important to do.

I did not do this for years, and I got myself in real trouble as far as cash flow because of not doing this. It's not good. I'm past that. I took care of it. It's all cleaned up. It's great. Now I know better.

We're talking about how to plug cash flow leaks. What we just talked about with the savings and how you handle your money might feel uncomfortable or like a tight squeeze for the next little while, but you will get past it. I promise you that. It will become a new habit. You will have money accumulate like you can't believe. It's going to accumulate like magic because of putting this system into place.

I have a couple more tips to offer operationally. Open all of your bills on the same day that they arrive. I didn't realize this until recently. There are folks who have credit card debt or don't feel like they have enough money coming in. They leave those bills unopened. You can't do that.

You have to be really in integrity with your money. Remember what I always say. Money loves to be paid attention to. If you ignore it, it will get your attention one way or another. Open your bills immediately. Have a very clear schedule of when you pay them.

If you're paying down credit card debt, bless every payment you make. Pay something over the minimum balance, even if it's \$1. Bless it. Feel good about it. Be grateful that you can do that.

Remember, we're talking operationally how to increase your cash flow. You'll love this tip. Raise your fee.

One way to increase cash flow is to charge more. If you charge more without giving away anything more that's costing you money, you won't increase your expenses. That increase in your fee goes immediately to your bottom

line. Your bottom line is your pocket. I wear blue jeans a lot. Those pockets are literally on my bottom line.

When you increase your fees without increasing your expenses, it goes right to your bottom line. This is what we want.

There is the last tip I want to share, then we'll go back to the spiritual leaks. Whenever I launch a product or program, I have a formula where I say, "After direct expenses related to this program or product, I want to be left with at least 50% profit." I usually try to aim for 60% to 70%. I'm including direct expenses like CDs, recording fees and printing. I am not including my bookkeeper, utilities, postage, insurance and other overall business operating expenses.

By having that percentage at 50% or greater, it's helped me raise my fees and not undercharge. I've been using these numbers for years. It's also helped me say no to certain programs or products. When I penciled them out and looked at my expenses, I said, "Lck. I'm going to be at 40%? That's not okay with me. I don't feel good about that. I'm not going to do it."

This has been really impactful. After all of the other expenses are taken out, I think I have 30% to 35% profit, which is great. Grocery stores operate on a fraction of a penny of profit on every sale. To have 30% to 35% profit is really good.

We need to complete. I have one more thing that I want to add. I don't know where this came from originally. I may be giving it to you a little bit differently than you originally heard it. I apologize for taking poetic license. This is a game that is really important to play.

We're coming full circle to your spiritual cash flow opportunities. Ask yourself, "If right now I were to have double my cash flow, what would I do with that excess money?"

What I've found through my own experience, and through working with a lot of other people, is that there is a part of them that is really excited about the excess money, but it makes a lot of people nervous. "Oh my gosh, I don't know what I would do! I could do this. I could do that." They get into a little bit of a quandary. This is not what we want.

We want you to be very clear energetically. We want you to be very clear in your being what you will do with that extra money.

This is a game that I used to love to play. We'd go on trail rides with the horses and play this game. Here's how it works:

On Day 1, you have \$1,000 to spend. This is mythological, pretend money. In your mind, you have \$1,000. You have to spend all of it. You can put some of it in savings if you want, but you have to know exactly what that savings is for. You can't just say, "Oh, I'll tuck it in savings." No, it has to be toward a trip, house, charity or something.

On Day 2, you have double. You have \$2,000. You have to spend it all. On Day 3, you have double again, so you have \$4,000. On Day 4, you have \$8,000. Every day you have double the amount of the prior day, and every day you have to spend the entire amount that you have.

It's an interesting, fun game. You can play it by yourself. It's really fun to play it with somebody else or think about it out loud. It's very helpful.

After the first few days, you're going to run out of things to buy. Your spending splurge will be done. Then you have to get serious about what you're going to do with the excess money.

How does it feel to be speaking these bigger numbers? What does it feel like to have this money that has to be spent? It has to go to something or somebody.

When I have done this exercise, it has not always been comfortable, but it's been a wonderful way to make me very comfortable with larger numbers and clearer about what the money is for. It has helped me find what my values and priorities are. How would I handle and accommodate larger and larger amounts of money?

I hope this call has been really helpful for you. It's been a lot of information. Remember to choose two or three specific things that you heard us go through to make a commitment to take action on in the next 30 days.

Everybody, have a fabulous rest of your week.