



The Money Knot – your ka-ching newsletter from \$ensible Coaching

Welcome to the April, 2008 **Money Knot**, a newsletter with articles that bring you to the ka-ching.

Bringing the Ka-ching: Business vs Personal Money

Money is different where ever you use it. It has different value, different rules, and even different language. There are all sorts of different ways of looking at money and it's value. Some have to do with geography – San Francisco is more expensive than Denver. Some have to do with cars – BMW and Mercedes land vs SUV and Truck land. Some have to do with social strata – purses, shoes, number of garages. All different perspectives about the same thing – money.

And people in each of those perspectives have different views about what they can and can't afford, what is cheap and what is expensive, what has value and what doesn't.

Mostly we know where we are in these different perspectives, and we don't have much trouble figuring out what's affordable – and there is one place in particular where this money perspective thing can be confusing. If you own your own business, work for yourself, or are a commissioned sales rep it can be pretty easy to confuse your business and your personal money perspectives.

Business money has different thresholds.

When I was a CFO I made \$5,000 decisions in a flash. A personal money decision involving \$5,000 has me do research, compare vendors, and think a while. The two monies are different. Not only is one mine, but one is corporate. One has a bigger scale; larger sales, more expenses, different funding.

So here you and I are in our own business, and those distinctions get muddier. What's the best way to handle the money in that case? How do I make the distinction? Not so easy, or obvious.

One of the basis for business money decisions is the ROI (return on investment). How is this expenditure going to pay you back? Is there a direct pay back, or is it more fuzzy? Many business choices are more nebulous; a website, advertising, the better headset. So for them there is something about what else does that expense serve? Sometimes it's a matter of your time. I spent more \$\$ on a better headset after I started going through headsets at about one every three months. That wasn't cost effective. A more sophisticated, and yes, expensive

headset has saved me time and hassles for over a year. I spend 6-8 hours a day on the phone so any cost that improves that experience is worthwhile. Where do you spend your time and energy? What business expenses would improve that experience? And how much more effective and productive would you be with an improvement there? These are all good business money decision questions to explore.

Of course, you'll also investigate, compare, price – do your homework about any business expense, and there is something else that needs to be addressed. Something beyond just the “how much does it cost” piece of the decision.

If you make business decisions purely based on money you'll get yourself into trouble. You'll take on clients and projects you hate, just to make a buck. You'll buy something that doesn't really work, just to save money. Here's the problem. Money alone is not a good basis for a decision. I learned this one the hard way. A partner and I were starting a software business. We took on a project that we hated, just to give us the money to do what we wanted. It was awful, hard, painful and tedious. Yuck.

After that experience we took some time to create a list based on other criteria than money. Here's how that worked. We moved money down from being the only criteria to being an important criterion in amongst other ones. We crafted a list of other criteria that we called the Why Of It!. This list included Fun, Ease, Creativity, Innovation, Builds Relationships, Increases my Credibility, Creates a New Opportunity, Teaches me a New Skill that I Want. All these things are something I want to foster. I've kept this list and still use it to make business decisions.

I make sure that any business ventures hit a big yes on most of the list. If something hits 7 of the 9 items, it's good. If it only hits 2 or 4 it's not worth doing, no matter how much money it makes.

Spend some time making your own list of things that move you, things that you want for your business, things that you dream of – and let that list drive your money decisions.

Your Money Questions:

“What has people not wanting to look at there money issues?”

- this question actually comes from me, Shell. I know that a bunch of you have money questions and problems. I know that because you read this newsletter, you come to the teleclasses, and those of you that are clients dig into those places.

And, I'm not getting questions for this section of the Money Knot. So I'm curious, what is it that will get me some more issues to play with?

Maybe you just need a reminder, or an invitation? If so, please consider this just that! Maybe this is an unnecessary part of the newsletter? That's okay, I'm willing to leave it out. And if that's the case, what else would you like to see instead?

Here's part of what is true in any process, things morph and change. The questions dry up and something else wants to be in the Money Knot. I don't want to stay with a process just because it's there. I want to do what's meaningful to you, the reader...so give me some questions, or some idea, or at least some hints, and let's see what gets created!

Upcoming Events:

One of the most popular teleclasses I offer, this one is about how to ask for what you deserve.

Teleclass: Money Buckets; Your Budgeting Simplified

- § Do you ever find yourself with left with no money at the end of the month?
- § Do you find the very idea of budgeting to be uncomfortable and confusing?
- § Do the ideas of record keeping and analyzing numbers irritate you?

If you have ever struggled with creating and keeping a budget, this teleclass is for you. Budgeting can be and should be about spending your money in ways that support your financial plan. We'll simplify the ideas behind creating a budget. We'll turn all this number crunching into some identifiable and embraceable concepts, and help you make an actual plan. In this class you will learn specific techniques for keeping your money buckets full.

Date: Thursday, April 17th

Time: 10:00 a.m. to 11:00 a.m. Pacific (1:00 p.m. to 2:00 p.m. Eastern)

Registration: send an email with your phone number to shell@sensiblecoaching.com or register on my website:

www.sensiblecoaching.com

Fee: FREE...your only cost for this call is your regular long distance call charges.

If you would prefer not to receive this publication in the future, just email me back and I'll take you off the list.

Meanwhile, bring on the ka-ching.

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The Money Knot Story:

In case you are wondering why this is called **The Money Knot**, here's the story. I've always been fond of Celtic knots, and you notice I use one as my logo. From my perspective, there are several things about these knots that relate to our money journey. One, you can see the whole knot; nothing is hidden, it's all revealed. Two, the knot has no beginning and no end; it's an ongoing, dynamic process. Three, the knot that I have chosen is a bit askew; our maneuvering is often out of the box.

Our money lives are like this knot. They are a visible maze that is intricate and sometimes challenging. Sometimes we get stuck in a corner; sometimes money is confusing, embarrassing or even scary. And yet the knot is always there. It's a never ending relationship.

Together we go into your knot, and I help you to understand and maneuver through the knot. You will get familiar with the territory, know your way around, understand the twists and turns. Together we will make sense of where you are on your own personal money path and help you get to where you want to be.