

Ep #217: Money Mistakes



Full Episode Transcript

With Your Host

Stacey Boehman

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Ep #217: Money Mistakes

Welcome to the *Make Money as a Life Coach*® podcast where sales expert and master coach Stacey Boehman teaches you how to make your first 2K, 20K, and 200K using her proven formula.

Hey coaches, welcome to episode 217. We're going to talk about money mistakes. Last week we talked about growth mistakes and one of the biggest growth mistakes that we make is with money. So here's what I want you to know, money mistakes, you're going to make them. It's part of being an entrepreneur. I want this episode to help you normalize this process and to teach you this right here, that there is no such thing as learning how to make money without ever risking it and making a mistake with it.

You won't get to 200K, two million or 20 million without ever making a bad decision around money. And then it costing you money as a result. The goal of my business coaching and mentorship in all of my programs, 2K, 200K, Two Million Dollar Group is to help you minimize the mistakes that you'll make, especially around money. And to help you pay for your education as you go and constrained to only the education and the investments and the money that you need most when you need it.

And then to drive each of those investments to be highly successful. I really do think about your money mistakes and the investments that people make and how to help minimize and maximize. So that helps a lot but I just don't want you to be in defense and trying to prevent money mistakes like we talked about last week. Rather, understand that money can be one of the growth mistakes that happens along the way. And I want to teach you how to think about it and how to recover and how to move forward in a way that will create you believing in yourself deeper rather than less.

And I almost did this episode on money, time and energy mistakes because I think these are all things that myself and each of you fear. We fear putting a lot of money or time or effort into something and not getting the return we want. But when I look at time and effort, a success that is always measurable around time and effort is money. So it all comes back to

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money. Money as the measurable result. In an effort to normalize money mistakes, I thought I'd share with you my top mistakes.

And how I thought about them and how I recovered from them and what I learned. I might have forgotten about some of them at this point but the ones that I'm going to talk about today are the ones that stand out that taught me the most and I had the most growth from. So that's the other thing I want you to take from this is I'm going to share with you money mistakes that are my most memorable but they were also the ones that taught me the most. And that's probably why they're the most memorable.

And then there were ones along the way that surely I've forgotten about at this point. And I will tell you also when I cover these mistakes, every single one of these I have now coached my students on and help prevent these for them, effectively putting more money in their pockets than just simple revenue that they get learning from sales trainings. And I just think that's so important for you when you're listening to think about. And when you're learning for yourself, it will either translate in something that you will be able to teach your students, whether it's just pure resilience, recovery, having your own back.

If you're a business coach, it may turn into things you will teach your students later and also that it will become added benefits, they're not always tangibly wound up in the basic things you teach and immediate revenue. But there's this indirect return on investments that you get. And so I just want you to think about as a coach all your mistakes are always an indirect value add for your clients. I'm going to talk about all the ways I think about my mistakes but that's one of the ways I think about it is there is just this indirect value that comes from learning from my mistakes.

And I will tell you, last year specifically I learned the value of not only creating revenue but then keeping it. We made several errors, myself and my team, had a few things outside of our control happen. And then our reaction to those things, how we solved for them have all been giant learning lessons, giant growth mistakes that cost us about 30% of our

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typical profit. And at my level that's a lot of money, literally millions of dollars.

But again we have learned deeply from it. It cost me, I think we got our P&L sheets and we totaled it up to be about, if we had kept the same profitability as last year, as the year before that actually, costing about \$3.5 million total. But I keep thinking about how much money I'm going to help my Two Million Dollar Group students save by seeing these mistakes now before they make them, catching them at the decision point and directing them differently.

So I'll start by saying last year for me was a serious year of growth mistakes that I could argue cost us a total of \$3.5 million. And that's the way I'm thinking about it. I'm not going to say that I haven't gone through the fire of emotions and my belief and had to dig myself out of that belief hole. That's where digging yourself out of a hole came from my digging myself out of \$3.5 million of growth mistakes. But on the other side I'm seeing exactly what created it.

And I see exactly where we could have brought in revenue to replace those mistakes. And that's been factored into our plan this year. So I'm learning about it. And the other thing I was thinking when I created this episode is that I think about how badass it is to weather a series of growth mistakes that amount to \$3.5 million. And then leverage that into growth and just keep moving and increase my belief not lose it. How extraordinary is that? I hope that all of you aspire to that versus aspiring to never making a mistake.

So I really hope this episode helps to instill that in you, especially the women listening to chalk things up to growth mistakes rather than our inherent lack of understanding irresponsibility around money. That's just not why you're having money mistakes, it's because of your understanding and your responsibility around money. It's because that's what happens in business to everyone, even me and not because I'm a woman, because I'm a CEO, because I'm in business.

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Alright, are you all ready? Let's talk about my top money mistakes. The first one that comes to mind and I've talked about this on the podcast before. I purchased a \$4,000 program that was supposed to teach me how to actually set up my own funnels and ads. I wanted to do a \$100,000 launch. I was convinced that the way to do it was through funnels and ads from the belief I don't have enough people in my audience to do that. It's the number one thought error that I think all coaches make around that time, where you're wanting to do a \$100,000 launch.

But just in general any time you say, "I don't have enough people in my audience." I always think that that's a thought error at every level, always a thought error, never ever an actual circumstance no matter how many people market it to you and tell you otherwise. So I did that. I quickly learned, number one, that's just not my best use of my time and not the way that my personal brain works best, number one.

But on top of that, there were weekly calls where you could come on and they were supposed to be talking about strategy but really the entire conversation was around, I have told this story before, but the conversation felt like we were in a Mad Max movie and we were the last coaches on Earth talking about how to survive.

The coaching industry was going down which was so interesting because my mentor, Brooke Castillo and The Life Coach School always were ceding the complete opposite belief that the coaching industry was blowing up and that there was never a better time to make money and there was so much money available. Honestly, with that belief that has been my truth and experience is the more money she makes the more money I make. The more money I make the more money my students make. And not in a pyramid scheme kind of way.

No one's getting a cut out of that. It's just the more life coaches that are created the more life coaches want to pay for business and entrepreneurship training. And the more coaches get business, entrepreneurship and sales training the more clients they go out and sell.

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And the more clients they go out and sell the more people talk about what it's like to work with a life coach. The more people in the world want to work with a life coach.

So hopefully that successfully sells you on that idea but it really has been true that the more money I make the more clients get helped in the world and that continues to grow and grow and grow and compound. It has not ever shown me the opposite to be true with me being a client in the coaching industry and with me being a coach in the coaching industry.

Anyways, those conversations were super uncomfortable and I ended up just not doing the program. Decided that it was not a great use of my brain at a time where I was trying to create my own belief and believe that people would pay me money and that I could make 100K on a launch and believe I could make 500K in my business. I think that was the year I made 325,000. But I was just at a point where my brain felt fragile is not the right word but it felt important what I was entertaining and what thoughts I was feeding it. And it didn't feel like that was a growth environment for me. So I just ghosted the program.

What I learned from that though is that to me is the core belief I took from that experience that has carried on and created more value for me than anything is that each investment that doesn't work out one way can always work out another. My belief was I needed to invest 4K to learn that I didn't need ads to achieve a 100K launch. I ended up going out and figuring out, I was like, "Okay, this isn't going to work. This strategy is clearly not working for me in the timeframe I need it so how else am I going to do it?"

And I really just got over the belief that there wasn't 100K worth of people who wanted to pay me right then currently in my audience. I proved that thought wrong. I couldn't make that strategy work so I had to make the strategy work of there's already enough people in my audience. And I proved that belief, that thought error wrong. And that thought error then I never entertained it from that moment on. And so to me that was worth the

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investment, to prove that that was a thought error and to never entertain it again.

And I also learned how powerful my mind was in the industry, how powerful my brain was as a coach in the industry before I was even making millions. It helped to verify where I was headed and made me so grateful for the communities I was in and the conversations I was having. And it really taught me the importance of, in general, conversations in communities and why it's so important to moderate them and set the tone for the energy of a group and a container.

And that is something to this day I just had my last 200K class, so many people coming up to me and saying, "This class taught me how much energy and work you put into curating a container and into the energy and into the people in it, and to the thoughts that are spread through it. And the language and how everyone problem solves. I'm really impressed with that amount of work." But it comes from that experience. It was a terrible experience to be in the Mad Max coaching world, to be caught in the Mad Max, the movie coaching edition.

That was not a fun experience for me. And listen, that coach ended up quitting the coaching industry shortly after and went into network marketing. And listen, I still follow her. I give her all the love on social media. But she had a thought error that she passed on to all of her students and then it's a thought error that had her get out of the industry. And she was at a pivotal moment. I think she was at 500K in her business and instead of scaling she quit.

And instead of me falling into that error, I went on to make millions and millions and millions of dollars. So for me it was just the best \$4,000 I ever spent and didn't use. Also I didn't ask for a refund, I instead just felt complete with the transformation I needed and it really birthed this belief I have which is I always get what I came for or what I need. What? I always get what I came for or what I need. What I came for was ads and funnels.

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What I needed was to remove the thought error that I needed more people in my audience to make more money and to never be stopped by that thought again all the way to millions and millions and millions of dollars, \$30 million of coaching. I'm not ever going to hold someone responsible for work I didn't do. And that has also really been super valuable for me to just, there is work I'm going to do and then there's work I'm not going to do.

And if I do all the work that's one thing. But if I'm not, that's not on anyone else but me. And so it's just really held me to a higher level of personal accountability. So I started with that one because it's the one that I think gave me the highest growth and transformation and just feels when I think back to it the most lovely.

Okay, so the second one that comes to mind is I spent \$8,000 for sponsoring. So I spent \$8,000 to sponsor a networking event. So they took on sponsors and as part of this sponsorship you got a front row VIP booth set up and you got to speak on stage to everyone and tell them what you did. And there was going to be 250 people there. It was advertised on the radio like crazy. So I was like, "I'm going for it." So I did it and I spent \$13,000 to have an entire full day with my coach to prep for this event. So it was a total of a \$21,000 investment. I got zero clients from this experience.

So that's why it's on my 'mistake' list. It's so interesting as I'm telling you all these, it really feels, on the other side of it as we go down the list it doesn't quite feel that way. So there aren't as many years between the ones I'm going to tell you later on in this episode versus the ones that I'm telling you about now. But the ones I'm telling you about now truly do feel the best uses of my money. I'm like, "I'm so glad I did that. I learned so much and grew so much."

So I'm going to just decide to believe that in a couple of years the ones I'm going to talk about later will also feel that way. They just don't quite now but I still got growth from them. So \$21,000 I didn't sign any clients from it. But here's how I thought about it. I really felt even before I spent the money and

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deciding to spend the money I felt it was an opportunity for me to fast track who I was becoming, how people see me.

And it was just a really amazing thing to do for myself, to put myself in a situation big enough to take myself serious enough to do the work, I had to create a banner and a booth and marketing materials. And I had to actually invite people to come. As a sponsor you were responsible for getting a certain number of people to actually attend the event so I had to market it and get people in the seats. And then I got in front of new people and I was sharing it all over social. I even created a second networking event spinoff from it.

So I have a certain amount of tickets that I could give away. They also wanted me to sell a certain amount of tickets, I think if I'm remembering correctly. But what I did is when I sold those tickets, I said, so I created this networking event after at a bar in downtown Indianapolis, at Harry and Izzy's, if you're familiar with the area. And I think the tickets were \$25 or \$50. And I said, I actually sold that event. And then I said, "And if you come to this event you also get this ticket to this other networking event that you could also come to."

And so first of all, how brilliant is that? I didn't sell the networking event hosted by someone else as the main thing. I created my own. This wasn't a city I didn't even live in by the way. I live in Louisville. But Indianapolis is three hours away. I have family that lives there. And I had a few clients that lived there. Then I heard about this event and was like, "I'll drive three hours for that." So I created a networking event for myself the night before in a town that was different than me, sold tickets to that.

And then 'gave away' the ticket for the main event. So they basically just got both for a certain price. It ensured that I got tickets but it made me the main event. What? When I think back to that I'm like, "Damn girl, yes." That was ingenuity. That was innovation. That was creativity. That was an out of the box way to meet people, tell them I'm a coach and make offers to help them.

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So what I learned from that is who, and I have a module in 2K for 2K that talks about who before how, but who I became in creating an entirely separate networking event the night before. And someone at that event told me, this is at the time where I had my Diva Business School brand. But someone told me that they rushed home to change because what they were wearing didn't represent the diva inside of them. And this was when I was, no one is into this diva thing. I don't know. Maybe this isn't going to be a thing or trying to build it up.

And so it really taught me that showing up for myself inspires other people to show up. And that maybe my ideas are impactful to other people and again that I will always get value out of what I pay in. I was adding value to my value bank, all of that, all of that creativity was adding value to my valued bank. I made \$150,000 that year. I showed up for myself and my business. And some things I have learned along the way have really direct impact on your revenue and are very tangible. And can show you this money came from that.

And other things are very indirect and intangible and can't show you but you just know they are part of becoming who you need to be to make what you want to make. And this to me was one of those. This was one of those things that there's no direct thing. I invited a ton of my clients. I got lots of photos with the people who were working with me. but I didn't sign a client from it, no one. I never made any money from any connections of anyone I met at that event.

But there was something I became. It was the start of me creating community. The fact that I was bringing women together. I had clients from Louisville drive up for this event. I learned that inherent thing, that very intangible thing. It was the start of me creating community and really just standing as a business owner who can be creative and come up with things like that and execute things like that. It was really incredible. Again, it was so insane. At the time it was a \$21,000 waste but now I'm like, "God, the intangible thing that came from that was truly invaluable."

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So the next one, this one really shows up for a lot of my students in a combination of the fear of wasting money, wasting time, wasting effort. This one probably is my biggest culmination of all three of those. The year I made \$325,000, before I scaled to 860. The year that I scaled to 860 is the year that I created 2K for 2K, the 200K Mastermind. And so the October before that year I got invited into Million Dollar Mentoring. And I was closing up my year. Well, I had been working that entire year on a new offer. I was going to have a membership.

I can't even tell the story without laughing now. I was going to have a membership called Diva University, the school of learning how to become a diva, yes. Laugh now, it's fine. And it was going to be a business, I don't know, it was directed towards business. I don't even remember at this point. But I had spent the entire year creating content for this membership. So we're just going to call this recording, Diva University modules. I hired a videographer, not a professional one, just a friend of a friend who knew how to work a camera.

And I spent, for an entire year every Thursday I would go to this girl's parents' house because her parents had a nice house and record one full day every week every Thursday. And it was \$250 a session. And so at the end of the year I had, imagine every Thursday for a year and \$250 a week so \$12,000 if my math is correct and recording these modules. And some of them were really good. I had a whole goal setting thing I created. I had some things that might have been useful that could have maybe been used in the future.

But some of them were taking songs and musical artists of divas, Beyonce and Christina Aguilera. And then using them as teaching points. And so I get invited in October to join Million Dollar Mentoring and I come and we talk about it. And it's a clear no. And so we burned, metaphorically burned all of those modules down. We used none of it, none of it for bonuses, none of it for anything. There was no, buy this and you get this other thing. There was no place it's stored anywhere, just never used again.

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I want you to consider this and think about this because I do think it's worth spending a second on is most of – now, I will tell you. There were lots of lessons in. But I think most of you this would be the dealbreaker for it, you would not take the coaching because you wouldn't be able to get over letting go of all of that content. You'd need to figure out a way to use it somehow to justify the time spent and the work that went into it and the money that was spent on it. In our brains we really struggle to justify not making use of everything we've ever created ever, especially when we put that much energy into it.

Here's what I want you to learn from this money mistake. Never spend that amount of time filming anything ever, ever. It's not allowed ever, ever, ever. Never go straight to, and I'm putting air quotes in 'professionally'. But never go straight to 'professionally' filmed. I actually had a client do this once where she had someone legitimately professional record videos maybe for a program or something. But then I watched them and I had feedback on them but it was too late to give the feedback because she wasn't going to spend the money or hire the person again.

It was this really big amount of money and so you really don't want to do that. I want to offer that all of the money that I have ever made \$30 million since I started my business, \$30 million, the content that has created that \$30 million, I'm going to keep saying that, was all filmed from my computer in my office. Now, yes I have a \$5,000 iMac Pro, the nicest one. But having that and I've had it for years and years and years. I mean not years and years and years. Actually I have two in case something ever happens to this one while I'm working but that's it.

You don't need to do professionally filmed anything. Just now at the place that I'm at in my business now I'm bringing my film crew to more professionally film my things for my Two Million Dollar Group and for some of my upcoming ads and funnels and things like that. But that's after \$30 million and only because now I know that what I film will get used because of where I'm at in my teaching skills, my selling skills, my skills in talking about and selling my programs and my offers.

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So before \$30 million you probably don't have that. I really highly recommend that you don't spend that amount of time filming anything ever for any reason. I'm going to film all of Two Million Dollar Group in one week. So don't spend that amount of time, it will make it harder to let go of if you decide in the future if you have a growth or you need to refilm for any reason. It will just make it really painful and never go straight to professionally filmed.

The other thing is you might have many iterations before you reach the successful content that will be long lasting that you will want to professionally film and take a little bit longer to film. I always tell my students to film content once and then don't refilm it until you have 100 or even 1,000 people go through that content. And the points that you think need reworking or the pieces that need reworking you don't refilm them until they become completely obvious. It becomes so obvious the pieces of your process that need to change.

That then it becomes a simple thing to go and fix and change it otherwise you'll also be doing never ending content updates. So I think that lesson first of all, just that piece that I just gave you right there for free just for listening to this podcast is some of the best advice you could possibly ever get and I would only be able to give you that with such clarity and confidence if I had not already done the opposite and learned from that experience. So that's one thing.

The other piece of the \$12,000 of value that I got from that money mistake was I learned during that process, a lot about getting over myself and getting work done. I had to really commit to this project in my brain, this was a lot. I remember my coach coaching me at the beginning of the conception of this idea.

I was so, I don't know what the word is but just catatonic isn't quite right. But I was just so in my head, in my drama that we had to literally map out a plan of me putting shoes on, going to Target, buying a board and some

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post-its and writing my ideas on the post-it board. I mean it was really intense on being really frozen in action.

And so to actually do that and then find someone to film it, create the content, every Thursday packing all my stuff up and driving 30 minutes to this person's parents' house, getting prepared, looking great on camera and going no matter how I felt that Thursday. That process really matured me up and created the who, again the most important part, who I was going to be and how I was.

So here's how I decided to think about it in the moment when I was getting coached to burn all of that down. I immediately, and to create 2K for 2K I immediately decided to think that year of filming helped me become the person who would give myself one weekend and film the process for 2K for 2K and I did. The more I film content the better I get, the more confident, the less planning, the more eloquent, the more useful. That content was all over the place. I had literal content based on songs, pop songs, you all. It was all over the place.

The 2K for 2K process literally flows from one step to the next, filling every gap with each new classroom. They just build on each other. Everything is highly useful. It's truly, I got all the things I needed to say out. All of the un-useful things that you just want to tell everyone all of the knowledge that you have. You're like, "Here's my word vomit of knowledge." I got all of that out filming the Diva University. And then the first 2K iteration as well. And then I went on to get only the most important useful things into the process.

I ended up filming a second iteration after I served 1,000 students. And that process, now people tell me about that process that they've never been in a program that values their time so much and where every single minute is used wisely and has value packed into it. They've never had that experience. But it is because I am experienced. That \$12,000 made me the teacher I am today.

Now, I'm not saying you need to go through that process to become the teacher you want to be tomorrow. I'm just saying this is how I choose to

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powerfully think about a money mistake, a time mistake, an effort mistake. Investment of time, money and effort that didn't end up resulting directly into something that would produce revenue. Talking about things that are direct revenue producers, indirect revenue producers, all of your money mistakes have the opportunity to become indirect revenue producers.

So I have just a few more that I'm going to talk about. So let's talk about spending \$30,000 in Facebook Ads without knowing anything about Facebook Ads. I had hired someone and they basically sold me on this idea that if I wanted a \$100,000 launch or I don't remember. This wasn't at the time that I was trying to do a \$100,000 launch. So I don't actually remember what I was trying to do with them, what the money goal was but I just remember telling them the money goal.

And they were just basically like, "You put this much money in and you get these many leads and then they'll convert on this person and wham bam, thank you ma'am, there you go." And that's not how it happened at all. I spent \$30,000 in a couple of weeks and made no money off of it, nothing, not a zip zilch. So I want to talk about first how I recovered from this. I remember vividly crying on my bed and my husband holding me. Shout out to my husband for being the kind of man who can hold his powerful wife while she cries in a failure. What?

But I let myself be vulnerable with him. I let myself be scared and disappointed. The thought I had was I've let my family down. I've let my future family down. And I let myself feel all the feelings of that. I really let my guard down to even tell, I think he was maybe my fiancé at the time but to tell him, to let him in on the way I was carrying, to let him in on my emotional regret. That was very vulnerable. And it took a lot of just being with myself. And it really helped him.

I will just tell you this as a side note. It really helped him trust me more and it helped me trust myself more. I don't think ever that our first thought when we make a big financial mistake like wasting \$30,000 that we're ever going straight to this is going to help me trust myself more. This will help my

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partner trust me more. But when you can let someone in, I can't control other people. I can't control how your spouses will react to money mistakes you make. I do think you can offer them to listen to this episode.

But I will say for us in our relationship, me letting him in and just really allowing myself to say, "This is my fear." It probably was his fear too but to hear me say it I think helped him realize I'm not being reckless and I care. So that was super, super important. And I want to offer, I have a lot of my students who will spend 15K on a coach certification, or 20K or \$25,000 on 200K Mastermind. And they have a certain expectation of what that experience will look like, or in our case, what their first round will look like.

And they really get very stuck. What it's supposed to look like and then maybe what their journey actually is. I just want to offer, at least that's not \$30,000 in two weeks out the door gone with nothing. It's not a program. It's not a certification. It's not a business skillset training you learn nothing. It's just gone. I want to tell you that to minimize maybe for you, if you didn't make as much money as you thought or sign as many clients as you thought after you signed up for a coach training.

I really did have that belief. At least when you invest in yourself in coaching whether it's with a one-on-one coach, a certification or business training which is the three ones I always recommend. At least even if you don't meet your expectations you have that knowledge and that learning forever to take you into the career.

This was just, I have to pull apart lessons from really truly me spending money a little bit recklessly but ignorantly. I just didn't know. I just trusted someone blindly. But here's what I will say. Here's what I learned because there are still lessons in this and I look back and I still don't regret it.

Number one, I learned that there are unhelpful ad strategies and that it's on me even if I don't know a lot about certain areas, to still be in charge and think about and use my own judgment around these decisions. I had a hunch it didn't work like that or everyone would be doing it. I remember having that just flutter of a thought. And I want to also just clarify for all of

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you because you're going to have lots of questions, I feel about this one. You always start your ad journey after you have proof of concept selling your offer to many people.

You have proof of concept of getting people on consults and you have a high close rate because the people you close on a consult or a webinar will always convert higher if they are what we call warm, meaning they come from your social media audience or your email list or referrals from others, word of mouth versus if they're cold from an ad. So you want to get that experience first and know that you know how to market and sell your offer through the method that you are having them go through the funnel.

So for example, I know how to close people on webinars. I have been closing warm traffic on webinars, or I know how to close people on consults so that's how I'm running them through my ad is they're getting something that entices them to sign up for a consult. And then you only start with a very small ad spend, \$5 or \$25 a day. From this moment on of listening to this podcast do not ever, ever, ever let an ads person, an ads manager or an agency convince you that the way to do it is to start, put 30K in and then have any sort of expectation that you're going to get 150K out, absolutely not.

And I want to also offer, never count on ads to start and then immediately drive traffic to sell out a launch. It's a no, you start them slowly and methodically. It takes time. You want to start three to six months ahead before trying to count any of those leads to get you where you want to be for revenue. So one of the things it also showed me is where I was trying to bypass time and effort and kind of 'get rich quick'. That wasn't really my intention but that was where my energy was.

It was in a very hustly get the leads fast, get conversions fast with a resistance to thinking of other ways to do that that would be less expensive and require more of me and my belief. So coaching myself on that was super powerful. And how I decided to think about it was, it was a painful lesson. It's one of the ones I do look back and I remember the pain of

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having learned that lesson but I did learn it. I think that painful ones always teach you the most truly.

And there will be times where I will spend money on ads and it won't work out the way I hoped. This is business. This loss is part of the cost of business. I really need you all to know that and your partners, your people. There is cost of doing business and entrepreneurship in the form of mistakes made with money. But specifically when it comes to ads it is different if you are slowly scaling up ad spend versus trying to get rich quick. That's not cost of doing business.

But finding the thought that is creating that type of decision-making is, that is growth. That matters, that is worth \$30,000 because once you find the thought and you solve for that you get coaching on that, you're not going to make that mistake that same way again ever, ever, ever again. Instead of repeating it if I had never found that thought over and over and over.

Alright, I told you that they were going to increase in pain for me. We're increasing in pain. So a few years ago I ended up with a tax bill of \$600,000. And I'm going to tell you how this worked out, it was a little tricky. But let me just say, that was the mistake and it was super painful. So here's what was happening. Early on in my business, I don't know anything about anything when it comes to – when you start business you just don't know anything about anything. You have to learn all of the business things and who's telling you all of the things?

There is no program that could possibly cover literally all the things. So the things I didn't know about were taxes for sure. We were paying them at the end of the year. And let me be clear, my first couple of years were mostly break even years. So the year I made 150,000, I probably invested close to 100,000. So I didn't owe that much taxes. And the same with my \$325,000 year.

I was just investing so much in my brain again and the three things I always tell people to invest in, having your own brain be coached, coach training, some sort of coach training and business and entrepreneur skill sets.

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Learning how to market, sell, close clients, create demand, things like that. So I was doing that and I was investing most of what I made and living the most frugally I possibly can. And so I didn't owe a lot of taxes. We were just paying at the end of the year. We were taking a small penalty.

At some point I realized there was a penalty that we were paying but it was so small that I wanted the money in my account. And I don't know if this is normal but lots of tax people I talk to, it wasn't that big of a deal. And I had just never heard of doing it another way or being advised to. And then it got brought up kind of like, "Yeah, we should probably look at paying quarterly tax, estimated quarterly taxes."

But no one really told me even when I had an actual CFO I was paying on my books every year, talk to me about the transition of paying after the year and then transitioning into paying the estimated taxes from the previous year for this next year. So in my situation specifically 80% of my income for the year would come in, in May and November. It was coming in for two launches from the 200K Mastermind. Well, May happens to fall after the first quarterly estimated tax payment needed to be made.

And again you're paying estimated taxes on money that they suppose you are going to be making based off of the previous year. Well, we hadn't saved a portion of the previous launch to account for that. So essentially I had to pay in April on \$3 million of sales that hadn't come in yet and wouldn't be coming in yet until May and hadn't accounted from that and taken that money out from my November launch from the previous year. It was just a special weird circumstance I feel that wouldn't happen to everyone.

But my 80% of revenue happened to come in after that tax date. So it was a \$600,000 expense that we weren't prepared to pay. So here is what I learned. Number one, you can't delegate out your money and your tax decisions, not to me, not to your CFO, not to your tax guy. You've got to be asking questions and if you do there just might be a learning curve. So

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what I am not saying is that you need to become an expert overnight. I have no expectation of that for you or myself.

There will be some delegation, some learning and some level of mistakes that come from trusting someone else's thought model, someone else's experience and not knowing all the rules of growing a business and money management but I can't blame other people then when it happens. Again, just know that this \$600,000 problem I was at around \$6 million of revenue. So many of you can take a collective giant sigh of this won't potentially be my issue for quite a while. But this is what I also learned that is super important for those of you that are making multiple six figures.

There can be money owed than is unexpected, it will scale with your revenue or be proportional with your revenue. But around the point where you start to think about actually scaling going from six figures to seven figures around 400,000, 500,000, \$600,000, you start scaling, really scaling your money but also the problems and the potential mistakes and so to safeguard something that's very important is you need to start thinking about business reserves.

Now, I can do a whole podcast on this later but just know around 500, 600K, it's a really important time to start thinking about a business reserve so that you have a plan or you are planning on your own growth mistakes and you and other people's human error. You just know that that could be possible so you save some money aside especially when you're profiting a lot. So maybe this is a helpful thing to remember is when you're at the point where your profit is really starting to increase because the first couple of hundred thousand dollar years likely your investments are matching about what your revenue is.

But once you start profiting 100K, 200K, 300K, 400K, 500K, at that point it could be little reserves. It doesn't have to be huge. One of the rules of thumb that I was given was having 10K right around when I made 500,000. That's when I started profiting, about half of that. And so then the rule became saving \$10,000 for every 100,000 you are making, somewhere to

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start. I like to carry a lot more of that money now for myself, a lot more having a bigger number than that but you get to decide. But it's just something to start thinking about.

That's honestly, probably the most important thing I learned is just you need to think about having money that you keep to protect you from money mistakes and growth mistakes and human error, that's it, when you start profiting a lot of money. And that there will be human error on your part and others that cost you money, part of being a boss, welcome to the top. You can cry about it, you can recover, you can learn and you can move on. And just strategically I want to offer of course you can get away with not paying quarterly taxes for a little bit if you really need to or want to.

We always have this discussion in my million dollar rooms because I guess there can be advantages to being able to use the money for other things or to just have it and feel really abundant, it be in your account instead of the government's account and it might be worth it to you over the penalty. That's up to you to decide and think about but here's my caveat from this learning lesson. That is different than planning for what will be owed if you switch to quarterly taxes after having not paid them. That first time will be a lot of money of sort of catching up or to start the process.

So if you don't plan you could end up in a situation as you make more money and the tax fee becomes higher and something you don't want to pay that you switch and suddenly you owe last year's and estimated money for possible coaching that you haven't even sold, again 600K. You need to talk to your tax people and ask them what the numbers will be even if you're not doing it.

That's my spiel, if you take anything from this section of the podcast is talk to your tax person even if you don't want to pay quarterly estimated taxes, at least ask them if you were what that number would be and start saving for that number. Now, of course, if you're not paying taxes on pre expenses, it's post expenses, don't freak out. But at least know what that number would be.

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And I will tell you, in our case, we just moved our launch up to April so that we have the money coming in when we have to pay the quarterly taxes and that we're no longer paying for money that hasn't come in yet. It seemed the simplest solution moving forward, painful lesson with a simple solution and now I can just advise you even if you don't want to pay that quarterly estimated tax. At least ask your people when you're in that profit range where you're actually profiting money you're going to pay taxes on.

Ask them if you were, how much money you would need and maybe it's even something that you just save up a little at a time, maybe it's \$1,000 a month and then you know over the next year, the next year you're going to start paying those estimated taxes. I don't know. Make a strategy with your tax person but just be educated.

Okay, so here's how I recovered from this. I took a hit on the profit. I made leaner money choices. I didn't want in that moment to hustle and sell more coaching. I also really coached myself on my sufficiency and having enough. And I got to learn that money in our accounts doesn't cause our feelings even when 600K is gone. And I will tell you, the emotional recovery took a while on this one. I don't remember how long but I remember that it affected me for a while. And I had to coach on it more than once.

And I also learned from that experience in that recovery that there will be big money mistakes that take a while to recover from in my business even financially, actually circumstantially, financially recovering, putting that money back in the accounts but I will. I will always recover. And lo and behold two years later last year I had 3.5 million of money mistakes, million dollar refunds, signing a contract for a really expensive hotel with double the rooms than we needed and having to pay for those.

Launch breakdowns with my team and not bringing as much revenue in as we're typically used to, hiring issues. I mean to the tune of \$3.5 million, all of the things at a time when I was pregnant, sick, having a baby and couldn't sell to make up for those problems and those mistakes. So I also

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learned something really powerful. Are you ready for this? Ready, here it comes.

The years that I've had my biggest money mistakes have also been the years I make more than I ever have. We forget that sometimes. I'm going to say it again. The years that I have my biggest money mistakes, that I have had historically my biggest money mistakes have also been the years I made more than I ever have. Just don't forget that when you're in the journey.

Now, finally I just want to touch on something that I'm not going to go into specifics because I just have too many stories and it would be literally too many podcasts. But I just want to say there has been a lot of money I have spent on headhunting, hiring, training and having employees on payroll that haven't worked out. There isn't a dollar amount that I have but I will just say when you get to that point where you're hiring and training and all of the things, you have employees or contractors, this is also just a cost of doing business.

You paying them, training them, onboarding them, that effort does not require them to stay and it doesn't mean they will. You can search and search and search, find someone that you think is amazing, spend lots of money training them, headhunting them, all the things and then it's not a culture fit. The job doesn't end up being right for them. They don't end up loving the job, many, many things. They get offered another job.

That happened with our event planner. We were so sad. She got offered just her dream, absolute dream job of God's work that she wanted to do in the world and we couldn't compete with God so we lost her but she was amazing and we were very sad. But, listen, the sooner you adopt that thought that it's just a cost of doing business the better off you will be. Hiring is an imperfect process. I don't care what anyone says or tries to teach you.

None of us came into the business likely thinking our main job would ever be hiring or knowing anything about it and having any experience and

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putting trainings together or learning about company culture and how to create it. So we have to pay with our money for our learning curve. Now, of course if you're in Two Million Dollar Group I will share all of my wisdom with you that I have learned from having spent millions of dollars on payroll. But it's just a learning curve that costs money.

My brother works for one of the top financial institutions in the United States. And I was telling him all of my hiring fails and he told me that they have the same ones even with their hiring process that they have honed for over 100 years. The exact same things I struggle with they do too. So there are some things that come from being unseasoned and just not knowing anything about hiring and training and keeping employees. And some that come with just playing the game, the same with contractors however you end up working with people.

You will hire them, contractors will underdeliver. It will cost you money. You will start caring about contracts. That's how you will learn that lesson. You will just start caring about the importance of contracts. You will keep going, every money mistake has the potential to create revenue growth, you will keep going.

So to end this episode here are some thoughts that I want to leave you with. Every money mistake has the potential to create revenue growth. You are here to play big, not avoid mistakes. You can invest to make less of them but it's all an imperfect process. But again, the more money mistakes you make the more money you create. What? You just have to focus on what you learned, how you will recover and what you will think about moving forward.

And don't slide into victim mentality. Don't feel sorry for yourself. Don't pity yourself. Don't wallow. Don't approach everything moving forward with fear and trepidation. If you are happening to offer this episode to a significant other I want to speak to the significant others if you are willing to listen to this episode first of all, good for you, way to support your partner.

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But here's what I want to offer is you creating fear and trepidation for them for mistakes they have made, you reminding them about it constantly bringing it up. I know it feels like a way to try to control and remind and make sure and prevent that it doesn't happen again. But I promise, your spouse, your significant other likely feels the impact of their mistake much more than your words ever could create for them. They're already reminding themselves.

And there's a point at which you push emotional regret and fear and focus on preventing so much that then you create more of what you don't want because it becomes your entire focus and effort. And your entire job becomes not making mistakes and preventing revenue mistakes but you just prevent revenue. So both of you have to find your courage, find the wisdom from every mistake, forgive and move forward. Create responsibility from your mistakes. That is what grows that muscle. Mistakes grow the responsibility muscle but only if you have your own back.

It's not necessary for your partner to have your back but damn, it's nice when they do. Beating yourself up only takes longer. Anger and resistance, especially if it seems like someone else's fault that the money mistake happened, only makes you miserable and prolongs the growth. Just remember there is always winning or learning and that's it, winning or learning.

We win when we get what we want and we meet our expectations. We learn when we have a growth mistake and that growth mistake happens to be a money mistake we learn then too. That the game, it's the cost of doing business.

Alright, I hope this episode was super helpful. Again, if it serves you and is useful to have your partner listen to it to hear the mistakes I have made and how I've learned from them and to show them that you will learn from your mistakes as well, please do so if it helps. It may not. You can't control other people's feelings.

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And Neil has had lots of feelings along the way from all the mistakes that we've made. And he still continues to. But I will tell you, he's getting better at it too. He's realizing it's the cost of doing business too. And he trusts me more and more and more every year. So I trust myself more, I hope you do too. Alright, enjoy your week. I'll talk to you next week.

Hey, if you're ready to make money as a life coach, I want to invite you to join my 2k for 2k program where you're going to make your first \$2,000 the hardest part using my simple 5 step formula for getting consults and closing new clients. Just head over to www.staceyboehman.com/2kfor2k. We'll see you inside.