



JAMES SCHRAMKO

How to Earn More

Would you like to invest but feel you lack the resources? Discover how to earn more as a business owner and support your wealth-building dreams.



James Schramko and Charley Valher

James: James Schramko here. Welcome back to my podcast. This is a two-part series, and we're talking about general wealth tips for business owners. I've brought along my special guest who absolutely loves this topic, [Charley Valher](#) from [businessandinvesting.com](#). Welcome, Charley.

Charley: Thank you so much, James. I'm thrilled to be here again. [The last episode we did](#), I got a ton of really nice feedback on. So I'm thrilled to come back. And really, that so many business owners are taking their wealth and money seriously. Like, it's an important topic.

James: I had great feedback on it, too. Like, I had emails back, I had social. So please, if you're listening to this podcast, and you actually like some of the episodes, can you let me know? Because I'll do more of them.

So I invited Charley to come back and talk more on this topic. We're going to break this down into two podcast episodes. This episode, 941, is How to Earn More. So Charley's got a process that he wants to share with us. I think there's about five or six elements to this. And I think this will be a great discussion. And then we're going to build upon that for Episode 942, which will be The Six Critical Wealth Creation Concepts.

Now a frame around this, this is particularly useful for business owners who are interested in creating wealth. Hopefully, if you're listening to this podcast, you either have or want a business, and you're keen to be wealthy, as most of us are.

So Charley, let's talk about this episode, How to Earn More. And I'm really interested to know about this process that you've brought as discussion notes here. What's the background of this process?

A recurring theme among business owners

Charley: Yeah, great question. We're kicking off. So across the last 12 months, as I've been doing more and more of the Business & Investing podcast, this question kept coming up, this like, theme. It's like, many business owners are like, look, I'd love to be, you know, building investments, or building generational wealth or whatever thing they're looking to do. But I've got one problem. I just don't earn enough. Like, all the money I make, I spend, you know?



And as I am now very aware of, kids, particularly, wow, can they be expensive, you can go far with that. Housing costs, all of it. So then the question that came from that was like, Okay, well, we're doing a great job of educating people when they've got money, and they can invest. But we're doing a terrible job of actually helping them earn more.

Then I actually went back to a process that I learned. And actually, you helped me with a little bit as well, James. And I've turned it into something here where people can take this and apply it to their own businesses and lives. And then hopefully, and I say, hopefully, because there are no guarantees, and this is definitely not financial advice in any way, shape, or form, but it's something which I think a lot of business owners can benefit.

James: Yeah, cool. That's a good point you raised there, that people often feel stuck. It's like, their credit card's maxed out, it's pure survival mode.

Obviously, I've spent a lot of my time helping people in their business, and business is not a black-and-white, tick-a-box, color-the-numbers type thing. Remember, [when I was speaking to Gino Wickman](#), he said, not everyone should be an entrepreneur. They may not be suited to it. There's absolutely no shame or issue, I've got no issue with someone doing a job, if that's the way to do it.

Of course, a lot of people think J-O-B stands for Just Over Broke. So that is often not a great solution, either. And in my case, the big concern I had was getting paid by one person.

So let's assume that you've busted out of a job, you've got a business, but you're still not quite getting the wealth goals that you wanted. And to some extent, I haven't really focused on the wealth creation side of it until later on when I built up some capital and cashflow. Because once you get past the first phase of business, which is survival, the next phase is quite fun. It's like, Hey, we're growing. This is fun. What do I actually want to do? Who do I want to work with? And where am I going to put this big pot of cash that keeps accumulating in my bank account?

Now that might seem like La La Land to some people, but it is a possible reality. It's certainly the realm of a lot of the people I'm working with. But Charley, I think in your business, Business & Investing, you're able to help people at grassroots level, like, these very early phases. So do you want to take us through how this process works for you?



First, you've got to get uncomfortable

Charley: Yeah, absolutely. So I'll kick things off from here, is that the first step in this process is getting uncomfortable. Now, I think comfortability, and I'm sure you see this often as well, James, is like, one of the things where people get to a certain level, and then they just don't push anymore. And the reason is they become comfortable. And it's surprising how many people sit at an income level, and then don't change it for a long duration of time.

And the analogy I would use, and I'll even share this one as a story here, is like, I felt, you know, a comfortable position with my wealth and income, until I had a kid. When I had a kid, it triggered something in me where it was like, this wasn't safe. And it fired me up to a level that wasn't there before. Previously, it's like, you know, sales call at 2am in the morning? No, I'm not going to do that. Post-kid, I'm there. So like, it lit a fire in me, because I was uncomfortable.

Now, another way to think about this is like, if I jumped on or yourself jumped on a set of bathroom scales, and suddenly, we were like, 20 or 30 kilos, or 50 pounds-ish overweight, like, that would actually change our behavior. We'd go, like, oh, I've got to make a move here, I'm heading into this dangerous territory.

Now, when it comes to our income, like, the same rules apply here, as I shared in my example. So I think unless someone first becomes uncomfortable with their earnings, there's never going to be enough underlying motivation and desire to change. And hence, they'll kind of just give up. They kind of like, might do a few things here and there, but eventually, they'll just fall back to that level of equilibrium.

And you see this all the time, right? Well, I do, and I'll ask you if you've seen it as well, as like, a business owner, let's pretend they're making 20 grand a month, might go up a little bit, but then it goes down a little bit. And they just keep hovering around that same range. They don't really like, break through it. And I think because they just get comfortable there. It's a huge part that prevents people from earning more.

James: Having kids set me on this path, you know? I was 23, about to have a kid. And I had to get a job that at least doubled my income. I remember at my job interview, I said to the sales manager, I said, I'll only take this job if I can make at least a minimum of \$78,000 per year. That's the absolute minimum I can accept. And he looked at me funny. He's like, kid, there's like, 20-something applicants here. Like, you'll be lucky if I give you the job. And I said, You'll be lucky if you give it to me. Because I'm going to work harder than anyone here. It's not optional for me, I need to make this money. And I'll do whatever it takes. So I can totally relate to that.

I think for me, the relationship with comfort has changed over time. And as you get older, then there's other elements that come into play, like compromise or not? Do I want to get up at 4am for a phone call? No. Not now, not at this stage. But I've built enough buffer for that to work. Because one thing I've been really focused on is removing single-source dependencies or reasons that would cause me to have to do things I don't feel too comfortable about.

But I would say, I'm most certainly not making as much money, or not as wealthy as I could have been if I was prepared to be more uncomfortable. But I've certainly, I know in my coaching process, what I do is I listen to people, and I hear what's going on. And then I see the information to support what's going on. And almost certainly, almost everybody's in a dangerous position. I'd say I'm in a rare scenario of less danger. But I've strategically put myself there over decades.

So most people should be more uncomfortable than they are, is what I'm saying. And one way to get uncomfortable, if you're not currently uncomfortable, is just to change the way you're looking at things, as I think it was one of the people attributed to that quote is Dyer, Wayne Dyer. If you change the way you look at things, things change, I think someone else claims this one as well.

But it's, what I'll do is I'll use discussion points to sort of find out, if someone is as comfortable, if they're feeling comfortable, should they actually be that comfortable? And we might create a gap between where they're at and where comfortable might be. And we move towards that through the actions.

So I'm wondering if you've got tools or favorite things you like to do to help someone realize that they're uncomfortable if they're not seeing it?

Where benchmarking can be very useful

Charley: Yeah, I would say, change your circle. So I'd say, hanging out with people that are a bit ahead of you or have things that you don't suddenly fires this up. And keeping up with the Joneses gets a bad rap. I think it can be an incredibly powerful strategy to implement in your life. It can be. It really, really can. So, changing your circle and hanging out with a higher quality, or I shouldn't say higher quality, that's not really the right word. But hanging out with people that are maybe more aspirational or a little bit ahead will push you towards that. It certainly will.

James: Yeah, for me, I'd say, I've got an interesting relationship with this one. I like benchmarking, but I'm also wary of comparison. Like, working with business owners, it's so easy for them to be intimidated when they see someone else getting success, and they just switch off. They're like, I can never do that. I can never be famous. I mean even me, it would be tempting. I don't have a huge following. I'm not a massive influencer. I'm not particularly famous for doing \$2 trillion deals or whatever. I've got my space in the market that I'm reasonably comfortable with, and I just have to plot my own lane.

But I do use benchmarks to compare and contrast. And one of the greatest things I've got access to, and as has anyone who's in my coaching circle, is that we have access to the performance of a whole bunch of people. So someone like me could say, Well, Charley, you're strong here. But over here, I think, is a gap where you could improve. And I think you're helping business owners recognize that with their wealth. Because I think we've discussed this before, most business owners aren't even thinking about wealth, especially in the early phases, right?

Charley: Wholeheartedly agree. And I will share this one: when I first joined SilverCircle, many moons ago now, it's funny that when I was hanging around the people that were in SilverCircle, and meeting them at events, it lifted me. It really did.

And even talking to you was like, I was talking about the idea - I'll just make this one up as a generalization - I'd be like, Oh, look, here's this email list, and you'd almost look at it like it's small. I'll say, Alright, I'm gonna get this thing bigger. Like, it applies in all levels, when you start hanging around people that have results in an area you want. It makes a huge difference.

How much for you is a lot of money?

Alright, shall we jump into the next part of the process?

James: I think we should. You just reminded me of this crazy, crazy story, but...

Charley: You can't leave that tease. You can't. You have to tell the crazy, crazy story, now.

James: Well, my old boss, he was a psycho, right, absolute psycho. And one thing that he was concerned about with salespeople, when I was hiring a sales team at Mercedes-Benz, was that they would have a problem around big numbers. So he would be up there in the boardroom with his feet up on the table, and smoking on a cigarette, which you're not allowed to do, it's like, completely inappropriate.

And he'd just take a big puff, and then look across at them. And he'd be like, So, is \$300,000 a lot of money? And they'd be looking at him like, what? And he'd be, Is it a lot of money? They'd be looking at him, and they're like, Well, I guess so. And he goes, Well, how do you think you're going to sell a car worth 300,000 if you think it's a lot of money? And then I'd be like, Okay, right, let's wrap this up now. And I'd try and extract them for their own safety, because it's going weird.

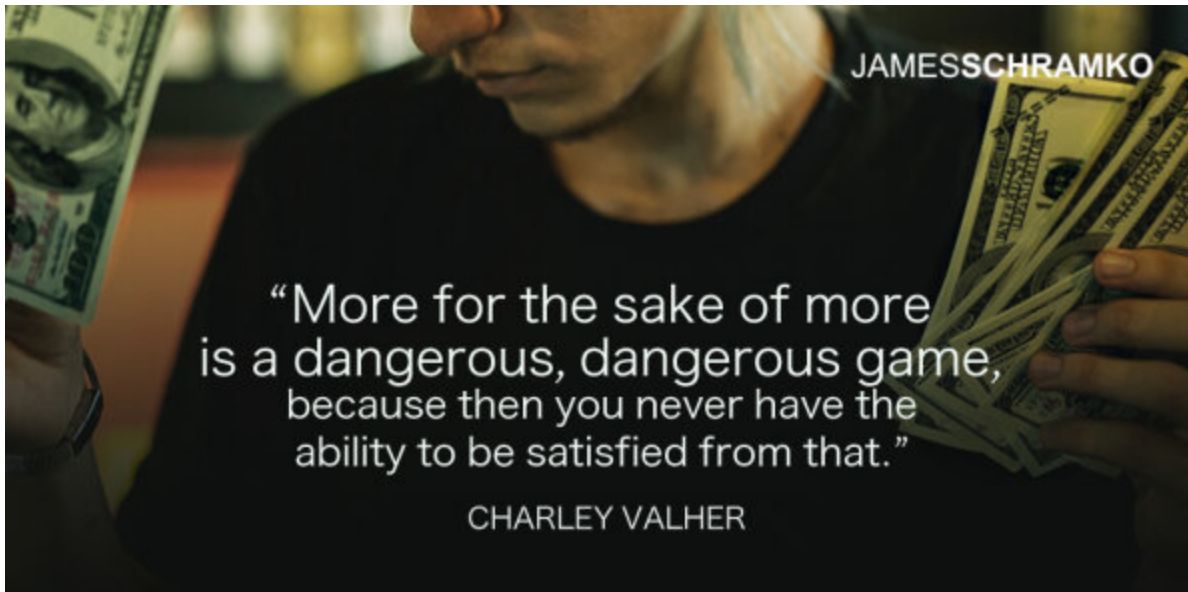
But there was quite a lot to be said for that. I remember the very first car that I sold was in March of 1995. The first proper as a salesperson. And it was a little 316i, and I think it was about 37 or \$38,000. And I still remember the customer's name and everything. And I remember thinking, oh my god, that is a lot of money for a little 316i. Like, because at the time I was driving a Daihatsu Charade that I think was 16,500 brand new. So it was like, almost triple, at least twice as much as what I'd spend on a car. And I thought, that is quite a lot of money.

So over the years, I had to change my perception of what a lot of money is. So in terms of just wrapping up point one, getting uncomfortable, the people who are okay with the big numbers, the people who can stretch the brain - and it is plastic, and you can do this, then moves the goalposts internally in your mindset - I think are the ones who are going to get the most from this. So let's get into your next point.

Just what are you aiming for?

Charley: Wholeheartedly, James. Let's jump into the next one here, which is setting targets. And I'll continue on from the story here, is like, when I became aware of how much children can potentially cost in my example, right? The next thing I did is I actually made a spreadsheet. No surprise, I'm a bit of a, how do we put it, a spreadsheet guy. And I went through and I started to map out, like, what things actually cost for kids. So now that I'm uncomfortable, I wanted to know how much money I would increase my income by that would make me comfortable.

So if I was going to provide for my son at this level, what does that look like? Like food, schooling, accommodation, like, you got to have a place to house them. Or maybe, I mean, he does like being outside, but I still think an indoor room is appropriate. And I went through it and I made a sheet and then essentially I go, well, if the line comes here, this is where it needs to get to now. And I made it really specific.



And I think when people get vague, and they don't know how they're going to use this income, if they were going to generate it, that's again where it becomes a little bit dangerous. It's not clear. So if you're trying to increase your income for the purpose of investing, or for the purpose of building wealth, then you want to know by how much. Like, how much you actually need to get you to that place? Like, more for the sake of more is a dangerous, dangerous game, because then you never have the ability to be satisfied from that. And I think that's a dangerous path to be on.

James: Well, it's also, when, you know, like most employees and a lot of business owners, they'll spend exactly what they earn plus a little bit, you know, whatever that is, whatever that number is, because you're only looking at one side of the spreadsheet. It's like, the money coming in.

For me, it was a simple calculation. My wife and I were earning about \$35,000 each. And she wasn't going to be working. So it was just me. And we're going to add another human. So my simple math said, well, I need at least \$70,000 to survive. I guess that was target-setting in the most simplistic form.

I think if I'd worked out on a spreadsheet how much a kid cost, with hindsight, that'd be just too frightening. You can never really afford kids until much later in life, generally. And there are numbers, people have actually worked it out. I think one number that comes to mind is each kid cost a million dollars. I'm just plucking that from thin air. But I've read stats.

Now, I've got five kids. And I know that they have cost a lot of money. And the thing is, when you start stacking kids on top of them - you like to stack things, Charley - there are big changes when you go from two kids to three kids or three kids to four kids, because now you need a bigger car, and you need an extra room in the house. You need, obviously, a lot of food. You got transport and logistics, anywhere you want to fly or whatever. It's like, it just blows out.

And of course, often the heads of the family want the best for their children. So they're going to be thinking of, you know, all the on-costs, like good schooling, living in a nice area, and so on. So it just adds up. Then they start doing the Joneses thing, Oh, this kid's got a BMX or, Hey, they've got a new basketball. And so that's when you have to start thinking, wow, this is a really tricky thing. Now, I've often said that growing a membership business is like raising a family. So a lot of things are relatable.

So you're gonna set targets. You use a spreadsheet. I actually love the spreadsheet too, now, even though I studied accounting and didn't absolutely love it, and then didn't finish it. I still will open up a Google sheet, and I can work stuff out. I like to factor business models and potentials, especially with people before they create it, to decide in advance that it's not going to work out.

We're not encouraging here, like, family planning. I'm not saying don't have kids because you can't afford it. I'm just saying, have kids, they're the best, they're awesome. But you will need a lot of money. So set your targets. And then you could speak to someone like Charley or myself to get some idea of what sort of things you're going to need. But it's a massive thing.

So setting targets, I guess you've programmed the coordinates. Now you know what it is that you need to see. Stage one, you get uncomfortable. Stage two is you're now, okay, in order not to be uncomfortable, what would create comfort? It'll be this stuff on a spreadsheet, these are my targets. What's next?

Because you don't want to be flying blind...

Charley: Yeah, so next is tracking. So for myself, what I like to do is that whenever I'm really going after something, I want it represented in my monthly financial reports for my business, right? And I want it bold, and I want the font size bigger so that every month when I get my financials, I can actually see my progress and see what stands out.

So if I'm trying to raise my income here, the item I want on my, let's say, cash report or P&L, is going to be, what was my income? What was my income for the month? I'm going to track that really specifically, and then underneath that, I want to know, well, did it increase on the previous months? And how far away am I from my target?

And then that way, every month, I'm getting my books in this case, it's really like acting as a point of reminder, and like, keeping me focused on where I'm trying to go. Because again, and I think about this, in many cases, like some people will go, I want to lose some weight, then they don't really weigh themselves. And then it's like, well, are they on track or off track? And then they struggle to know if the things they're doing are helping them towards that or taking them away from it, where I want to have it embedded.

Now I imagine most of the people who listen to this show use a bookkeeper, I would imagine, and I would just think how powerful it is to give them that task and have it sent through to you every month. So there's like an external thing coming to you where you get this every month to keep you focused on it, and also measure those results and if what you're doing is working or not working.

James: A lot of people don't know their numbers. I know that for a fact, as a coach. Often when I'm asking someone to send me a P&L, they're like, I don't have one, or, I don't even know what a P&L is. I'm like, okay, well, we are flying blind, aren't we? We need to go back to set targets stage. So tracking is wonderful. We did this from floor traffic in the dealership through to reports and benchmarking across other dealers. I do it in my own business.

I want to ask you on what level you track. Of course, we have dashboards. And then we've got the option of a profit and loss statement. I do it by line item. Like, at the end of each month, I get a full P&L for my entire business by line item, versus the month prior. And then something I've asked my team member to do, who's effectively doing my bookkeeping off Xero, is a little summary. And what she does, she tells me whether it's up or down,

She tells me if it's a little or a lot, and this is by product line, she'll say this, this product line is up a lot, or this one is down a little. And then I ask for any major expenses. So if we had an annual hosting renewal or a big expense like an airplane ticket lately - oh, my god, inflation, I'm sure we'll cover that - then she'll highlight that for me so that I can see what's causing the change.

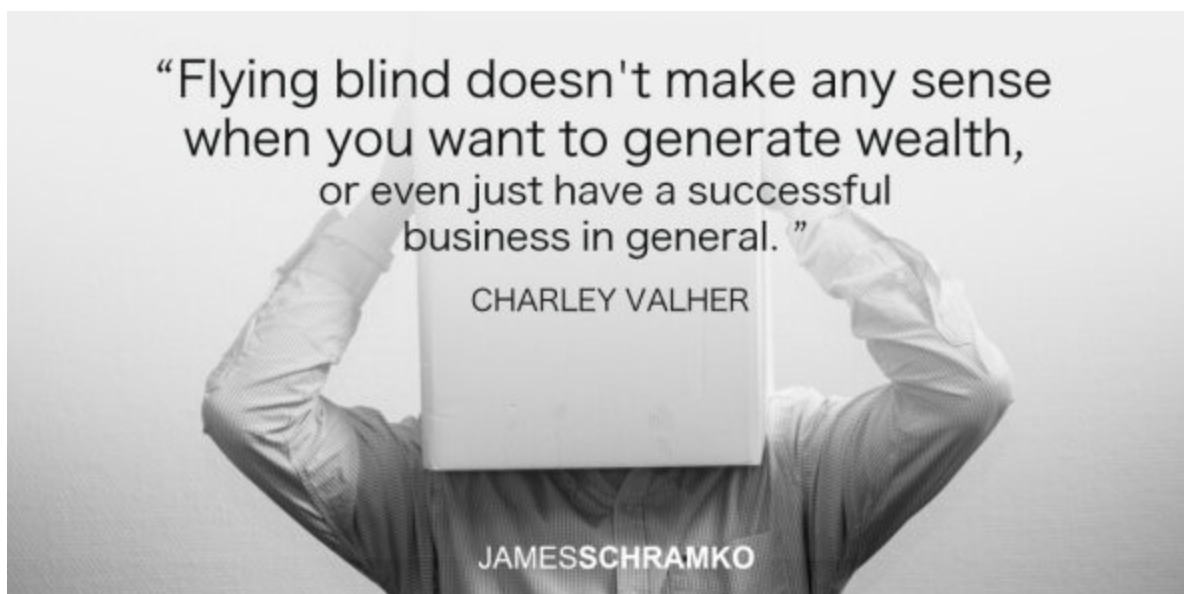
I want to know information like that. Also it's attached to a spreadsheet, and that spreadsheet will show me the main costs in my business. The main costs I have are my tools, and my team, because we don't do a lot of paid advertising or whatever. But that will be the other cost for most people listening to this podcast - it's going to be your team, tools and marketing will be the major costs, and maybe some of them will be tuition, etc. But that's basically it, providing you don't have stock, you know, like an actual physical store.

So I like to get the dashboard every 10 days. We get it after the 10th of the month, then after the 20th. And then month end, I get the full P&L. So I'm never really, I'm never more than a week away from knowing if my business is achieving the performance that I'm hoping for. I've certainly set targets in mind of what my absolute minimum is. And I've got the idea of what the potential is.

But then I offset it with other things, too. I've got other targets that aren't financial at this stage in life, like maximum number of hours I want to work per week, the type of relationship I want to have with my clients. I value things like the success of the client case studies, and success stories are a big metric for me as well. Because I want to know that what I'm doing is actually effective.

So some of these things might not be present for someone in survival mode. It might just be, how much money we've got in the door, can we pay off the minimum payment on our credit card? So there's a range of things could happen.

Tell me about dashboard versus full P&L?



Charley: Yeah, I like your approach a lot there, James. I think that is, you are probably doing far more than the average business owner. I'm certain that's the case. And honestly, I think that's what's required. I think flying blind doesn't make any sense when you want to generate wealth, or even just have a successful business in general.

Now, for myself, I probably think about it a little bit differently. But at the same time, I think this may be valuable to some. So at the end of every month, I get a cash flow report, a P&L. And then I also get a balance sheet. So I get all three of the major reports. And I read them every month and compare them to the previous three months, or sometimes longer depending if I'm looking for something specific.

The only challenge that you highlighted with this is the financial reports only give you what has happened. So for example, you could have been off course for the entire month and had no idea, because it's a lagging indicator. So on top of that, I also like to have a weekly leading indicator report. And this is more based on things like leads, and sales and cash in the bank. And this keeps me on track. And the whole purpose of my leading indicators is to make sure my lagging indicators look good.

So that's the way I view it. Week on week in the month, I like to know that with certainty, or a degree of certainty, that my lagging indicator or my main financial reports are going to be really strong. So that's what I would do. And then in different circumstances, like if my goal is increasing my income, well, then I want to highlight the things and bold them and make them larger font size and different colors so they stand out.

And if my goal is to reduce expenses, then I'll highlight those in that example. So it really depends on like, again, going through this process, you could put hours in, if that's an important one for you. But having that tracking nailed, and having it represented in a way that helps guide you on what you're trying to achieve, just essential.

James: Well, I think we're actually on the same page. Daily, or week daily, my team's giving me a little snapshot. And we share that with the entire team. And that is a combination of lead and lag metrics, but none of those are dollar sign numbers. They're not financials. So it's current number of subscribers to our memberships, that is the number of downloads we've had for our podcasts for the last 30 days, it is the size of our email database. And it's the number of email broadcasts sent month to date, compared to the previous month, compared to six months ago.

So every single day, every member of my team can have a health snapshot of our business. Now the lead indicators, like how many emails we send, how many people listen to our podcast, and how many email subscribers we have, they give us an indicator as to what the business is going to look like. Because we can see if it's up or down from last month, or six months ago. That's how we know things like our podcast reach has improved.

We do get peripheral reports from the podcast chart reporting sites, etc, to see where we're ranking, whatever. But we, for the most part, don't focus on the vanity metrics. These are just the fundamentals. So we're getting that daily bass drum of what the health of the business looks like. And then I'm getting my every-10-day actual numbers that we posted.

Now, this is the proof in the pudding for me. Our business, since about July 2008, using this system, has consistently earned a solid income the entire time, with no real dips. It obviously went up when I built my service businesses. But our profitability was a bit lower margin than the business it is now. And it came down a little bit when I sold them. But for the most part, we've been consistent since that time. So it's 14 years of consistent income using our reporting system.

So when it comes to tracking, I'm all over it. And by the way, we got coached, when I was at Mercedes-Benz, they hired in the best coaches they could from Australian cricket, from football, who were using what I now know was a Moneyball system. So the best sports team in the world.

Watch that movie, Moneyball, if you're listening to this and you don't know what I'm talking about. They will look at all the little stats of the players and stuff and statistically work out what has to happen to get the optimized result, not just going off gut feel on who's a good player or whatever. And that's what we need to do in our business.

And my state general manager, Bruce Dyer, God bless him, he used to get up there in front of our conference and he'd say this, you guys train less than an under-10 netball girls team. Right? And it was true. Like, we had less disciplines and systems and procedures in a multimillion-dollar business than what a kids' sport team does. The kids' sport teams probably got someone taking videos and doing a video analysis and breakdown, and someone on the side noting who's doing the passes and whatever.

So that's why I think most businesses are underdoing it when it comes to tracking.

Charley: Yeah, it's interesting. This is actually in Business & Investing. This is one of the skills that we look at and go, required to be full stack. It's notably an area of lag. Like, metrics is where a lot of business owners fall down and leave a lot on the table, or the results they could be getting. So I wholeheartedly agree with that, James.

James: Love it. All right, what's our next discussion item?

Have you got the right business model?

Charley: All right, so next item on the list, though, is now you've got this in place. And I'll say I'll kick this off with where I see a really huge mistake. In a lot of cases, when a business owner wants to, let's say, earn more, what they do is just hammer leads and sales from here, in whatever version that looks like for them. And they take very little consideration into if their business model or method can actually support it.

And what I've notably seen a few times is that when people just ramp up leads and sales, but take nothing else into consideration, it's like just increasing the horsepower on a car. If the brakes or suspension aren't equipped, well, it's not going to lead to a good result or really turn into a good result here.

So before a business owner goes hard on just trying to do it in that way, what we actually recommend is you've got to find someone that's actually done it and find the business model and solution that will fit it. And this is a part you helped me with hugely across my own journey, James, is like, I was at a bit of a level prior to doing SilverCircle - I was doing alright, don't get me wrong. But it's like, when I came into your SilverCircle program is that you helped me unlock the business model that could actually support the income I wanted to create.

And it was a wise decision, because if I just had scaled or pushed for leads and sales like that example, the wheels would have come off. I would have ended up trapped in my business, likely had a mental breakdown at some point, like, it would have been an undesirable outcome.

Getting the data, making decisions, doing what's needed

James: And an extremely common one. I mean, this is a huge part of what I do. I broke my own sort of process down into three steps. It was like, data, decisions, do. And so firstly, I recognize a lot of people don't even have any data. What we've talked about so far about setting targets, doing tracking, that's the getting the data part.

The decision-making part, well, that's where it really pays to get help from someone who's got some wisdom around the decisions that are available to you. I've got a sort of a go-to list of things that I look for, which could be summarized under the topic of leverage. But it will be, picking the right clients to deal with, at the right price points. And wherever possible, choosing a recurring way to get paid.

Now you have to take into account, everyone's coming to the table with different skills and abilities. Someone might be suited for ecommerce, someone might be wanting to have an agency, someone might be looking to do a membership. Someone might be completely introverted, and just love promoting affiliate offers. So, working around those things, but often I would say, changing the business model is going to change the game.

And again, back to my scenario, when I left an administration role on \$35,000 a year, I needed to jump into a sales job. I had identified - and this is pre-internet, right, this is 1995, I mean, it wasn't really a thing yet, in Australia at least, I know it was just being sort of invented and used publicly about that time - but basically, I figured out, well, I can't get paid the amount of money I need to be paid in an administration role. So I need to change into, effectively, a different business model. I need to find a job that pays on performance. So you know, from 1995 on, I've been in a role where I get paid based on performance.

And there's lots of other things business owners could do. And I've had some great discussions with guests about this. You can change your delivery system. Your ability to provide capacity is often the thing that's needed, whereas everyone's focused about marketing and leads, traffic, buying ads, all this sort of stuff. But it's about, can you actually deliver at scale? Can you improve your fulfillment?

Could you just keep more of the customers you actually have and have them not leave? If you could have someone stay three times longer, you could have half as many customers and still improve the amount you're earning. So there's lots of levers to pull to get that business model working well.

And I know I've got my favorites, and you probably have yours, Charley. Clearly, with Business & Investing, you found your market, because people love this, I mean, they're rabid fans of it. And it makes so much sense for you to be doing this business model. But the business model might need to change.

The challenges of changing your model

And this actually ties a lot with the discomfort, right, getting uncomfortable? It's not easy to change your business model if what you've been doing actually works. That can be a hard one. You've done it, you had a wonderfully successful media empire, a little while ago. I've changed business models too, I've even sold a couple of businesses. I mean, that's how hard change that was, like, you know, hit exit, and not do that business model anymore.

So I think the business model part is where there's a massive amount of leverage in this whole process. But it is better-informed if you have data to bring to the table.

Charley: Got to have the data. Absolutely. And to your point, I'm not, I'm not offering easy. I think that to say this is an easy process, although simple, would be misinforming people or misleading people. You mentioned my own experience here is like, absolutely, I'd built a media company up to a certain point. But it wasn't offering some of the things I wanted from that. And that actually meant letting go of a volume of clients and taking a backward step to reengineer it to the level I wanted to be able to get to.

And in many cases, people may have to do the same thing. And that's why when I look at it, it's like, if you can imagine here, it's like if you're, let's just use a coach as an example here. If you're a one-on-one coach, and you've hit a ceiling, and then you find out, well hang on, all the coaches that are earning substantially more than me are doing one-to-many instead of one-on-one - and I'm not saying that's the outcome, but let's just pretend here - well, wouldn't it be fantastic if you could get the insights to how that person's done it, to compare against what you're doing, to decide if that's the method or way you want to go about it?

Because there are so many options, right? You can reduce your expenses, you could focus on bundles, you could increase your prices. And I think that it can be overwhelming to try and work out by trial and error, also expensive to work out by trial and error, what might work for there.

So in this component of it, understanding the business model from someone who's a bit ahead of you, or has achieved the outcomes you're trying to achieve when it comes to earnings, can just be such a leg up, an advantage. And there's countless examples of this, over and over again. And I'm sure you've seen it time and time again as well, James.

James: Well, every listener to this podcast is experiencing it. You know, I recorded hundreds and hundreds of podcasts with fairly average audio equipment until Charley said, You know what? You should get a preamp and a good mic and a sound deck. So I just paid for it, bought it, had it shipped to my house, and then you helped me set it up, Charley. And that's why you get these golden rich tones from my crappy voice through this incredible microphone.

But that's a great example of just plugging into existing knowledge, someone who already has gone out, done the research, investigated, turned over all the stones, trial and errored and come back with, this is what you need to have, boom. That's what I like to do for my clients. That's what you do for your clients. I think it's amazing. Creating the right business model is really, I mean, it's a huge part of my book, which half of this topic is, you know, how to earn more.

It's a sweet spot for me, because I believe most people would like to earn more. Of course, I combine it with working less. But I do believe the business model is a huge part of that. In fact, I had a conversation with someone this morning, and they were telling me how these people have sold out their business for a lot of money. And they've worked really, really hard, and whatever. And by extension they were saying, so I need to work really hard, too. And I'm like, maybe, but maybe not. Like, I can assure you I work a lot less now in my business than when I was at the car dealership, in a more stressful role, with all the weight of the world on my shoulders, and I was earning a fraction of what I earn now, but I was working significantly harder.

So I believe the business model is that differentiator. You get the right business model, match it to the right person, based on your information. And if you're mature enough to make the changes, even if there's a small dip, which is what you did, Charley, and I respect you hugely for this, and I supported you for this move, because I've done exactly the same thing. It takes long-term vision to do that.

And I think long-term vision is missing from a lot of people out there. They see something and they want instant gratification. And also, they're too scared to give up the thing that's working because they're not backing themselves, or they don't have the confidence in a business model that someone else can give to them.

I'll say this is true, that I usually have a more confident outlook and a bigger vision of what my clients are capable of than what they can see for themselves at this point in time. But eventually, most of them do see that, it transpires for them, which is how I measure my success. And it's one of the most fulfilling things possible when someone else sees the vision that you've already seen for them. And then they realize it and they've earned it and it's incredible to have that.

Charley: It's one of the ways you've really challenged my thinking, James, is the work less mentality, right? It's easily mistaken, to think that more hours equals more result. And it's just not true. But it's like, if you're not surrounding yourself around things that would have you challenge that and make you uncomfortable around it, then why are you going to change, in this example?

So if you think \$10,000 a month in earning is a lot of money, and no one's challenging you on that, well, then the likelihood that that's gonna change, or if you're seeing people where they're not making more than that, why would you? It's very, very hard to be the outlier. But when you see it in other areas, it certainly shapes your thinking, looping this all together.

Answering to someone else makes a difference

But I will jump into the next one here, because it kind of ties into it. So the next part in our process here is accountability. And I'd love to share a little story on this, because it worked really well for me. My co-host of the podcast, Grant, and we do Business & Investing, him and I have always been very competitive with each other.

And I thought, rather than applying it to vanity things or things that are there, why don't we do it with income? And that's been really helpful. Really, really helpful where we've been accountable to each other and talking about it with each other. I know it's something that you and I have also done, James, so in the mentor-mentee relationship where you've guided me on that process, having accountability from those two points of a like, a mentor and a peer. And then also my books, which we covered earlier, gives you this really, really strong, like, just surrounding of accountability. And I think people are much more less likely to fail things if they have a version of all those three come into play for themselves.

James: Yeah, I think if you extend from a circle of one to a circle of two, you maximize your chance of, I mean, it's harder to bullsh*t someone else. Right? I think actually, if someone's quite entrepreneurial, and they're reasonably good at selling, they could sell themselves on just about any concept.

There's a couple of people I coach who get off track really quick. Like, it surprises me. Within a week or two, they could come up with 17 ideas and beyond. You know, they're bored, they're on to the next thing, I like, rein them back in and say, Hang on a minute, and I reset them. So I'm helpful to them in that way, because I'm like the rock, I'm like, the anchor, the steady hand, the long-term person. But I can very easily help them hear their own stuff and say, Well, tell me about this, and tell me about that. And then they talk about it. And then they say, you know, even saying that, I can see that this is crazy. And then they come back - I'm okay, now.

One thing I decided, when I [quit my job](#) in 2008, was that I will take full responsibility for my life from this point. I'm not handing my umbilical cord to an employer to live and nourish myself off their big, fat corporate carcass, right? I am in my own hands.

And every time I get on an airplane, or I'm speaking at a conference, or just, I was sitting out in the backyard earlier, my wife gave me a fantastic haircut at home, I was just looking down the grass at my garden, I could see a, little pool fence, and I was just appreciating that I'm just sitting here in my own space that I am responsible for. I take that responsibility with great seriousness. Like, I'm not relying on the government for a pension, I'm not going to blame the politicians or whatever, for whatever life.

So I'm going to create as much change for myself as possible, which is why I was so challenged when they started locking us down, etc. Because that was quite the affront to someone who's become accustomed to being responsible, when they take decision-making out of my hands. I don't like that at all. It's just this innate resistance.

And I think, looking as an outsider into society, when they're shipped off to school, and they're doing the academia stuff, and they've got propaganda news everywhere, it's very easy to see why people would just get used to just doing what they're told. But if you want to be an entrepreneur, and you really want to be wealthy, and not be reliant upon social welfare, you have to be accountable for your own success.

So where I use the word responsible, I think it's very much the same thing. Whatever environment works for you, and I know there's been papers published saying you shouldn't share your goals, there's others saying you should, if you've got someone like me in your corner, and you tell me that you want me to help you be accountable, that's exactly what I'll do. Because I know that I'm helping you get the result that you want in the way that helps you get it. And I do that.

And because, since I chose a path of a performance-based survival, you know, very early on, I'm really used to having a regular accountability, which I do on a, you know, every 10 days, I'm getting financial accountability. Certainly every month, and absolutely every year, come tax time. That piece of paper comes through the email, the virtual piece of paper, sounds silly. But you know, that's basically one side of it.

And then of course, you've got the other part, as you mentioned, the balance sheet and cash, etc. Like, what have you done with that money? Was it all worthwhile? And is that doing something for you? I know, that's a big topic for you, with [Business & Investing](#), and the thing that you're most excited about. But that's our next episode, 942. We're going to be talking about wealth creation concepts. That's the really fun part. But it only comes with accountability.

Charley: Hugely so. And don't worry, in the next episode, we'll get into some wealth-creation stuff. We're focusing on earning more on this one here.

The points tackled so far

James: Yeah, it's like a set up, isn't it? You've got to have some money to be able to invest the money. So, so far, in this episode, we've talked about getting uncomfortable. Like, just saying, You know what? I'm just phoning it in here. I could do so much better using some benchmarking, some peers, observing others, deciding, yeah, okay, I think I could do more.

Setting some targets - what does that more look like? You know? Analyzing what your costs are, being realistic about what sort of lifestyle do you want, and what will it take to get there.

And then you're tracking your performance, so that you can see how you're going according to that target. And you can, obviously, a gap will appear or you know, you can see that you're ahead of target, which is great.

Often you'll need to change your business model. So you might have to get off one business vehicle and onto another to make that happen. Because you could see like, I'm not gonna be able to walk there, I need to go via a car. So you changed your transport mode. Your business model is critical. Get help with that, because there are people out there who are specializing in this.

Then you have to be accountable. You've got to say, you know what? If it's meant to be, it's up to me. I'm going to share, I'm going to be in a peer group or a mastermind, or I have a coach, or I'm going to buddy up with a friend of mine, and we'll do this together. Or I'm just going to journal and do this myself. Whatever works for you, you've got to have an accountability mechanism, or environment.

Now, do it all again

I think there's one more step.

Charley: Repeat it. This isn't something we do once. I think for many people, and even in my own journey, is that I've broken through on income levels several times across the years as a business owner. But just like many things, you know, when you get a new car, it's new and exciting for a few weeks. And then before you know it, it's just another car.

James: I do.

Charley: The same is true with income. So if you break through a level, like, eventually that level is going to be comfortable for you again. So you have to actively become uncomfortable, have to go through this whole process again. And that's how you get through to that next component.

James: That's it. And so anytime you've had success or achieved a result that made you feel good, it's worth paying attention to what caused that and probably, you broke through a comfort barrier.

I just got back from the Maldives, actually. And I surfed for like, 10 days, and it's over coral reef. And I remember the very first time I went surfing over coral reef, I was petrified of slicing myself to pieces, mainly because my instructor, [Ezra Firestone](#), he said, When you fall, make sure you fall flat like a pancake. And I'm like, why would I want to do that? And he goes, because there's a razor sharp reef underneath. And I'm like, Oh, of course. What do you mean? This is where you bring me to teach me how to surf?

And anyway, the first few times I went to the Maldives, I was really scared of getting shredded on the reef. And I have found sea urchins and whatever. This last trip, I think I touched it like, twice in 10 days, I've just got one little tiny slice on my foot. But really what happened was I had to build that stoicism. I had to be more resilient.

And I'm finding that surf reintroduced me to this. You know, I can go out in the cold water now or in a big swell or jump off a rock into the water. I can do things that I would have thought I could never do a decade ago. I've become a stronger, better person because of that. And it's the same with business. Don't be such a timid little pussycat and accepting all the setbacks. You can make the change, it's within your power. And this is a framework for it.

So get uncomfortable. Set your targets, do your tracking, create the right business model to deliver that leverage in performance that you actually need. Be accountable for it and keep doing it.

Charley, this has been a great episode discussing with you how to earn more, and I appreciate you coming and sharing all your wisdom.

Charley: Thank you so much for having me. It's been a lot of fun, James.

James: So this is episode 941. And it's just one part of a two-part series where we've been talking about general wealth creation for business owners. I'm not a financial planner or advisor or anything. Charley isn't either, but we do have experience in business and we're just talking about things that we've discovered along the way. So the next episode, 942, we're going to cover six critical wealth creation concepts. So I hope you'll join us in that one. And we'll catch you on the next episode.



JAMES SCHRAMKO

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