



JAMES SCHRAMKO

Why Business Owners Suck at Building Wealth

Does wealth seem elusive to you, despite having your own business? James and Valher Media's Charley Valher explore the money mindset responsible.



James Schramko and Charley Valher

James: James Schramko here. Welcome back to my podcast. This is episode 936. Today, we're going to be talking about why most business owners suck at building wealth, and a surprising guest on this topic, actually, is [Charley Valher](#). Welcome to the call.

Charley: Excited to be here, James. What an important topic for business owners.

James: Of course, it is important. It was surprising to me, because I've known you as a podcast aficionado. In fact, even before that, I think I first started talking to you about building out a membership for people who like to be organized, and structured and build systems. You're a very orderly guy, you used to run an agency.

You love the podcasting channel, the medium, the equipment. I always think, okay, what surfboard will I have in the background for my call with Charley? Is the lighting okay? And one of the reasons this podcast sounds good is because you gave me lots of guidance on that. So I'm super appreciative of that.

And it seems like you've got this passion or this interest now in sharing your message to Australian business owners about wealth creation. And I would love to know the genesis of that.

Charley: Yeah, I mean, I like to think I'm a man of hidden talents. There's some things that we talk about more publicly or more privately. So of course, I've been very, very, I'll say, obsessed with business for a very, very long time. And I think I actually first found you on your podcast, like this must be, like, a very long time ago now.

What sparked Charley's interest in wealth

So podcasting has always been very important to me, it has been. But more recently, I had this experience. And I wonder if many business owners go through the same thing where it's like, me and my partner, Bianca, we were actually like, we were preparing to have a kid. And I was feeling this weight, a huge amount of weight of financial responsibility.

So I'm sitting there, and I'm like, I can't keep playing around at this. Like, I was doing well in business, but I almost want to say, like, a little bit reckless. Actually, I'll say very reckless, where it's like, you know, I'd be making money, but how I'd spend it and what I did with it was kind of a bit, meh.

I did have a few investments and things. But all in all, like, wasn't at all financially responsible. And I was like, I really need to cross this, because if something was to happen to me, what would happen for Bianca and Jack, my son? So I had this weight, I call it a weight, because I really did feel like weight was on my shoulders here.

So I went on this journey to go, well, I'm going to take what I'm doing now, and I want to turn this into something where no matter what happens to me in business, or whatever my business is doing, that my family's going to be okay. And I have been doing that for quite a number of years now.

And why I started speaking about this is because the more I started talking to other business owners, the more concerned I got. So I was becoming more financially independent and more financially stable. And then, you know when you start to learn something, you start to recognize things in other people, James?

I'm sure this happens to you in coaching all the time, right? You've gotten to a level in business, you see people that are perhaps not at that level, and then you're like, please don't go that way. If you go that way, you're not going to like where it goes.

James: Oh, well, I mean, that's one of the reasons people have a coach, is they want someone who's been down that path. It's really interesting, your story about responsibility and having a son, Jack, because I remember when I was 23, and we found out we were going to have a baby, whose name was Jack, as it turns out...

Charley: Good taste, good taste.

James: At the time, I was earning \$35,000 a year, and this is in 1995. And my wife was earning \$35,000 a year. And I thought, hang on, if it's just me and then there's three of us, the math doesn't work out. It's what drove me into a sales career, because it was one of the only ways I could think of at the time, this is really pre-internet in Australia, at least, to make a lot of money quickly.

Making a lot of money doesn't make you wealthy

But as I'm sure we'll discover in this episode, making the money part is actually not really where the wealth is created. And that's a huge misconception, I think, for most people, certainly from my experience. And as a coach now, I do see people who are coming at it wrong.

And interestingly, a lot of people who are making a lot of money, or talk about making a lot of money, or certainly, the sales letter says they make a lot of money, they don't actually have a lot of wealth in the actual way that you might measure it. So that has been eye-opening for me

But I guess I shouldn't have been surprised, because back when I was at Mercedes-Benz, it would be very common that someone would come and buy a Mercedes-Benz and then at sometime later, I'd see them in the newspaper, you know, went bankrupt, or fraud scheme or chronic gambler at Star City. Like, it fascinated me, firstly, that only half the cars on the road are even owned, most of them are financed.

And secondly, how a lot of the people you would think are rich are not at all, like not even close. You tip them upside down, you'd be lucky to get 10 cents fall out of their pocket, or a dime, for our overseas listeners. So yeah, I really, really resonate with that.

The motivation that kids provide

What I'm impressed with actually, Charley, is that you did well in business before having the pressure of having kids. Because for me, I don't think I would be where I'm at today unless I had kids early, because that put a rocket under me. I had went from a place of a young man with no real liabilities or responsibilities to having basically the entire weight of the world on my shoulders.

And because I kept having kids every few years, I never really got out from under that until, I'm going to say in the last decade, you know? So that was a long tour of duty. Kids is war.

Charley: A really common story, though. Like I actually, I will say, if someone had told me having kids would light such a rocket under me, I probably would have had them earlier.

James: Like, you know, when people say, Oh, we're waiting till we're ready to have kids, like, you will never be ready to have kids, probably, you know? I would say now, I'm ready to have kids. I've got a three-year-old. And it is the absolute best experience of all. I'm now financially and time-ready to have kids.

But I'm also 51 years old. So, you know, I wouldn't recommend most people wait that long, especially females, because the older you get, the harder it is, and the riskier it is to have kids. So I have no regrets at all, I just want to put that out there. I did what I needed to do. It wasn't really planned in the beginning, but it set me up for all the lessons, and the growth and the opportunities to get to where I'm at now.

And I'm so thrilled to have you on the show, because I think you're sharing your passion for it at a different stage in life to me in some ways, but also in a similar stage. We've got some similarities in our business interests, we've got some similarities in the age of our current children. But also, we're in different generations to some extent, and I think you've got a lot of energy and passion to bring this message to the market. So it's exciting.

So why aren't more business owners wealthy?

Charley: It is. It's very exciting. I'll tell you now though, James, one of the things I find really fascinating about this topic, like business owners, as a collective, right, in general, I would think of as pretty smart people, they're intelligent people. And then also like, they're very much going into business, and I'll say not all, but majority would, with an intent of creating, like, a financial independence. Like, making money is a big part why we go on this journey as business owners.

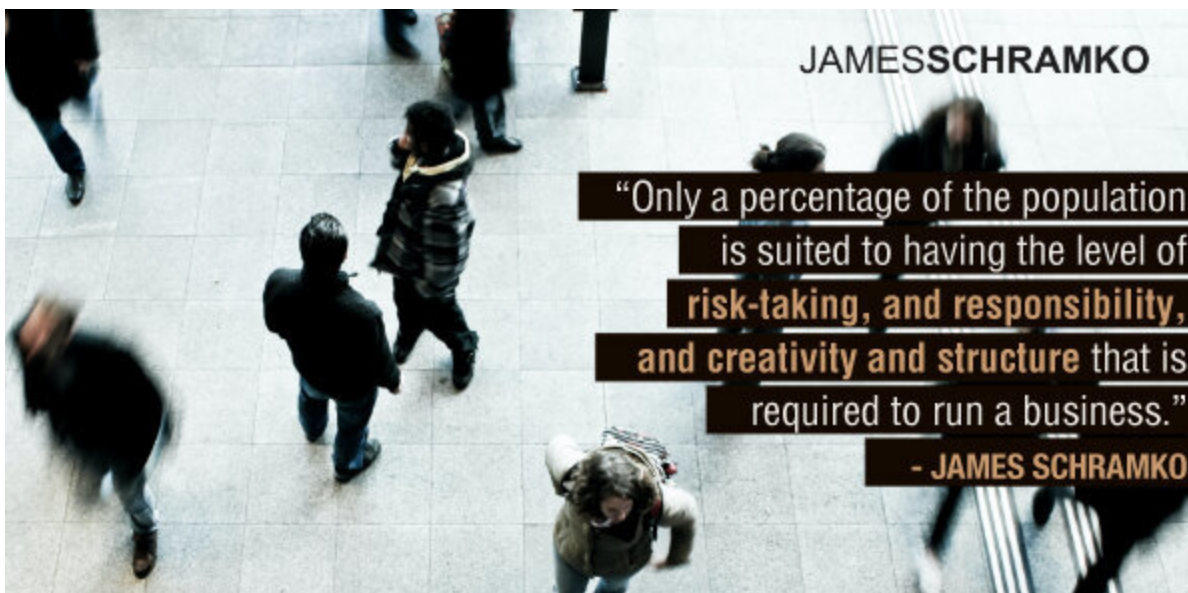
I know for me, it was huge. But on the other side of that, this is what makes it even more fascinating that so many business owners suck at it. Right? So many business owners actually end up, like, worse off than that if they had pursued just normal employment. And there's nothing wrong with that. But if you go on a journey only to end up better off not doing it, kind of seems a bit counterproductive.

James: So you've got to align your goals. And I agree. I mean, I wanted to go, I ended up with my own business because a lot of my clients, and the very successful ones, the actual successful ones, who incidentally, were less flashy than the ones who were shady, in most cases. And they mentored me to this sort of idea that ownership and control and having our own business is really a path to wealth.

And I was capped in my income in a job, albeit a good cap, it was a high cap. But there was tough financial times coming at the time I left my job. I left my job in 2008, right when there was a global financial crisis unfolding. And it was not the first time I've seen that, because I already saw this happen in the late 80s, early 90s.

So I saw this cycle repeat. And then it seems like it could repeat again, as it tends to do if you look at history. I realized that it gives me a lot of control. But I also, in terms of responsibility, I had to make a promise to myself. And that was that I commit to staying responsible for my own destiny, that I will keep innovating, I'm going to have to keep creating, I'm going to have to keep on my toes.

You can't fall asleep at the wheel, if you are driving the vehicle. If you're in someone else's, and you get in and you get out or whatever, great. So for some people, I think you're right. Certainly, in my conversation with [Gino Wickman](#), he arrived at the point that not everyone is destined to be an entrepreneur.



Only a percentage of the population is suited to having the level of risk-taking, and responsibility, and creativity and structure that is required to run a business, kind of evidenced by the fact that the vast majority of businesses don't survive after three to five years. Like, the number of businesses that succeed is very small, a small percentage.

So the ones who go past the three- to five-year phase and are successful, you've ticked the first box, you actually can get independent, and you can get control, and you can create something for yourself. But where I'm seeing people get stuck as a coach, is they've got the front end machine going, but the money is not saved.

The balance between saving and living

I know a guy who does about \$12 million a year. And I said to him, what do you do with all that money? And he said, Well, firstly, like, we've got costs, he said, I'll probably net maybe three out of that, three or four. And I said, Great, well, where does all that go? He goes, Living. This all goes on living.

Charley: That makes a nice living.

James: Well, yes, travel around the world, food experiences and stuff. And that's one way to do it. So this is very important, I think you have to decide what's important to you, because I mean, in this community here recently, tragically, there was a lady who passed away giving childbirth and she's, I think, 41.

It could be you, tomorrow; your life could turn to dust. So there is an element to living while you're alive. And so to tell you the other side of the story, I had a client who was probably in his 60s, he was worth more than \$100 million, and he taught me some really valuable lessons.

But he was wearing secondhand clothes that he buys from, like a secondhand clothing store, like a charity store, it had stains on it. And he was always looking for a secondhand Mercedes-Benz, a cheap one, like \$50,000 to \$60,000, when he could have bought the dealership. I said, Why don't you buy something new or get something nice? And he goes, I just, I can't, I'm mentally blocked by that. It just feels excessive, because life was so difficult for me on the way through.

So the difficulty created his success, but he's never been able to elasticize to be able to live. So I know people who live, and they've got nothing to spare. I know people who don't live, and they've got hundreds of millions of dollars. I think there's probably somewhere in the middle ground for most people listening to this podcast.

And certainly my own philosophy and opinion, I'm absolutely not an adviser, I like to build wealth, but I also like to enjoy my life as if it won't go forever. So you know, hence things like surfing, and travel and experiences are important to me. But I also would like to be able to provide for my child, at least until she's an adult, if something happened to me. So there you go. That's my take on it

Charley: Completely. And I'm with you on that one. My opinion, again, I love how we say that because we're trying to make sure we don't give direct financial advice, James, I don't think anyone would mistake us as financial advisers here, but let's just hope that the message is clear. You absolutely have to do both. I think it's imperative.

Where wiring and conditioning is huge

And this is where I think probably, like, one of the big reasons I found when I really went deep and studied this on why so many fail was business owners do build wealth, is wiring and conditioning. Like there are people out there that as soon as they make some money, the first thing they go and do is like, blow it on a new car or a holiday. Like, they spend all their money on looking rich instead of being rich.

And it's really, really common, surprisingly common. And even if their income grows further, all they do is take it to a new level of status. And I think that's a real shame because often, those are the people that end up in the grind in their later years, going, why didn't I start earlier? Why didn't I start earlier?

Conversely, as business owners like you mentioned, this gentleman here is the example. He sounds like he's done very well for himself. But I wonder how many opportunities in life he passed up on because, like, he'd taken that so far that he didn't go to that event? Or meet those people. Like, status has value in different ways in giving you access to business opportunities.

Like, I'll give a really good example here. I used to live in Brighton in Victoria. And for anyone that knows of Brighton in Victoria, even as I say that, they probably think, oh, rich sub.

James: I used to live in Brighton, Victoria, just coincidentally.

Charley: It's a beautiful suburb.

James: That was my second place, we lived in Frankston before that.

Charley: Absolutely. It's like, there you go. There's different places, but it's like, different places have these stigmas. And it's funny that as you say those things, they present different opportunities. The people I met when I lived in Brighton, like, I did some really good business deals when I was in Brighton.

But if this person has been such a Scrooge McDuck, where they've never spent their money to associate with that level of people, what opportunities have they missed? And then the other side of it is, like, some people take being frugal to this level where it almost makes them bitter.

They're constantly feeling like they can't do things, and they've got to save. And I think that's a real shame as well and has ramifications, like who wants to live that life? So like, wiring and conditioning is massive.

James: Who wants to be around that person? I remember, we went to the movies once, and a friend of a friend was scrounging through the bin for a coupon that was on a receipt to get a half-price movie ticket or whatever. And I'm like, wow, that's too far. That's not fun.

I mean, there's a very different life between hovering your cart over to the counter wondering if it's going to clear on that transaction versus not really even worrying too much about how much the bill is, that you know it's covered. There's something to be said for the peace of mind that can come from that.

And yeah, I think what you're saying is true. There is wiring and conditioning that starts very young. I saw an example of it yesterday, actually. I was at the park, and there was a couple of little kids playing, and I heard one kid say to the other kid, Oh yeah, my mom's a nurse. so we can't afford that. And I'm thinking, that's a bit of a shame.

He's kind of already got this imprint, obviously from the parent, Well, I'm just a nurse, and we can't afford it. He's like, Okay, well, nurses are low-paid, we're poor, we can't have this. Like, they start to develop this lack. And I think, maybe, is that where some of this entitlement comes from in society, where they just expect the government to give them benefits and to hand out because they've limited themselves, because of what they've been programmed at a very early age?

We say terrible things to kids, unless we're aware of it. Like, money doesn't grow on trees, we can't afford that. I know I've talked about this topic with [Marisa Peer](#) as well on a previous episode, and also an [early childhood development lady](#). If you've got kids, I think that's where it starts.

But for me, I feel like I had to change the script in my life when I was about 18 or 19, is when I had to rewrite the software, change the program. And I started buying classic books, you know, all the books that probably everyone here's heard about or read, and maybe a few others, especially Australian business owners.

I was reading stuff by Noel Whittaker. And then of course, all the internationals have heard the Rich Dad, Poor Dad, and then there's the Fitzgerald guy talking about property developments, etc. So there is information out there, but I suppose the step one is to question, how is your wiring and conditioning? What do you believe is true? And why do you believe that true? And are you open to the suggestion that maybe there could be a different truth or a different way of looking at things that you could switch to? Because for me, that was the big change.

Charley: It's a huge one. It's a massive one. And like, this is what I love about being a business owner as well, right? We don't have to live in this world of like, limit. It's not like we have a set wage every month and the only way to increase what we're able to do with it is to spend less.

Who are the Joneses in your life?

James: And you know, this keeping up with the Joneses, this one always cracks me up. Because I used to race sailing boats. And when I was 17, I used to sail with a guy called Jones. And we did it until I was about 23, when I had my first kid, because I couldn't work seven days a week at the car dealership and sail, so it was one of those huge sacrifices.

We came second in the world titles as well with my mate, Gavin Jones. But every single year, we catch up at dinner. And so I get to benchmark off the Joneses and to see what they're up to in their lives. Have they discovered Facebook yet, you know, this year? Or what are they doing with their kids and their investments and work and stuff? And so it is fascinating.



But I think one of the greatest skills of all is to not really care too much about what the Joneses are up to and to run your own race. And you can get in such a different race that you can't even compare at some point. And that's sort of where I ended up. I am in a different world to most of the traditional peers that I grew up with. That's just the way it is.

Charley: I love that you've been able to do that, James. I wish I could say the same was true for me. But I found that I'm a very competitive person, right?

James: Well, that's the point, competitive, this is so key.

Charley: Well, the route I took here is like, I accepted that I'm going to want to compete with the Joneses. I just got to be really careful who I make the Joneses. So if I make the Joneses people who blow all their money on status, guess what I'm going to do? And I did, like I spent like \$150,000 on a car at one point, only to realize no one cares what I drive.

But the whole point was, is like, one of the things that was really critical on this journey for me, has been well, I need to make sure my Joneses are people that have built significant wealth. I want to make sure I'm adopting the traits and habits that they take.

So rather than competing on what car we got, in this example, what if we were competing on what our net worth is? Or our monthly cash flow in from investments? Or what if those were the discussions we were having? And as I delved into this whole wealth-building world, it's like, it's really fascinating that that definitely had a big influence on me.

James: The thing that's had the biggest influence on me is working out the cost of living, and then figuring out how I can get paid more than that in passive income. That's the goal I'm competing with. That's my Jones, is the target that makes life optional, where you don't have to do things you don't want to do. And for a lot of business owners, that would be good.

You know, my first example friend who has not saved anything, but has an eight-figure business revenue, cannot stop working. He is golden-handcuffed to this big machine. He can't stop. If he were to turn it off, he's got nothing to sell. It's not a saleable asset. He has customer expectations for all the service that has been sold, and would probably still need providing or refunding. And there's nothing, no nest eggs.

So you've got to be careful. Like, careful what you wish for. For me, this competitive thing, this is really fascinating. I was very competitive, I was super competitive even at preschool. I've got a memory of like, second grade, first or second grade, where the teacher said, Okay, let's talk about S words.

And I called out, son. And in my mind, I was thinking S-O-N, right? That was an advanced word for that age. And the teacher looks at the board and there's S-U-N up there, she goes, No, we've already got that. I remember being shattered that she didn't acknowledge how brilliant I was. And then in my sales career, I was very competitive. I wanted to be the best. I wanted to be number one.

And I think this is, I don't know, it's probably part of being a man, testosterone, and trying to come out to the world and show that you are a capable provider, and you're the guy. You see my Rolex here, Charley?

Charley: I do, it looks very stylish. Obviously, people on audio may think you have a Rolex on, James.

James: See, I've got a beautiful Rolex. At one point in my life, you know, when I became a general manager. I needed a Rolex to make sure people knew that I had this great piece of jewelry to remind them how much of a boss I am and how important I was. And I had an expensive Montblanc pen, and beautiful shoes, Lloyd's or Loake's, and great suits.

I don't wear any of that sh*t. I don't need to because I've stopped trying to need to impress other people. Because I've realized at this age, it's about me, looking after myself, it's not about needing to be impressive in the eyes of others. So I don't make as much money as I could if I wanted to flex those things. But I don't want to be a walking chimpanzee in a suit with the bling on a stage somewhere looking like a douchebag. I just won't do it.

I just want to surf, and I want to help people in my coaching business, and I want to be me. I want to be me in all mediums. I want to be the actual me. And so when it comes to the way that we're wired and conditioned to be competitive with everyone else, I think for me, it was good to benchmark off what's possible. I love the positive benchmark.

If someone's doing something that I would like to do, like someone surfs better than I can, and I'm inspired by them, not jealous, and it's very important differentiation, then that encourages me to develop myself to get a better version of my surfing self out there. But I'm not ever jealous of that other better surfer than I am. I'm just inspired that it's possible. And I strive towards that.

So I think somewhere in there, I'm saying, if you're overly competitive, it could be a downfall, because you might be focused on everyone else and not yourself. If you can use other people's examples as benchmarks, then that's healthy. So in some wealth creation clubs and groups, they'll often benchmark you with other customers or whatever, or show you what is possible.

For example, they might say, These people are able to reach passive income level that exceeds their cost of living within three years, or five years or whatever. Then you say, Okay, that's something a goal I would like for myself. I'm now going to compare my current me to the future me and narrow the gap. Does that make sense?

Is there a correlation between wealth and authenticity?

Charley: Hugely so, but I want to ask you a question on this one. For myself, what's been really interesting is the more financially independent I've become, the more authentic I've actually been with myself and the things I like. I found I was way more interested in looking rich or status things like the Rolex in your example there, than when I've started to actually have money, it's like, I tend to, I don't know what it is, it's like I feel less pressure to show status. I don't know what it is. And this is really common.

So I wonder in yourself, James, is this something where as you've been able to attain a level of success and wealth in your life, do you feel more comfortable, like, just being you in your example there or that authenticity?

James: That is literally what I was just saying, that as you become more confident in your own skin, and comfortable with yourself, you could care less what other people think. It's actually not important anymore what people think. You know? And I bought a \$200,000 car as well. It was partly to close a chapter on my old life, because I've moved from one side of the desk to the other in that transaction.

I went from the seller, to the General Manager, to the business owner, to the buyer. I got to experience what it was like. So I don't want to say that it's bad to have nice things or buy expensive things. I think the only reason that I'm able to not feel that it's super important anymore, is because I've already experienced it.

So there's that little caveat. I've had the nicest of everything. I've traveled around the world. I've done amazing experiences that you could only do with the power of an organization like Mercedes-Benz. I have owned luxury sports cars. I've lived in lovely houses, I've owned the great watch, and the nice shoes, I've had it all.

But after all of that, you'll realize that none of that stuff is, that's not the end destination. For me, that was part of the journey to get through to, now, I'm just a surfer who wears T-shirts, right? And that's not a styled, brand-cultivated image. It's just who I am. You know, I'm just me. And I feel like I'm the most normal person I know. And then the rest of the world can do their own. They run their own race.

The other thing, for example, is I work three days a week, and I have four off. So I'm already counter cyclical to the rest of society. I'm zigging to their zag. It's like business fasting. And I still get enough done, and I have a good enough output with those inputs. So that works for me. But the same can be said for finance and for all sorts of other things.

Once you get it dialed, you can let go of a lot of the stress, and the concern and the need. But certainly, if you're going about life right now needing to prove to everyone else how significant you are, just look inside yourself a little more and just give yourself less pressure. You can never be them. You can never be someone else.

And if you want all their success and results, you have to also take all the bad stuff that has happened to them as well. You can't have part of the package. And people, especially with social media, which I'm cautious not to spend too much time on, it's all curated. It's all glossy, airbrushed, and even people use filters. Like, don't take that all as verbatim because when you look under the hood, it's shocking what's really going on. It's shocking.

And I totally agree with you, Charley, a big part of how I got the results I got was through using status, and going to events, and having nice things, and, you know, it took money. I had to spend some money to go on those flights and to have accommodations. You're going to use some of your powder when you go out to war, it's just the way it is.

But yeah, I'm at a good place now. And I know there's a whole bunch of people listening to this or watching it thinking, well, it's great for you. But I did crawl over broken glass, I did eat beans, I had the tough phase, you will have an inevitable tough phase. And for most people, from what I've learned, in wealth creation, there's the capital creation part and then there's the putting the capital to work part.

It's not fun listening to someone who's got that part sorted if you haven't created the capital part. And I know the average deposit required to buy a house in Australia at the moment is about \$120,000, right? It's pretty hard for people starting out. I do think having a business is a fast track to wealth creation, if you get it right. But I do encourage you to get good help to turn that into something useful.

The influence of the past on money mindset

So one thing that I've always found good peace of mind is to take money out of my business, and to put it somewhere else. And a lot of that comes from the incident that happened to me as a kid, you know, when my parents got kind of wrecked by the recession. And we had a massive pullback.

So I've seen this at least twice in my life. And I think we're about to see it again. Maybe the pandemic was a third, I'm not sure if that counts, but I've seen what can happen, and you need to be all-weather ready.

Charley: Yeah, so that's a huge one as well. Funnily enough, James, this is another thing that's common in our story. Growing up, that's what happened to my parents.

James: We're like brothers, aren't we?

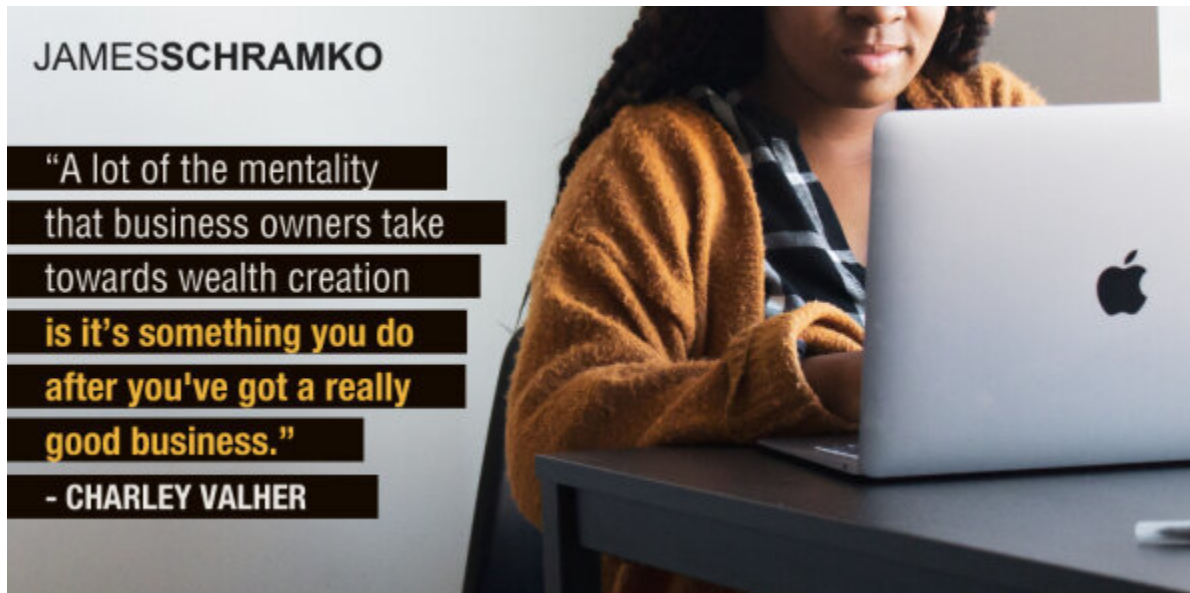
Charley: Yeah, but it's huge. Business owners put a lot of risk in their business. And then if something was to happen, in the case of my father, he had a workplace accident, and he was a carpenter. So it's like, after that injury, he wasn't able to go back to work, and that caused some financial stress in the home. But it's like, I think what got wired into me is like, oh, it's risky having all your wealth in your business.

James: Well, I got the other lesson. My father was employed, and his role was terminated when the company got liquidated. And then they were stuck with very high interest rates on their primary home, I think the interest was in the 20 something percent range. They'd refinanced some of it to improve some of the house. And they got out of it with a little bit, but it was pretty close.

You know, the car was on finance, the house was on finance, and he was getting paid by one income source, and it stopped. So even within my own business, I like to diversify income streams. You want to get paid by lots of people. To do that, you create value for lots of people. Different geographic regions, different price points, different product lines can help you.

In fact, in the early part of my business, I went a bit too broad, I had like 11 different income streams. I was over protecting myself, but limiting the growth I could have by being focused on a few. Since I brought my business back to a more focused ball, it's a lot more powerful. And so there's a lesson in that, too.

Charley: Hugely so. I'll throw another one in here to like, another reason why I think business owners probably struggle a little with wealth creation, and I'm going to say that it's like, business is hard. And for a lot of business owners, they stay stuck in the trenches of fighting the day-to-day battles of running their business, that they go, Oh, you know, like, I've just got to get this business going. And then, you know, someday I'll start building wealth. You know, like, I've just got to get through this.



And it's a very interesting thing I've noticed is, like, a lot of the mentality that business owners take towards wealth creation is it's something you do after you've got a really good business. So it's not something you do at the same time, in tandem. And like, how I've been able to do really well, and it sounds like you as well, James, is like, I've done it in tandem. Like, I've absolutely built wealth and my business at the same time, where I just don't like that risk, again, of just like, having all my eggs in one business.

What the right mentors and peers do for you

James: Well, a lot of business owners who might be at that sort of hand-to-mouth phase where they're just running aground all the time, they probably don't feel like they have any extra to put into wealth creation. Like, they would feel like they're just in survival mode. I'm wondering what you would suggest to someone in that situation.

Charley: Yeah. Funnily enough, it's like good mentors and peers.

James: I'm thinking the same thing, I'm glad you said it. Like, get help. There's no reason for your business to be scraping off the bottom if you have a really good product, if you care about your customers, if you can get them results, if you can share those results with others, even through some humble marketing campaigns.

If you can build an email database, if you can make offers to the email database, if you continue to look after people for a long time, then they're some of the fundamentals, they're like first principles. If you're doing it in a market that's not dead, and you build your experience, and you learn and study and surround yourself with other people, maybe that's a whole other topic, then you're going to get off the bottom line.

And then it's simply a case of, you know, what's your strategy? Some people I know, they just tip absolutely everything into scaling, scaling, scaling, because they want the big payday. I've always liked to say, Well, great, I have a great cash flow business, I'm going to bring some of that cash flow out, and I'm going to put it somewhere else. Because if I just want to turn the business off one day, I've still got the somewhere else.

Charley: Yeah, absolutely. You know, one of the things I'm thinking here as well, James is like, we've known each other for quite a while now. And I think back to like, in my earlier stages, many, many years ago, just little things you used to say like, you know, Oh, this guy's making X amount of months or doing this much revenue.

And I think when you continually hear those things, it starts to cement what's possible, where it's like, if you're the only business owner in your network, per se, and everyone's kind of doing average, you don't hear those things. And just hearing those things and knowing that that exists, I think makes a massive difference.

But then also being able to get advice from people that have done it, really like, it shapes you very, very differently again, here. So I think network and peers is such a massive one. And it's like, if you're surrounding yourself with the business owners that are only continually focused on growth, I know what the likelihood of what you'll become is.

But if you're surrounding yourself with the business owners who are also thinking about wealth or doing these things in other ways, well, again, I know what you'll become here. Like, this network effect is just such a massive thing.

James: Yeah, this is really interesting, as a coach speaking to lots of business owners on a regular basis. Firstly, I'm super encouraged, because the people who I'm coaching at a higher level are doing great things, they're going so well. And I'm encouraged that there's a tremendous amount of possibility out there.

Some of these people make a lot of money. Some of them just love what they do, and they do it for free, I suspect. So there's a lot of positivity in that region. And it's so true about people becoming like the people they hang out. I know it's an old saying, but one of my friends, he's sort of in a sort of a techie world of the sort of edgy startup type things, incubators and stuff.

This guy comes up with a new business idea, like every week. Because he just can't be in that environment and not keep throwing off ideas. So for me, I'm positive about business, because I just got this great hybrid vigor of new ideas flowing across my Zoom screen on a weekly basis. And I see, you know, because I'm more of a long-term builder, I bring that centered balance to the picture.

But I can take some of the principles that are working well and cross-pollinate them between the people who are going well. And that's something I love. And I think you can take the same approach with wealth creation, you could survey some of your friends, get a little bit deeper about what they are actually doing with their money.

Like, remember I said to you before I asked my friend, what did he do with all the money? I'm generally curious, because he would have access to very clever people. And I was just curious if he's deployed some of that Intel. And it's no coincidence that the rich groups of people sort of share rich ideas with each other, like in a mastermind.

And one of the reasons, the very reason we're talking on this call now, is because I got my butt on an airplane back in 2008, and went to America, and attended a conference, and I made some of the most key connections. One of the guys that I was sitting on the plane with was making over \$100,000 a month.

And I talk about this in my book, [Work Less, Make More](#). And he looked at me, he goes, You're a smart guy, like why are you underselling yourself in a job? And I was making like, 300 grand a year. I'm thinking, it's a good point. I mean, a bit of jonesing there, but it's also a bit of comparison. And so I went with this guy to a conference in Las Vegas, and there was another guy there.

And I sat next to this other guy, I'm having a chat, super humble guy, you know, T-shirt, regular looking guy. And he's making \$100,000 a day. And inside my mind is just like, what? It's outrageous. I asked him a couple of questions. And he shared with me a few resources that were going well for him.

And I went back home. And six weeks later, [I quit my job](#), because I doubled my income from my online business. My online business was making about 150 grand a year. And six weeks later, I went past 300. And after I quit my job, I went past 100,000 a month, from then on. That was in 2008.

Charley: Isn't that fascinating? What an amazing story, by the way, James. I love that story.

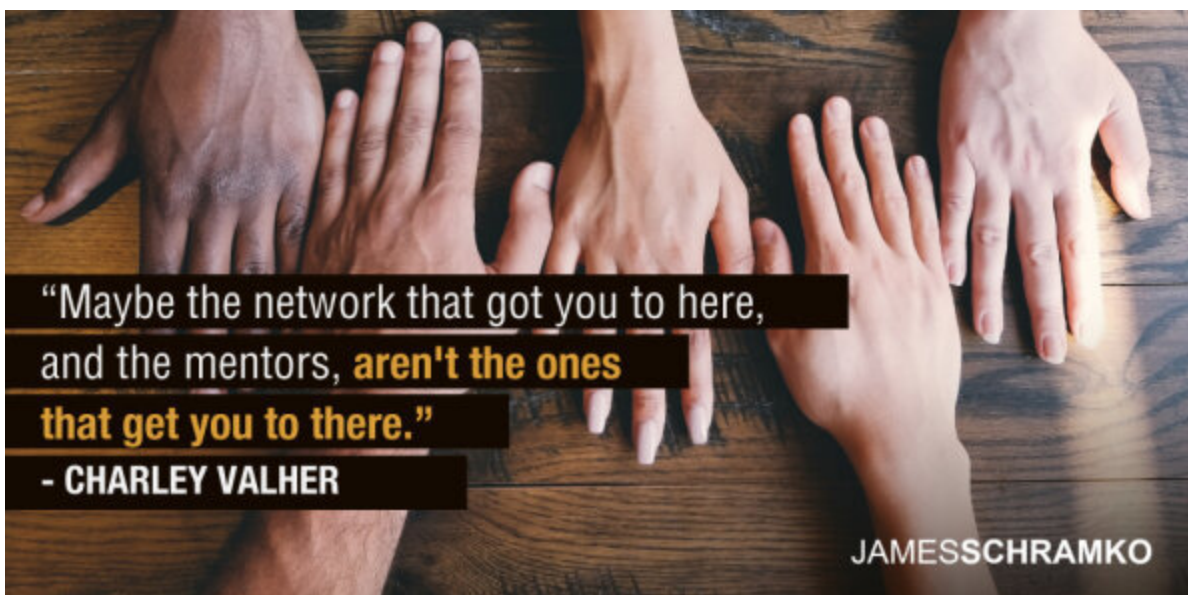
James: Well, quality of network and mentors, I'm going to vouch for that. You find the right people, and you act upon the right information, it could be a game-changer for you. So that changed my whole world. And I won myself into that group, I wasn't even financially qualified. It was for a group of people making a million dollars a year online. And I won my seat into that group through a competition where I had to do something, it wasn't just luck, it was effort, and skill. And it was life-changing.

But I mean, the whole fact I was there, I put myself in that position by being in America when it was inconvenient, I had a job, to be away from my family and to spend the money on the credit card to go on the plane and to buy a conference ticket and network. I didn't know a single person there. And by the second day, I was up on stage telling people how I won the competition.

So it was like, you can create your own opportunities, but seek out people who are getting fantastic results. And don't be jealous of them, understand what it is they're doing and see if they're willing to share with you how they do that, and move in that direction. And that will get you a better result than if you know six stoner mates who are sitting around smoking pot, watching Netflix all day.

The flipside of hanging out with a certain crowd

Charley: Completely. I'll throw in one more here that's interesting, though, is like, I think a lot of people, let's say you're starting a new business, and they develop this network, and it gets them to a certain level. And like, they're probably fantastic people you're hanging around, they're really nice, and you like them.



But one of the things that I've had to adopt, and I'm sure you have as well, James, is like, maybe the network that got you to here, and the mentors, aren't the ones that get you to there. So maybe you have to, even though you like them, and they're really good people and they mean well, by hanging around that, it's like, you're not going to be able to get to the results you want in your life.

James: I remember that happened to me. It was about 2009, I started my own community in 2009, partly because some of the other communities that I was a member of were, firstly, the founder was never present, which bothered me. Like you've sold me the membership, you're telling me all the stories, but you're nowhere to be seen, and I'm stuck, it's member or member. But you could pop in every now and then just to poop on us with this fantastic thing you've done in your life. Where are you?

So anyway, I started my own membership. I was a member of a few other communities, but they were mindset-limited, you know, back to your first point, wiring and conditioning. And they're still the exact same people now.

They're still scrounging around these trashy sort of marketplaces where they sell biz op crap to each other. And they're the crew who get into all the NFTs and the crypto this and bot that, and this one moveable feast after another of crappy business thing. But I can tell you, they're all probably broke. And some of them, they'll be minus broke because some of them get called before the FTC and they get overhauled because they're making outrageous claims. There's no substance going on.

So if you hang out in those environments, so basically, I left all of those and I switched off, like I am not logging into these communities anymore. I'm lapsing my membership, it's dead to me. Dead to me. If I keep being involved, like I've basically moved straight past that group, I realized what they were and left it.

You have to sever ties with bad juju, you know? Like, if something's going to drag you down, don't go there. By the way, if you're hanging around with people and you constantly feel jealous or irritated by their success, that's something you've got to work on yourself as well.

Charley: There's some work that has to be done there. I'm much with you is like, it should be inspiring. I love it when I find someone who's ahead of me, because it's like, fantastic, like there's going to be something I can learn from this person to get me to the next level. Like, I think the worst place to be in is like, you're at your limits. There's nothing new to learn or grow from in your network and mentors.

Rewriting the rules you were raised with

James: I think growth and learning, that's a trigger word for me. Like, to some extent, I'm a bit of a one-man wolfpack, because I do a lot of inward reflection and have a lot of thinking time. And I get so much input from my coaching work. I'm just like, surrounded by successful people. I don't need to go out and assemble that. But I think other people probably do.

And from that, I still learn things. I join things, I take courses, I read books, I absorb information. And I'm on a constant growth. I think the minute you stagnate, it starts to slide back. But I can tell you, one thing that we haven't really talked about that I think is probably relevant here is, there was a point where I realized, when I was driving my desk in the job, I realized, well hang on, I do not agree with this whole notion of working until I'm 65, with my big pot of superannuation or 401k in other countries.

And then I'm going to just go home and just like, hang out? I'll be 65 then, my life's gone, what a waste. I think back to wiring and conditioning, I think a lot of people are products of an old era, the textile industry where they were trained to sit at school and obey instructions, they're trained to go and get a job and work there for a long time. Take instructions, don't think too much, follow the exact system, we don't want anything more or less from you, like battery hens.

I think if you are an organic business owner, feel free to rewrite the rules on wealth creation, as well. Find that leverage. There's ways that you can accelerate your wealth. You don't have to just put your account in a kiddie saver account when you're a kid and think that banks are your best mates.

They're not doing much for you. They'll be charging you soon to have your money there, if they're not already. One of my bank accounts does charge me if I keep too much in their account. So that's interesting. It's not doing much for you in there, probably.

Charley: Definitely not. Don't get me wrong, banks can be your best friend, like, especially in the games I play a lot more of these days, like I do enjoy property, they can be a big help. But I'm not confused. They're not on my team.

James: Well, they offer better deals for strangers sometimes, you know?

Charley: Definitely.

James: So let's talk about the last part. So just a quick recap. We've talked about the fact that we're wired and conditioned, we're programmed from an early age. And essentially, we were probably playing games with competitive ego-based significance games that could be potentially holding us back.

We've talked about what to do if you get stuck as a business owner, and you're still just putting out fires, and you've got no spare money to invest. Like, that's a critical thing that needs help. We've talked about your network and mentors and surrounding yourself with the right people.

If you want better information about money...

How do you get educated about money? I mentioned I speak to people, I ask them what they're doing. I also have read books and so forth. And I've also sought out wealth coaches and found access to programs that are not commonly available. As you discover, there's this whole secret world of things that you can invest in when you've actually got money to invest. But a lot of people never get to that phase.

What sort of things do you like to do? Or where would you recommend people find out more? I know, for example, you've got a newsletter. Can we mention that?

Charley: Yeah, absolutely. Let's mention it. Just to tie into that point, the reason why I started [Business & Investing](#), which is the podcast, and then also the newsletter we have to go with it, is because I felt like finding good information for wealth-building as a business owner in Australia is incredibly hard. No one was doing it. So what would happen is like, do you know what the Rosetta Stone is, James, have you ever heard of the Rosetta Stone?

James: Yes.

Charley: For people that don't know though, it's a tablet or a stone that was found that would help people translate languages. So they found a way to like, I can't remember the exact languages it translates, but it's like some sort of codec to turn, let's say English into Japanese, in this example.

So what I was finding is like, I was spending hours and hours, like, spending time learning about wealth-building in the States, only to find that like, some of that wouldn't apply in Australia. So I'd have to like, work out how it translated. Or then I'd be learning like, well, as a business owner, your needs are different versus someone who's employed.

So like, you don't have payslips that are treated the same way when it comes to finance, and there's a whole bunch of stuff that you have to understand differently, if you want to do well at this. So I've been translating all of that. And then I turned it into the newsletter and podcast.

So if you're a business owner in Australia, particularly, although I'm sure some US ones will enjoy it as well, that's all designed to help you on this journey to kind of shortcut all that education path that I had to go through. I had to go from there. So I think that's just such a hugely important point.

But the thing I'd really love to bring up on this one is, what was really surprising to me when it comes to, like wealth building, is like, as a business owner, I've got all these skills. And it's like, you know, making money, and then keeping money, different skill sets, like very, very different.

James: And I think people get really stuck in the making-money part, even within the making-money part, they get stuck in the getting-traffic part. There's this total bias to the exact wrong area. You know, it's like, it's all about, I just need more leads, I need leads, leads, leads. Some people never move past that. It's a shame.

That's why I like the membership model, or the agency model on retainers, or even revenue share deals. Like, get recurring income, deliver a great product, you'll have money to invest. So we'll put a link to your newsletter. It's quite a long URL, but it's <https://businessandinvesting.com/newsletter-signup/>. So I think we put a link in Episode 936.

Charley: I'm just laughing. I'm sorry. I should totally make a better link for that.

James: You definitely might go and buy a nice vanity URL to redirect to that, and we'll talk about that in a future episode. So this is like a real combination of things you love, isn't it, Charley? You've got wealth creation interest, personally, you like sharing what you find for other Australian business owners.

I imagine some of the principles would apply no matter where someone is in the world listening to this.

Charley: Hugely so.

James: Yep. And, of course, you've got this great new show, the Business & Investing, that's going well. I keep seeing social snippets on my feed. Clearly, you've got an audience there, and people are resonating with this topic and this training business community. And I imagine you publish and produce the show from your own media company. And it makes a lot of sense.

Charley: It's a very, very nice perk of having a media company. Yes.

James: Love it. So any words of wisdom to close out our episode on why most business owners suck at building wealth?

Charley: I just really encourage people to get involved with the brand, like come and check out Business & Investing, the podcast and the newsletter. I think building wealth is such an important part of the journey as a business owner, and can be particularly difficult if you've been wired in the ways we've spoken about here, or not have the network or peers, or can't get access to that information. And that's what we're looking to solve here.

James: I love it. I look forward to sharing more about this in the future. And if you're listening to this episode, 936, and you've got questions, or a suggestion of a topic that you'd like Charley and I to discuss, then certainly, we're open to those ideas. And we'd love to make this show customized around you. So send us your ideas, james@jameschramko.com, where you'll find me.

And Charley, thank you so much for coming and sharing your continued journey into newfound fields, and I think it's great what you're doing to educate others. Clearly, you'll be improving lives with this topic.

A group of people are sitting around a table in a meeting room. They are looking at laptops and a whiteboard. The room has wooden walls and a modern light fixture. The image is overlaid with a semi-transparent dark blue rectangle containing text and a button.

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