Wealth Wednesday: Is More Revenue Really the Answer? Transcript

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Introduction to Wealth Wednesday

Hello everyone and welcome to another Hello everyone and welcome to another episode of Wealth Wednesday. So today we episode of Wealth Wednesday. So today we are going to actually have a are going to actually have a conversation about a real situation that conversation about a real situation that we've encountered over and over again we've encountered over and over again and these are the kind of things that and these are the kind of things that Wes, my co-host here, and I work on Wes, my co-host here, and I work on together. So there's a common problem or together. So there's a common problem or or maybe it's an aspiration or an or maybe it's an aspiration or an ambition that business owners all tend ambition that business owners all tend to have. They love adding revenue to have. They love adding revenue streams and there is absolutely nothing streams and there is absolutely nothing wrong with that because revenue streams, wrong with that because revenue streams, especially ones that you know flow cash especially ones that you know flow cash and add revenue to your practice or your and add revenue to your practice or your business are fabulous. But the hard part business are fabulous. But the hard part about this is sometimes it can actually about this is sometimes it can actually be a reaction for a problem that's be a reaction for a problem that's lurking underneath. And uh you know Wes lurking underneath. And uh you know Wes and I encounter this a lot. Wes, have and I encounter this a lot. Wes, have you seen that this is the case quite a you seen that this is the case quite a bit?

Why Revenue Streams Can Hide Bigger Problems

bit? bit? Yeah, I think that what we'll get into Yeah, I think that what we'll get into this one is, you know, depending on how this one is, you know, depending on how much complexity there is, there's a bit much complexity there is, there's a bit of an order of operations and how you of an order of operations and how you want to approach providing the help. And want to approach providing the help. And in this case, there were enough layers in this case, there were enough layers that we really had to kind of figure out that we really had to kind of figure out what that order was. It wasn't what that order was. It wasn't immediately apparent, but um kind of immediately apparent, but um kind of emerged through through discovery with emerged through through discovery with them.

them. them. >> Yeah. And discovery is so important >> Yeah. And discovery is so important because sometimes there there are people because sometimes there there are people out there in the financial world that out there in the financial world that kind of have a solution for you before kind of have a solution for you before you they even know what the problem is you they even know what the problem is because they're they're pegging you into because they're they're pegging you into a solution hole. And I don't think a solution hole. And I don't think that's the right way to do anything. I that's the right way to do anything. I think it's really important to find out think it's really important to find out what really is the problem. So there was what really is the problem. So there was there were some clients that we worked there were some clients that we worked with recently that you know really with recently that you know really wanted to add revenue stream streams wanted to add revenue stream streams which is not a bad thing but the reality which is not a bad thing but the reality was they were adding revenue streams and was they were adding revenue streams and they were kind of strapped with time in they were kind of strapped with time in a very big way. And you know what when a very big way. And you know what when you add a revenue stream to your you add a revenue stream to your business you actually have the time to business you actually have the time to you have to have the time to make sure you have to have the time to make sure that and the capital to make sure that that and the capital to make sure that it gets off the ground in the right way.

it gets off the ground in the right way.

Diagnosing the Real Business Issue

And this is where I feel that my And this is where I feel that my background in actually running a medical background in actually running a medical practice in a medical spa really come practice in a medical spa really come into play because we were able to really into play because we were able to really get down really down into

the layers get down really down into the layers through the layers and find out and through the layers and find out and uncover that this was almost a um like an uncover that this was almost a um like a a fix it solution for a deeper problem.

a fix it solution for a deeper problem. So rather than just kind of fix the So rather than just kind of fix the reaction or the symptom if you will if reaction or the symptom if you will if you so speak I mean sometimes in you so speak I mean sometimes in medicine we talk about treating symptoms medicine we talk about treating symptoms but in the financial world too sometimes but in the financial world too sometimes people can treat the solution um treat people can treat the solution um treat the symptoms not the actual root cause.

the symptoms not the actual root cause. So I would say in that way we help So I would say in that way we help really diagnose the issue and get down really diagnose the issue and get down to what's really the problem.

to what's really the problem. >> Yeah absolutely. I think in this >> Yeah absolutely. I think in this particular situation, we were looking at particular situation, we were looking at a scenario where, you know, we've got a a scenario where, you know, we've got a really hardworking couple with a medical really hardworking couple with a medical practice, but they're already kind of at practice, but they're already kind of at their maximum as far as just output, the their maximum as far as just output, the amount of time that they can spend. One amount of time that they can spend. One of them's actually working, you know, of them's actually working, you know, two separate jobs, one in telea two separate jobs, one in telea medicine. And so that's where I think medicine. And so that's where I think you particularly picked up on.

you particularly picked up on. Yes, we understand you want to make have Yes, we understand you want to make have more cash flow and and generate more more cash flow and and generate more revenue to make sure that the the amount revenue to make sure that the the amount of effort you're putting in is you know of effort you're putting in is you know bringing the value but at the same time bringing the value but at the same time is is that practical or is that just too is is that practical or is that just too much bandwidth and then maybe capital much bandwidth and then maybe capital that's not wise to kind of spend in that that's not wise to kind of spend in that in that moment in that moment >> 100%. I have this rule of thumb when it >> 100%. I have this rule of thumb when it comes to adding revenue streams into a comes to adding revenue streams into a business and I've added many in my business and I've added many in my medical practice. you know, I had a medical practice. you know, I had a pretty large ecosystem in my ear, nose, pretty large ecosystem in my ear, nose, and throat practice, and I had allergy, and throat practice, and I had allergy, I had CAT scans, um, hearing tests, I had CAT scans, um, hearing tests, hearing aids, all of these things. But hearing aids, all of these things. But whenever I started each one of those whenever I started each one of those revenue streams, of course, in the revenue streams, of course, in the beginning when I was a newbie and I had beginning when I was a newbie and I had no idea, of course, I thought that as no idea, of course, I thought that as soon as I added it, it would be soon as I added it, it would be lucrative immediately. So now I tell lucrative immediately.

Adding Revenue Without Overloading the Practice

So now I tell business owners this one very simple business owners this one very simple rule. Whatever you think it's going to rule. Whatever you think it's going to cost in terms of financial outlay, your cost in terms of financial outlay, your time, and however fast you think that time, and however fast you think that money is going to come in, I would say money is going to come in, I would say triple or quadruple it because that's triple or quadruple it because that's the reality. Meaning that it'll probably the reality. Meaning that it'll probably take four times longer than you want it take four times longer than you want it to to actually have the revenue come in.

to to actually have the revenue come in. It'll take you four times as much time It'll take you four times as much time as you think and it cost you sometimes as you think and it cost you sometimes four times as much. I don't know. I four times as much. I don't know. I think four times is a great rule of think four times is a great rule of thumb because then if it's better than thumb because then if it's better than that, fabulous. But I've seen that that, fabulous. But I've seen that happen so many times. And in the medical happen so many times. And in the medical spa world, it's really tough because spa world, it's really tough because these reps come in and they talk to you these reps come in and they talk to you about this ROI and it looks beautiful about this ROI and it looks beautiful

and you're just ready to shell out and you're just ready to shell out $150,000 on this new medical laser or $150,000 on this new medical laser or whatever the case is, but it doesn't whatever the case is, but it doesn't come in like they say. You have to put come in like they say. You have to put money into it. You have to market it.

money into it. You have to market it. You have to make sure you're You have to make sure you're creating the offering so that the creating the offering so that the patient really wants it. There's just so patient really wants it. There's just so much more to it than just adding a much more to it than just adding a revenue stream and people just show up.

revenue stream and people just show up. >> Yeah, absolutely. This is, you know, a >> Yeah, absolutely. This is, you know, a situation where the temptation can be situation where the temptation can be I'm just going to work more hours or I'm I'm just going to work more hours or I'm going to add something to this practice going to add something to this practice to generate that. But this is almost a to generate that. But this is almost a situation where the the reverse is true.

situation where the the reverse is true. Less is more. Uh, I think we both felt Less is more.

Rule of Thumb for New Revenue Streams

Uh, I think we both felt that if we could that if we could provide some retirement income really in provide some retirement income really in the short term to take some stress off the short term to take some stress off of both of them and allow them more time of both of them and allow them more time to enjoy what they do because they truly to enjoy what they do because they truly enjoy their work. Um, that, you know, enjoy their work. Um, that, you know, that would free up the kind of that that would free up the kind of that bandwidth and that ability to even bandwidth and that ability to even properly consider those next moves. Um, properly consider those next moves. Um, and we were just looking at pieces that and we were just looking at pieces that were already in place for them and they were already in place for them and they just weren't utilizing. And that's just weren't utilizing. And that's another big problem. Sometimes we have another big problem. Sometimes we have all these pieces out there, but we don't all these pieces out there, but we don't know how to really utilize them to get know how to really utilize them to get to the goal that we're trying to get to to the goal that we're trying to get to because we don't know. Nobody tells us because we don't know. Nobody tells us these things. And as a physician, I also these things. And as a physician, I also felt the same way. So, why isn't anybody felt the same way. So, why isn't anybody looking at it holistically? Why isn't looking at it holistically? Why isn't everybody just looking at it and telling everybody just looking at it and telling me what I could probably do to get to me what I could probably do to get to where I want? And I was left figuring where I want? And I was left figuring out those things by myself. And I love out those things by myself. And I love that now we're able to help people that now we're able to help people navigate those decisions and really navigate those decisions and really tailor it to the life they want. And the tailor it to the life they want. And the this couple was a little bit older, but this couple was a little bit older, but younger people who are just starting out younger people who are just starting out in their business, there may be in their business, there may be different there are different strategies different there are different strategies that they can use to add revenue that they can use to add revenue streams, but also preserve their streams, but also preserve their bandwidth. I think there's a common um bandwidth. I think there's a common um commonly we think that it won't take commonly we think that it won't take that much bandwidth and it's easy to add that much bandwidth and it's easy to add but it really does take a lot of but it really does take a lot of bandwidth to add other pro procedures bandwidth to add other pro procedures and other revenue generating procedures and other revenue generating procedures to our practice.

to our practice. >> Absolutely. And I think um you you >> Absolutely. And I think um you you touched on something else that's really touched on something else that's really important which is it's really normal important which is it's really normal for us to encounter folks uh like this for us to encounter folks uh like this couple where they've accumulated a couple where they've accumulated a variety of accounts and you know variety of accounts and you know obviously that's a good thing they've obviously that's a good thing they've tried to to do the right thing along the tried to to do the right thing along the way but it's been a bit peacemeal right way but it's been a bit peacemeal right it's been at certain times in their life it's been at certain times in their life maybe with certain adviserss and then maybe with certain adviserss and then other adviserss and after a while you've other adviserss and after a while

you've got between two people seven or eight got between two people seven or eight different accounts and and what I liked different accounts and and what I liked about the the solution that we came up about the the solution that we came up with was we were able to provide, you with was we were able to provide, you know, that shorter term income stream know, that shorter term income stream and make that something real and kind of and make that something real and kind of programmable, but it also consolidated programmable, but it also consolidated some of those accounts so that there some of those accounts so that there wasn't quite so much so many pieces on wasn't quite so much so many pieces on the board to to be thinking about, you the board to to be thinking about, you know, down the stretch.

know, down the stretch. >> 100%. Because often when it's in so many >> 100%. Because often when it's in so many different pieces, we don't even know different pieces, we don't even know what it is that we have access to. So what it is that we have access to. So this this was really satisfying and you this this was really satisfying and you know there are so many people like this know there are so many people like this out there but they don't realize that out there but they don't realize that there are ways to create solutions for there are ways to create solutions for the problems that we have that don't the problems that we have that don't even involve us having to struggle as even involve us having to struggle as much as we think we're going to have to.

much as we think we're going to have to. And if we can help people with that, I'm And if we can help people with that, I'm all for it because then business is a all for it because then business is a lot more fun. You preserve your lot more fun. You preserve your bandwidth. You're not working extra bandwidth. You're not working extra hard. And I think that's the knee-jerk hard. And I think that's the knee-jerk reaction that business owners have. I reaction that business owners have. I just work harder and then I make it just work harder and then I make it work. But I actually think, and I think work.

Preserving Bandwidth and Simplifying Accounts

But I actually think, and I think this is the big takeaway that I want to this is the big takeaway that I want to leave people with, all those business leave people with, all those business owners out there, you could you should owners out there, you could you should actually be looking for the absolute actually be looking for the absolute opposite. As you said, Wes, you should opposite. As you said, Wes, you should be looking to work a little less so that be looking to work a little less so that whatever you add to your business and whatever you add to your business and your practice has a better chance of your practice has a better chance of creating the revenue that you want and a creating the revenue that you want and a better chance of being successful better chance of being successful because the bottleneck is often you and because the bottleneck is often you and your bandwidth and your ability to give your bandwidth and your ability to give the time and effort into that new the time and effort into that new venture.

venture. venture. >> Yeah. I actually uh read a book recently >> Yeah. I actually uh read a book recently by Rick Snyder called Decisive by Rick Snyder called Decisive Intuition. It gets it exactly this, Intuition. It gets it exactly this, which is when you give yourself just a which is when you give yourself just a little bit more space to consider the little bit more space to consider the different challenges that you're facing different challenges that you're facing and the your vision of how you want your and the your vision of how you want your business to run. Um yeah, just having a business to run. Um yeah, just having a bit more bit more u you know bandwidth, a bit more space u you know bandwidth, a bit more space to consider it can lead to the best to consider it can lead to the best decisions and and having too much on decisions and and having too much on your plate can kind of go the other way.

your plate can kind of go the other way. And I really think the takeaway for me And I really think the takeaway for me again was having a discovery. You know, again was having a discovery. You know, it was kind of multi-art. You talked to it was kind of multi-art. You talked to them a few times and we did kind of them a few times and we did kind of uncover what that that order of uncover what that that order of operations was. I love that we had operations was. I love that we had something that we get to right now something that we get to right now whereas you're going to dive into some whereas you're going to dive into some of those pieces on the business of those pieces on the business consulting. And then as an unlock from consulting. And then as an unlock from that, I think we'll start to see some of that, I think we'll start to see some of the cash flow and the things that lead the cash flow and the things that lead to us being able to do tax mitigation.

to us being able to do tax mitigation. And then you know one thing that really And then you know one thing that really popped up that I I didn't realize until popped up that I I didn't realize until you could see that they said with you could see that they said with emotion was the employee retention you emotion was the employee retention you know and we'll have strategies there know and we'll have strategies there too.

too. too.

Employee Retention as a Priority

>> Absolutely. Because for small practices >> Absolutely. Because for small practices that is a huge issue and I I uncovered that is a huge issue and I I uncovered that too in my own practice that as I that too in my own practice that as I wanted to remain independent but as wanted to remain independent but as bigger businesses bought out practices bigger businesses bought out practices around me and the hospitals buying out around me and the hospitals buying out practices the hospital would get your practices the hospital would get your employees because they could offer employees because they could offer better benefits and whatnot. So I better benefits and whatnot. So I actually put in a plan in my own actually put in a plan in my own practice. So to retain my employees, practice. So to retain my employees, everything changed because when you have everything changed because when you have a small practice, people come in and a small practice, people come in and they see those people, they like that.

they see those people, they like that. And when you have a lot of turnover, it And when you have a lot of turnover, it really it's expensive to replace them.

really it's expensive to replace them. You got to train them. You got to get You got to train them. You got to get them up to speed. It costs a small them up to speed. It costs a small practice a lot of money. And employee practice a lot of money. And employee retention is a really important thing retention is a really important thing that sometimes we overlook. I mean, it that sometimes we overlook. I mean, it seems silly, but it's hugely hugely seems silly, but it's hugely hugely important. And honestly, I think it's important. And honestly, I think it's actually more important to secure your actually more important to secure your employee base before you add on a employee base before you add on a revenue stream.

revenue stream. >> Yeah. In in this particular >> Yeah.

Shiny Object Syndrome and Final Takeaways

In in this particular conversation, we use the the term pain conversation, we use the the term pain points, but this was pretty literal in points, but this was pretty literal in this case where this conversation got to this case where this conversation got to a point where, you know, this person a point where, you know, this person said this, you know, sorry, but this said this, you know, sorry, but this this makes me upset. We are investing in this makes me upset. We are investing in these people. A lot of them are very new these people. A lot of them are very new to to our business and we're bringing to to our business and we're bringing them up and educating them and and then them up and educating them and and then they're getting really good and then they're getting really good and then some larger practice is coming and some larger practice is coming and scooping them up and we're kind of on scooping them up and we're kind of on this this talent hamster wheel and it's this this talent hamster wheel and it's just something that's really disruptive just something that's really disruptive and something that they want to kind of and something that they want to kind of break break the loop on.

break break the loop on. >> Absolutely. Absolutely. So, you know, I >> Absolutely. Absolutely. So, you know, I think I think we covered a lot of really think I think we covered a lot of really great points, you know, for business great points, you know, for business owners to think about because it's owners to think about because it's really sexy to add revenue streams. And really sexy to add revenue streams. And I know I've done it more times than I I know I've done it more times than I can count. And most of them, thank God, can count. And most of them, thank God, were successful. Some of them were a big were successful. Some of them were a big waste of money and cost me a lot of waste of money and cost me a lot of money to be honest. I wish I had money to be honest. I wish I had somebody that would have gone through somebody that would have gone through this with me. So, I would have

probably this with me. So, I would have probably prevent I would have been prevented from prevent I would have been prevented from making several large mistakes that I've making several large mistakes that I've made in the past. So made in the past. So >> yeah, I think there are, let's put it >> yeah, I think there are, let's put it this way, a lot of shiny new toys in the this way, a lot of shiny new toys in the world of medicine as far as these ways world of medicine as far as these ways to create additional revenue streams.

to create additional revenue streams. And I really think that's where your And I really think that's where your deep insight and experience is is deep insight and experience is is invaluable to to to caution and say yes, invaluable to to to caution and say yes, you know, but in in the right time.

you know, but in in the right time. >> Absolutely. I mean, I know I have shiny >> Absolutely. I mean, I know I have shiny object syndrome. I actually told my object syndrome. I actually told my office manager at one point, I said, office manager at one point, I said, when I come to you with this shiny new when I come to you with this shiny new idea, I was like, you have to just shut idea, I was like, you have to just shut it down. [laughter] it down. [laughter] >> Right? stress test this for me, please.

>> Right? stress test this for me, please. >> Yes, please. Just just tell me to stop. >> Yes, please. Just just tell me to stop. So, I know how this is because I'm So, I know how this is because I'm exactly that person. But, you know, I' exactly that person. But, you know, I' I've learned things from making plenty I've learned things from making plenty of mistakes along the way, and now I can of mistakes along the way, and now I can apply them to help other people and apply them to help other people and prevent them from making the same prevent them from making the same mistakes if we can. So, well, thank you, mistakes if we can. So, well, thank you, Wes, for joining today. It was a great Wes, for joining today. It was a great conversation, and we're going to keep conversation, and we're going to keep going to keep sharing these kind of things that we're sharing these kind of things that we're working on along the way. So, just working on along the way. So, just follow us and, you know, keep an eye out follow us and, you know, keep an eye out for the wealth Wednesdays. gonna be for the wealth Wednesdays. gonna be doing these every two weeks. We will see doing these every two weeks. We will see how that goes and maybe we'll start how that goes and maybe we'll start doing them more. We'll see.

doing them more. We'll see. >> All right, everybody. Thanks so much for >> All right, everybody. Thanks so much for watching and you guys have a great watching and you guys have a great