

Ep #265: Entrepreneurial Bookkeeping



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Brooke Castillo

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Ep #265: Entrepreneurial Bookkeeping

Welcome to *The Life Coach School Podcast*, where it's all about real clients, real problems and real coaching. And now your host, Master Coach Instructor, Brooke Castillo.

Brooke: Well hello my friends. Welcome to the podcast today. I have a very special guest on the podcast today that I'm excited to introduce you to in a minute. But first, I want to tell you a little bit about this program that I have started at The Life Coach School called Coach Tank. Yes, it's just like Shark Tank but it's only for certified coaches who have been certified through me.

So basically, it's a program where I collaborate with my coaches to create programs, products, or services that we put out into the world. And I am currently working on four of these said programs, and the very first one is finally complete, the person that I'm collaborating on with that is here today and we're going to tell you all about that program.

But if you're interested in learning more about Coach Tank and you want to see the four programs that I'm currently working on, one was Entrepreneurial Bookkeeping that I'm doing with my secret guest today, one is Entrepreneurial Management that I'm doing with Kris Plachy, where we talk all about how to manage your entrepreneurial empire.

The third one is Monday Hour One, which I'm doing with Tyson Bradley and Lauren Cash, who are both on my team, and that one is all about managing your time. And the last one I'm doing is with Stacey Boehman, and that one's an in-person workshop that we're calling Selling Expensive Things, because we know how to sell expensive things and we want to teach you how to do it in a non-creepy, non-sleazy way.

So if you want to learn more about Coach Tank, go to thelifecoachschool.com, go to the bottom of the page navigation and click on Coach Tank and you can learn more about that program. But in this program, what we're going to be talking about today is entrepreneurial bookkeeping, and my secret guest is my bookkeeper, my CFO and my friend, and a certified coach through The Life Coach School, Mark Butler.

[The Life Coach School Podcast](#) with Brooke Castillo

Ep #265: Entrepreneurial Bookkeeping

I'm super stoked and excited to have him here today and to introduce him to those of you who don't know him yet and to teach you about entrepreneurial bookkeeping, so welcome to the podcast Mark.

Mark: Thank you for having me. I'm very excited to be here.

Brooke: Awesome. Well, let's start with you telling us a little bit about you and what you do.

Mark: So I do the money for coaches, and I've been doing the money for coaches now for over five years. And what that means, I'm going to say this in a way that you tell me is not boring...

Brooke: We don't want people to think bookkeeping is boring, Mark.

Mark: It's not boring. I love it. I've been doing the money for life coaches for five years. What that has meant is yes, financial reporting and all the transactions and all that stuff, but mostly what I do is I help coaches grow their businesses a lot, make a lot more money by looking at the money totally differently.

Brooke: Yes, and that is not boring. That is super fun. So the reason why most of you probably think bookkeeping is boring is because you've been doing it with a traditional bookkeeper or a traditional accountant who doesn't look at it in terms of making more money and using the numbers to make more money and to create a lot of excitement within your business.

So before I met Mark, I was thinking about this the same way. I had a bookkeeper who I talked to maybe once a month who asked me how to categorize certain expenses that I had, and then I had an accountant who asked me to give him lots of reports on lots of things so he could tell me that I owed the IRS a lot of money. Neither one of those relationships were fun. Avoided both of them extremely, and I felt like they were just a necessary part of doing business and not something that I enjoyed.

Then I met Mark Butler and he became our bookkeeper at The Life Coach School, and I all of a sudden started to really look forward to having

[The Life Coach School Podcast](#) with Brooke Castillo

Ep #265: Entrepreneurial Bookkeeping

meetings with him and to talking about money because of the way he approached it so differently than my previous bookkeepers. And so basically what we did is I met Mark when I was making about \$300,000 a year and I was ready to grow my business.

And I feel like as a team, me and Mark and my business partner and husband Chris, and all of the meetings that we had really propelled us from where we were at \$300,000 to now, we're going to do close to 25 million this year. That is no small feat, and I will tell you, it doesn't happen without this entrepreneurial bookkeeping format. And so that's why I feel super strongly about sharing this with the world, sharing it with all of my listeners, anyone who's an entrepreneur.

You really need to take this course because we share all of the secrets. We share all of what we learned. Not only what Mark brought from his bookkeeping experience and his style in bookkeeping, but also what we all learned as we were building this business and what it takes to evaluate the numbers and create more wealth and profit and growth within a business. So let's talk about how we met and then what happened. Why don't you start?

Mark: Well, I think - I'm not sure if you remember, but you actually heard me on a podcast.

Brooke: I did. Claire Pells' podcast, which by the way is amazing. Check out Claire [Pelletreau], we love her.

Mark: And I think she's restarted it too.

Brooke: Yeah, I was just on it.

Mark: Get Paid Podcast. I don't know if that's still what it's called. You heard me on the podcast and then I started to get emails from clients of mine that said - one said my coaching idol is going to reach out to you, I'm so jealous that you get to talk to her. Something like that was one of the emails I got. I was like okay.

Ep #265: Entrepreneurial Bookkeeping

Brooke: That's fun.

Mark: I had heard your name because I knew some of your friends and then you got a hold of my cellphone number and you called me and of course, in classic Brooke fashion, you told me that I'm hiring you. It's not up for discussion, and you immediately increased my normal fee by 50% on that phone call. You probably don't remember that.

Brooke: Of course I did.

Mark: You were like, how much do you charge? And I told you and you were like, that is ridiculous, I'm paying you 50% more, how do we start? That's how our relationship started.

Brooke: And it hasn't changed much, has it?

Mark: It has not changed a bit. Thank goodness.

Brooke: I've been bossing him around ever since.

Mark: That's how we got started.

Brooke: That's awesome. Yeah, and so all of a sudden, my perspective on bookkeeping changed and one of the main reasons why it changed is because we switched the focus and Mark introduced me to this concept of focusing not just on accounting, and this is the way we kind of describe it now. I use the word accounting to describe counting what has happened in the past. And that's kind of boring for me and for most entrepreneurs because there's nothing we can do about it.

Entrepreneurs, we like to know information that's useful, that we can put our energy towards. When we're looking at numbers from the past, it's like that's dead and done and there's nothing we can do about it. So one of the huge shifts was not just focusing on accounting but also coaching on what I call finance, forward finance, and starting to plan for what we wanted to make and plan our revenue numbers and plan how to get there.

Ep #265: Entrepreneurial Bookkeeping

And I've always been super focused on numbers and planning revenue but one of the things that we've discovered is that a lot of people are in their companies, they don't even have a financial goal on how much money they want to make, let alone a plan to achieve it, or a budget to create it.

And so what you and I started doing together that was super fun is I would say okay, I want to make a million dollars and you would say perfect, here's what you need to do. Here are the numbers, here's the math behind that in order to create that. Here's how much money you have to spend on marketing, here's how much you're going to need to spend on these other things. Here is how many sales you need to make.

So all of a sudden, I felt like I had this quota that we were monitoring every week and it totally changed the game for me. It seems like just a subtle shift, but it changed everything. And what I realized is that bookkeeping and the way that I was doing it wasn't useful to me. It was only useful to inform what I owed in taxes and how I had done last month, really.

Mark: Yeah. If people are doing bookkeeping at all, that's mostly what they're doing it for. They're doing bookkeeping for the benefit of the IRS.

Brooke: Yeah, and not the benefit of their business. That's a really good way of saying it.

Mark: So they have reports, they don't know how to read them, they don't know what the words mean, they don't want to look at them, and so they get them from their bookkeeper, they keep them in the inbox. When the accountant asks for them or the tax professional asks for them, they give them those and then they say how much money do I need to send and when do I need to send it and where, and that's it.

Brooke: Yeah, I mean, I was at the point, I was making \$300,000. I didn't really know what a PNL report was. I didn't really know what a balance sheet was. I didn't understand half the things my accountant was saying. I just kind of felt dumb and I didn't want to admit that I felt dumb. And I got to the point when I started working with you that when I was talking to my

Ep #265: Entrepreneurial Bookkeeping

accountant, I'm like listen, I don't understand a word you're saying, I need you to explain all this to me like I'm in third grade.

And that's how I really started to learn about these things. I started asking you a bunch of questions because you weren't as unapproachable and I wasn't as worried about it and so you taught me a lot about what all these terms meant and all the things I was kind of intimidated by and afraid by, you just made so simple and real.

And so that was such a big thing for me, and that's why in entrepreneurial bookkeeping, in this course we created for you, we go over all of the basic things because I'm just done with us all pretending like we know what we're talking about when none of us do. So we talk about a PNL, we talk about a balance sheet, what it is, how to read it, what it means, how you can interpret your own and why they even matter.

But more importantly, we introduce you to what we call lead reports, which help you look forward in your business and help you create excitement from the numbers that you can produce. Because one of the things that I've learned about bookkeeping is it's not just reporting the math. It's creating the math if you do it this way.

And I was like, wait, we can just pick numbers, we can just choose numbers based on educated information and then we can go about the plan financially of doing them. And so we used to have conversations where I would be like, okay, how are we doing? And you would say hey, if you want to be on budget to pay your bills and make a million dollars, you need to go make this many more sales within the next week.

And it was so great for me to know that because then I could just go out there and do that. I had this very specific goal. And then if I didn't meet that, it would be even more the next month and we'd have to figure out well, if we're not going to make these sales, we're going to need to adjust these certain things, and I never like to adjust the certain things. Once you give me a goal, I'm like a dog with a bone. I'm going to get it.

Ep #265: Entrepreneurial Bookkeeping

So those changes in my business were huge and I started talking to other coaches within my mastermind groups that I was teaching and I realized none of them knew anything about money. These were people making \$300,000, \$400,000, \$500,000, some a million dollars, didn't even know any of this financial terminology.

So I made them all work with you immediately. I'm like, you guys all need to go hire Mark because we need to be able to have a conversation but I have a lot of coaches that can't afford to work with you that are just kind of at the beginning stages that I want to know all of this information. And I'm sure you get exposed to people like this all the time. What are you seeing are the gaps in people's knowledge when they come to you?

Mark: Before the gaps in their knowledge, it's the gap in their confidence. You talked earlier about how we're kind of pretending that we know what we're doing but we don't. There are a lot of people who don't even pretend to know what they're doing. They're so ashamed that they don't understand financial terminology, they're so ashamed that maybe they have some debt in their business or in their personal life.

And so they just want to sweep all the money stuff aside and they don't want to deal with it on any level. A lot of the people I interact with are starting there. They're constantly apologizing, "I should already know this, I should have already fixed this."

And my question for them is always well, why should you already know it? Who said that you were supposed to have already learned this? No one taught it to you. You were focused on building a business, you were focused on creating value for your clients, no one ever said by the way, go find out what a profit and loss statement is. So very often, my first conversations with people are first of all, let's set aside this idea that you should have done anything by now. Let's just start there.

Brooke: Including as you say, even having done any books. You say a lot of people have come to you that don't even have a bookkeeper and haven't been keeping books.

Ep #265: Entrepreneurial Bookkeeping

Mark: Right, and they're very often embarrassed about that and apologetic about it and I wish we could just skip all of that and just get to it because I don't need them to have necessarily done anything or been a certain way. They need me because they're succeeding. This is the thing I want people to understand. You're succeeding, that's why you need me, so give yourself credit for the success. Now let me do my job.

Brooke: That's so awesome.

Mark: Instead of beating yourself up for what you supposedly should or shouldn't have been doing along the way.

Brooke: But I think that's such a huge point. I think for me, that was a lot of what was going on with my bookkeeper. I didn't really know what she was doing and I didn't really know what my accountant was doing. It all seemed very mysterious and I was kind of embarrassed by it. But when I think about it the way you just described it, they didn't know what I was doing and they weren't embarrassed by that.

Mark: Part of the problem is this is a little bit of a side, but part of the problem is that a lot of bookkeepers and accountants are grouchy. They're not super nice.

Brooke: Why is that?

Mark: If there are bookkeepers and accountants listening, hopefully we're not talking about you...

Brooke: You know who you are and you know that you're grouchy.

Mark: But I've talked to clients over the years and they're like, can you recommend an accountant that's maybe not mean and condescending? I'm like, yes, I can. There's no reason for that. So I think one of the reasons that I'm good at my job and why I've been great for you is because I don't actually have an accounting background.

Brooke: I agree.

Ep #265: Entrepreneurial Bookkeeping

Mark: I was a small business owner, I had some businesses that succeeded at different levels, couple of them got sold. And I was just like, man, I'm terrible at this money stuff but it's kind of fun, I like to figure it out. So I don't speak the language of bookkeepers and accountant. I had to learn that after I was already doing great work for people like you.

Brooke: And you're just such a good coach too, which is what - that's what's so fascinating. That's what we need when it comes to our money is coaching. You're going to do the math, you're going to give us the facts, and then we're going to give you the drama. And so that's what your relationship is like. That's what your tagline should be. I bring the math; you bring the drama.

Mark: You know what, that's pretty good. I might steal that.

Brooke: That's exactly what happens, right? We're so freaked out. So I remember some of my students who work with you would come to you, they would say, "I had my meeting with Mark and I'd be like, oh my gosh, I didn't do this, this is so awful," and you'd be like, "Okay, you need to make \$10,000 more dollars." It's all just very factual. It doesn't mean anything. Math doesn't mean anything until we apply that to it. So your ability to recognize that in us I think is so, so, so important.

Mark: Part of that comes from - maybe this is just because I work with clients that I actually believe in, but it's easy for me to be very math driven because I have total confidence in my ability to go create that. Create whatever math I give them. You're the one - you get the credit for this that I think I had some of these instincts, this is my natural way of being, but you were the first client I ever worked with where I could say - you remember this story but for me, it was like, I'm going to tell her that if she wants to be on plan, she needs to make an extra 150 grand in like, six weeks.

And I was like, I'll just tell her that, we'll see what happens. You nailed it, of course. And for me, that was the first time where I was like oh, the math really is just my job and being supportive and positive and just to tell a

Ep #265: Entrepreneurial Bookkeeping

client, hey, if you go make 150 grand, it's going to really help everything we're doing. And you were the first one to just go do it.

Brooke: Well, and I remember saying like, and what if I don't do that? And you were like, well then, we're going to have to dip into this emergency fund or something like that.

Mark: That's true. I always have the - it's always like well, then that will be okay, here's what we'll do.

Brooke: Yes, and I was like, that's not okay. That's not going to work. But here's what's so fun about doing bookkeeping the way that we've talked about it here is you can make a plan. I think so many times so many of my students, so many coaches want to make a plan but it's all just made from rainbows and daisies instead of from math.

So we're like I want to make 10 million dollars, and you made \$10,000 the year before. It's silly. And so I love big goals, I think we should always have big impossible goals, but not for next week. We need to have long-term vision for those goals. And being able to let our immediate skillset and our recent past inform our immediate goals within the next year.

And so I think one of the things that's been super useful is creating some lead reports and we will teach you in Entrepreneurial Bookkeeping, we teach you two main reports that I have used in my business to grow it, and one of them we call the lead cash report. And basically, it's a plan for how you create your future.

And Mark uses a program called YNAB. Why don't you speak a little bit to that? kind of how you got started using that program and let's introduce that to everybody. But I don't want you guys to get lost in the weeds here. You don't need to use YNAB. You don't need to go there. We've given you everything you need within the program. But I do want you to kind of understand the history about it so you can understand where some of these ideas came from.

Ep #265: Entrepreneurial Bookkeeping

Mark: So YNAB is a personal budgeting software, ironically, that my friend Jesse Mecham created 15 years ago, and I started this business while I was working for Jesse at You Need A Budget. You Need A Budget is a budgeting system that has people budget their actual money. So not like, rainbows and daisies forecast but I have \$1000, how am I going to divide those \$1000 between my priorities.

And that changed my life when I started to use it, but when I started to implement it in a business setting, I did it slightly differently and that's what's ultimately become the lead cash report that you're talking about. What I did was I said okay, in The Life Coach School financials, I'm going to look at the immediate past, the traditional bookkeeping to inform what has happened, then I'm going to look at the cash we have on hand and say what do we want that cash to do and when do we want the cash to do it, and then bring in also what are the goals and what are the aspirations.

And I want to bring all that information about the past, the present, and the future into the same place to help me make my decisions and make my plans. So that's what I use You Need A Budget for. It's the tool that allowed me to tell you, hey, if we want to be on plan, I need 150 grand in the next six weeks, and that was grounded in absolute reality, sprinkled with a little bit of I think Brooke Castillo could probably pull this off. It's all that stuff combined that eventually became the reports that we're putting in Entrepreneurial Bookkeeping.

Brooke: Yeah, it's so great. And you know, Mark is way smarter than I am when it comes to numbers and math and everyone knows that math is not my forte, but I will pull out an iPhone calculator when it comes to calculating how much money I want to make. But I think one of the things like, he has a lot of complex systems that he uses to manage my books, but we really wanted to make it simple.

We didn't want it so you had to hire him or you had to have someone that was a total nerd. We said how can we simplify this down and make it super useful. And we incorporated a lot of the way I think about business, which is the most important thing, and also some real concrete, tactical actions

[The Life Coach School Podcast](#) with Brooke Castillo

Ep #265: Entrepreneurial Bookkeeping

that you can take on a piece of paper to be able to make decisions about your business.

And initially I proposed this idea to Mark and he came back to me with a spreadsheet that was very fancy. Did lots of fancy calculations and lots of fancy things and I started crying and I said this is too hard, and Mark is so funny because he always wants to give me Excel spreadsheets and I always cry and I say you can't give me Excel spreadsheets, I want everything on a white piece of paper.

So we did both in Entrepreneurial Bookkeeping. We did what I call the yellow pad format where you can just write it on a piece of paper if you're like me and you need things to be super simple, and we also included an Excel spreadsheet if you want to be super fancy and show off how good you are at Excel. We included both of them.

But both of them are very simple, and so the lead cash or profit report is really about how much money do you want to make and how do you want to utilize that money in your business. Traditional reports, which we teach you about in Entrepreneurial Bookkeeping as well called lag reports really help you understand this is how much money you make, this is how much money you spent, and this is how much is left over.

And unfortunately, that's a terrible way to think about your business because it's very reactive. And we want you to start thinking about your business - this is your revenue. What do you want to make? Of that revenue, how much of that do you want to put in your pocket, how much do you want to reinvest into your business for growth, and how much do you need to save for taxes?

Saving money for taxes is a very good idea, my friends. I got into a position early on in my business where I didn't save for taxes and I got a tax bill and it was \$25,000 that I did not have and we had to sell our boat. And it was at that moment to pay our tax bill, and it was at that moment that I decided okay, that's never going to happen again. I'm always going to know what my tax bill is.

Ep #265: Entrepreneurial Bookkeeping

And so we want to prevent that from happening to you. We want you to always be saving for your taxes. So we have you do all those three things. Decide what you're going to spend to reinvest in your business, decide what you want to take out in profit, and decide what your tax bill is. Then what's left over are your expenses.

So a lot of reasons why people want to hire you, Mark, is because they want to be able to say or ask you, can I afford this? Can I afford to hire someone? Can I afford to go on this trip? Can I afford this mastermind? Can I afford whatever, and I think that we've set this up so they can ask themselves that question, which is super important.

Mark: And this is something that you brought to our partnership and that you put into my philosophy that I love and that I use now, which is this idea that - and especially in a coaching business, but I think this is probably true of all businesses. The first three things you think about are how much am I going to pay myself, how much do I need for taxes, but then the piece that you really put into my head was before we do anything else, we have to talk about how much am I going to put into marketing.

Because over the five years I've been in businesses, helping people with their businesses, it's like there's a very clear line and on one side of the line you have people who regularly invest in marketing, and broke people. But it was you...

Brooke: That's so true.

Mark: But it was you that taught me that. You get all the credit. And that's why we built it into the system is that yes, we got to know how much we're going to pay ourselves, how much does the government need, but before anything else, how are we going to get new people into our world, how are we going to get fresh faces into this business through marketing.

Brooke: Yeah. And the way to think about marketing is that it is an investment in your company. Now listen, you can run a coaching business without investing in marketing. It's just not scalable and it's just not

Ep #265: Entrepreneurial Bookkeeping

repeatable. If you have a business where you made a million dollars this year and you didn't pay for your customers, then you don't have anything that's repeatable. You're like hey, I hope I get new people, unless you're just doing a lot of social media. And it's so unpredictable.

So I really try and teach that if you want to have a legit, mature business that's scalable, you need to create a formula for producing customers, which means you have to spend money on marketing, you have to spend time on marketing. The more time you spend, the less money you need to spend. And so the problem is that most people can spend time in the beginning, but then when they start to scale, they run out of time, and that's when you have to start spending money.

Mark: And I shouldn't say it's all broke people on the side. Of course, it's not. But what I've observed in your business is if you're in a business where the relationship is not a long - like my business where it's a retainer, if you have a business where the relationship starts and ends over the course of a few months, if you're going to get new people in there, it's almost always going to be through some sort of direct response marketing and you're the master at that, and at encouraging people to invest in it.

Brooke: Yeah, totally. And the other point there and that we teach this in the class a lot is that you have to decide whether you want more money out of your business or more growth out of your business. And in the beginning, my friends, the answer is growth. So many of you guys are suffocating your own businesses by taking every single dime out of it and not putting money back in, and then you're wondering why you're not growing.

So we really do address that in the course. The next report that we talk about, which is equally important is what we call our lead marketing report. So we're telling you, hey, we want you to invest in marketing, but that does not mean we just want you to send money directly to Zuckerberg and have no way of measuring it.

Ep #265: Entrepreneurial Bookkeeping

So you have to understand your marketing numbers, what they mean, what their payoff is, what your investment is yielding you before you can increase your amount that you're spending on marketing. So we've created a report that give you all the important concepts and all the important numbers that you need in order to make decisions about marketing.

For example, if you are able to run a Facebook ad for a dollar and make \$10 on that Facebook ad, that is super important information to know because you should take every dime that you have, that your sister has, that your brother has, that anyone has and put it into Facebook ads. Because there's no investment in the world that's going to give you that kind of return.

Also, if you're investing in Facebook ads and you're not getting a return, stop putting money into that ad. You need to change the ad or change the funnel or change the offer. And so you need to understand marketing and all the terms that we teach you so that you can measure your marketing. Direct response marketing is all about being able to put money into a marketing machine and measure the result you get on the backend. And you have to understand bookkeeping in order to do that.

We teach you about that in the course. I wanted to circle back a little bit, it's something you mentioned earlier about debt, because I think like you mentioned that and a bunch of people kind of twinged when you said it because they're like, oh that's me, I'm so worried about debt. And I think some people feel like I shouldn't spend time on investing in marketing or any of that stuff until I get my debt paid off. So let's take some time here and talk about debt. Because we talk about it in the course, but we don't riff on it, so let's just talk a little bit about it here. What are your thoughts?

Mark: My main thought about debt in a business, especially for people who are newer in business is that as a business owner, you have to stop thinking about debt in a business the way personal finance books talk about debt in your personal life. They are not the same. In personal finance and most of the personal finance books you read out there, there's a very strong anti-debt dogma and there's a lot of shame that runs through it.

[The Life Coach School Podcast](#) with Brooke Castillo

Ep #265: Entrepreneurial Bookkeeping

If you have debt you're dumb, if you have debt you're bad or whatever. People bring that into their business and then if they have a \$10,000 credit card balance or a \$30,000 credit card balance, they're hesitant to do anything else because they feel like they're carrying around a label that's like, I'm stupid because I have a \$30,000 credit card balance.

So then they're not making smart proactive investments in their business because they think it all has to come after that balance is zeroed out and we get to take off the I'm stupid label. I just want to take off the I'm stupid label off first because it doesn't - the way I think about let's say a \$30,000 credit card balance, what is the best way to pay off \$30,000 in credit card debt? It's to go make a bunch of money.

Go make a bunch of money. Make the payments on a credit card, go make a bunch of money, pay off the credit card. In business we don't have a salary and then we're like okay, I'm going to pay \$400 per month and then 36 years from now the credit card will be at zero. And I don't mean to say that we never want to pay off that credit card, but I'm saying as business owners, we want to set it over there and say okay, we're going to make progress on that credit card debt, but we're not going to let it get in the way of what we're doing over here. We got to go build a business.

Brooke: So important. And I think a lot of people are afraid to go into debt in their businesses, very similarly to the way they're afraid to go into debt in their personal life. And here's a huge distinction y'all, when you go into debt in your personal life, you are buying clothes, you are buying vacations, you are buying cars. You're buying silly things that will never make you money ever. They will cost you money.

Much of the time, when you go into debt in your business, you are using that money to invest in your growth. And if you look at all of the businesses that do super well in the world, large corporations, of course they all have debt. They all have investors, they're all in that position. Many of them don't make a profit. So I totally agree that you need to separate out your personal finance drama from your business finance drama.

Ep #265: Entrepreneurial Bookkeeping

And the other thing I want to offer is do not let your personal finance drama hinder your business. It is not your business's job to take care of your personal financial mistakes. Period. And if you can separate those out and use your money, like this is the way I want you to think about it. Your personal financial situation is none of your business's business. Don't even let it know about it, right?

Mark: Because what you have to do is you have to realize that in a solo operation, I am the CEO, I'm the CFO, I'm also the employee. Think about if you have an employee and they showed up to work every day stressed out and worried and freaked out and asking for a raise and asking for an advance like hey, can I get an advance on my paycheck because I got to make a credit card payment, you'd fire that employee.

So you have to let your business be your business and recognize that when your business is thriving, there's almost no personal financial difficulty that a successful business won't wipe out in no time once the business is successful. But if you constantly have an eye on your personal finance drama, you will not be able to make clear decisions about your business.

Brooke: I have a story about this. This is actually really interesting. I was just talking to a coach and I told her, I said, "Hey, I think you should come and do one of my masterminds," and my masterminds are expensive. And she's like, "I owe all this money to the IRS," I said, "That's why you should do it." And she's like, "What do you mean?" She goes, "I owe all this money to the IRS, you want me to pay all this money to you." I said, "Yes, because we got to get that paid off."

And for her, it was such a - because I'm like, you're going to invest money with me. And by the way, I didn't have her invest money with me because I needed her money. Clearly that's not the issue, but she has to have skin in the game to work with me. And so immediately, what she was able to do was she made the money that she paid me immediately back, then she was able to pay off her IRS bill plus be able to grow her business because

Ep #265: Entrepreneurial Bookkeeping

she put that all on hold for just a minute, stopped stressing out and being in scarcity about it, and went to work on her business.

And you know, I'm not going to say that was easy. That a lot of - working with me is not a walk in the park because I'm pretty aggressive when I want to help you grow. But it's just so fun to see. When it comes to business, the answer is not to be frugal on the things that matter in your business. You have to be willing to invest, especially on a marketing campaign that's giving you a positive return. You should invest as much money as you possibly can.

And we show you in Entrepreneurial Bookkeeping how to measure that and how to make sure that you do that in a really responsible way. Find yourself whining about your business and complaining about your business and being in drama about it, it's because you're not managing your numbers properly in my opinion. I'm sure you have people that come to you and complain and whine.

Mark: No.

Brooke: You don't let them.

Mark: Yes. But I do it too, it's part of being human, and that's why we use the numbers to re-center ourselves and say okay, I'm going to give myself five minutes and be dramatic here and then I'm going to go back and look at my numbers and say oh yeah, I spent \$10,000 on Facebook ads last month and I made 30 grand this month. I could do that again.

And then I always tell people just stop worrying about that bill or that debt because if we just get this business humming, we won't even notice that debt going away, it's so insignificant. So you made the key point and that is understanding what it means to invest because sometimes people do come to me and say well, I want to invest in my business, I'm going to go have a new website designed.

Ep #265: Entrepreneurial Bookkeeping

And they need to really be tuned into what does it mean to invest in their business at this time. What is the right investment at the right time for the right reasons, meaning not fear, not scarcity, not drama? The right investment for the right time. So part of being tuned into your numbers, part of the genius of this lead marketing report that you had me develop is getting people into the reality of how much am I going to charge for it, how many do I need to sell at that price to hit my numbers, how much am I willing to pay to get a customer and then what are the long-term implications of doing that.

I know you talk about this but I don't know if people really grasp that this is why you are you. It's the way you think about those things that has made The Life Coach School go to 25 million.

Brooke: That's right. And when you're thinking - and this is the thing too, that being really responsible about your money is okay, let's give an example. I'm going to sell 1000 of this product. I'm going to sell the product for \$100 and I'm willing to pay \$20 to get a customer. And that's my plan and here's all the money and here's how it fleshes out and here's how I spend.

And then in a weekend, I look at my numbers and I see that I'm spending \$50 a customer. Then I can sit back and say okay, that's still 50% profit. I haven't grown the way that I want to. Am I willing to now change that number and spend \$50 or am I going to put less money into marketing because this isn't working? Those are the decisions we make, instead of oh my god, I'm dying, what am I going to do?

Mark: It's not working, yes.

Brooke: And then we cry and then we think that we're not good enough and then we think that we shouldn't be in business and then we say our launch didn't work. Instead of just looking at the numbers and letting them inform our decisions. And then consciously saying I decided to pay more per customer, I decided to change my marketing, I decided to spend less money and more time doing that.

Ep #265: Entrepreneurial Bookkeeping

Really just being able to consciously choose how to move forward. But I watch it day in and day out, I know you do, people - their brain just snaps and they just stop doing anything, and that's what we really are teaching you in this course is how to not do that. How to look at the numbers and then make decisions based on them. It seems basic when I say it out loud, it's almost laughable. Pick a goal and then see if you're achieving it. It seems basic but none of us do it. We don't monitor it.

Mark: Well, and this is again, I think this is what you bring to the table is that part is simple, but where it's not simple and where people go to pieces is in the in between, where if their habit is to be fearful and their habit is to be scarce, as soon as they have any evidence they're probably going to make that evidence mean it's not working, I'm failing, I'm a loser.

But they need to just let the numbers be the numbers and step back and say well, I could choose to make it mean that I'm making progress, I could choose to make it mean that it's working a little bit, that I can keep tweaking it. But it starts with having that number clear in front of you and then you get to work on what you're going to make it mean.

Brooke: So true, and what if - I mean, I think this is one of our main messages to you. What if you never made the numbers mean that you were inferior? What if you never made the numbers mean that it wasn't going to work or that you're not good enough or that you won't be successful? What if that wasn't even allowed? Like you couldn't make numbers mean that.

And what's so interesting for me is you know, when I got my start, it was all in weight loss and I was coaching people on weight loss. And I'd say the exact same thing to them. Like, what if you stood on the scale and you didn't make that number mean anything bad about you? What if you just made it mean that that's how much your bones and the water and your eyelashes and your hair and your fat weigh today? What if that's all it means?

Ep #265: Entrepreneurial Bookkeeping

Then you don't have to make it mean that you're morally bankrupt because of a certain weight, and it's the same with your business. It's the exact same thing. Yes, maybe you aren't meeting your numbers, maybe your cost per acquisition is high. Okay, that just means your marketing needs to be adjusted, or it means your guess was wrong.

So now what? Now how do we move forward from a real logical way? And one of the things that I've noticed in all of my students that I work with that are making over a million dollars is everybody has calmed the F down. All of my highest paid coaches are the most chill because you have to be. Because if you're freaking out, you're going to be making decisions that send you into the result created by scarcity, and that's what this work is about for us.

Yes, we're going to teach you the numbers and the tactics, but most importantly, we're going to teach you how to think about your business. So we want you to go check out the program, entrepreneurialbookkeeping.com. And we created like, what we call our pre-sell site, so you can - there's a couple pages that you can read, learning about the program.

And then we did a couple videos that talk about what's in it. We kept the price low on purpose and I want to tell you why we did that because we could have easily sold this program for thousands of dollars. There's nothing like it on the market. Tons of people are demanding it from me. But here's why I want to keep it low.

I want my new coaches, I want new people that are just starting their businesses to learn about this ahead of time, to start their business on the right foot, to not be one of those people that doesn't do bookkeeping, doesn't talk to their accountant, and waits until it's too late and they have to sell their boat in order to pay their taxes.

So I want to invite all of you to come into this course that we've created, and we've set it up in a way that we've only given you exactly what you need, the concepts that you need. We've basically done the editing for you

[The Life Coach School Podcast](#) with Brooke Castillo

Ep #265: Entrepreneurial Bookkeeping

and we've put it in order. We recommend that you go through the course in order.

Now, if you're like me, you're going to want to jump to the lead cash report because that sounds sexy and I want to know what's happening there. But don't do that. The course is short. Short in the sense that everything matters that we say in there. There's not a lot of chit-chat. So do the first part of the course, part one, before you do part two. Part two is where the magic's going to happen, but only if you have the foundation of part one in there. What else do you want to add?

Mark: Nothing. That's good stuff. I'm just excited for people to get their hands on it.

Brooke: Right? It's so funny. As we've been editing it and going through it, I keep Slack-ing Mark I'm like, "Oh my gosh, this is good. Oh my gosh, this is amazing. We did such a great job on this; people get to learn this." And I feel - my husband was just going through and making sure the membership was all organized on it and he's like, "I can't even tell you, it's so funny, I wanted to buy this course from you right now." He's like, "It's so good." Everything in it is so amazing and it's so cool what took us five years of solid studying and learning and practicing and failing and winning to learn, we're just giving to y'all.

So we decided to include 100% money back guarantee if for some reason you get in there and you don't love it. I can't even imagine, like I'm not just saying this but I can't even imagine anyone who needs this taking this course and asking for their money back. It is that good. And I know that the stuff I make is good, but this is super good and I think it's unique, the way that we've approached it.

I studied so many accounting books. I mean, let's be honest. I fell asleep just to so many accounting books and bookkeeping books and I read Profit First and I read Simple Numbers, I read all the best books on accounting and bookkeeping, and I feel like we've distilled it down to the best of the

Ep #265: Entrepreneurial Bookkeeping

best. So go to entrepreneurialbookkeeping.com. Sign up for the course right now.

It's complete self-study. We have a frequently asked question in there if you have a question, feel free to ask us. We will add it to the frequently asked questions. You're welcome. We like to say that ahead of time just because I'm super - it has been such a treat to collaborate with you on this and create this first coaching product and put it out there in the world, and I think it's kind of hilarious when I think about myself several years ago that I just created a course on bookkeeping.

But it's so worth it. It makes bookkeeping super fun and super awesome, and I'm super happy to have officially introduced you to Mark Butler. Here's the deal, you can find out more about him at markbutler.com and what else do you want to say about working with you, talking to you, finding you, communicating with you?

Mark: So what I want people to know is that I want to do for you in your business what I've done for Brooke in her business. So if you are approaching or passing a million dollars a year in business or 10 million dollars a year in business, we should talk about me being your CFO because what we found - what Brooke and I found in our partnership was when a person like me could give her the clarity she needed, her results exploded.

And it was so fun to be a part of that. So if you're passing a million a year or way past a million a year, we should talk. If you're passing six figures, I have a consultant in my business that we would definitely love to connect you with, so either way you can connect with me. Markbutler.com or email me mark@markbutler.com and we'll talk.

Brooke: But before you do that, don't you dare go to him and start asking him questions until you've taken Entrepreneurial Bookkeeping. He's just going to send you there anyway because it's just good for you to have the vernacular, you to have an understanding of the basis of what we do and

Ep #265: Entrepreneurial Bookkeeping

what we teach. Now, there is someone right now listening going yeah, I don't have time for that because you're like me.

Mark: Because they're you?

Brooke: And that's what I would say. But here's what I want to teach you. You must understand this stuff. I have really successful coaches who partner with their husbands or business partners and they're like, oh yeah, they take care of that part of the business and I'm always like, oh hell no. You need to understand this. So before you contact Mark, take our course for sure. It's super affordable, then of course you can go talk to Mark and get some help from him if you're making over a million and from his associate if you're making six figures.

If you're not quite to the six-figure mark, don't worry about that because you can set this up for yourself. You can get help with your bookkeeping, but with this knowledge to inform it. So thank you Mark for coming on the podcast, this has been super fun. I feel like we could talk about bookkeeping and accounting all day, which is super weird but also super awesome. So check us out, entrepreneurialbookkeeping.com and I'll talk to you guys next week. Take care. Bye.

Hey, if you enjoy listening to this podcast, you have to come check out Self-Coaching Scholars. It's my monthly coaching program where we take all this material and we apply it. We take it to the next level and we study it. Join me over at the TheLifeCoachSchool.com/join. Make sure you type in the TheLifeCoachSchool.com/join. I'd love to have you join me in Self-Coaching Scholars. See you there.