



Ray Edwards Show, Episode 281

How Do I Solve a Cash Flow Problem?

Ray Edwards: *Ray Edwards Show Episode 281: How do I solve a cash flow problem.*

[music]

Announcer: The *Ray Edwards Show*. Live your destiny by design. Start, run, and grow your own internet-based business and create the life of your dreams. You can do it. This is the *Ray Edwards Show*.

Female Speaker: Let's change the world and watch your business grow, welcome to the Ray Edwards Show; the Ray Edwards Show.

[music]

Ray: So, here's your problem; winter is coming.

Sean Edwards: Winter is coming.

Ray: The wolf is at the door. The dire wolf is at the door.

Sean: You know in the books those things apparently are like the size of horses.

Ray: Yes. Hard to find wolves the size of horses.

Sean: Yes, well, it also would change the story line on the show quite a bit. They were like the size of horses. [laughs]

Ray: Yes, it would. So, for many business people, this is a huge problem. Most businesses that fail, fail for this one reason, they run out of money.

Sean: Well, I mean it kind of makes sense. Doesn't it?

Ray: It does, but a lot of people don't get that.

Sean: It's kind of like--

Ray: A lot of people will say it's the economy.

Sean: It's kind of like the pool fails because it runs out of water. Well--

Ray: No, it was Obama's fault.

Sean: By the nature of it being a pool, it needs water.

Ray: It was Trump's fault.

Sean: By the nature of it being a business, it needs cash flow.

Ray: Yes. Cash flow is life for a business because if you don't save the business, if you don't solve the cash flow problem, they, capital T, They, the sheriff, the government representative with a pistol, will come and take your stuff, padlock your doors.

Sean: Padlock your door.

Sean: You will be humiliated. You'll be shown to be unworthy. Everybody you love will abandon you and then you'll die.

Sean: Wow, that is-- it's dark.

Ray: That is an exaggeration.

Sean: I went to a dark place.

Ray: That is what a lot of people feel about this situation. They get their self-worth, their self-identity tied up in their business. But this is really-- we're kind of going off on a different subject on what we're here to talk about. We're going to talk about how to solve the cash flow problem and prevent this from happening.

Sean: Yes. A quick disclaimer. We've done this on all these episodes so far.

Ray: Yes, proceed.

Sean: My dad has not been sick for like a month and a half at this point.

Ray: Even though you may think I am.

Sean: Even though you may think we have. We batched these episodes however many there are, and on that day that we had to record them, you are sick. On that day, you are sick.

I mean that's kind of the reality of which I have to explain this in because people are listening to this in the future. So, I have to explain to them that on the day that we've recorded this, but now I'm talking to you, so I've switched the present tense. You are sick.

Ray: I think you're just confusing people. We recorded three or four episodes on the same day.

Sean: [laughs] When you happen to be--

Ray: When I happen to be sick.

Sean: Right, and we couldn't avoid it. It had to be done.

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Ray: So, that's why I sound the way I do. Don't be concerned. Don't think that I had some terrible throat disease for a month because-- God, please don't let that return.

Sean: Right, yes. [laughs]

Ray: All right.

Sean: Back to, what is it? Aspirations?

Ray: Yes, so what you're aiming for is to turn your business around, to become affluent, to earn the praise of others, to be recognized as contributing, creating value in the world. These are the things that as a businessperson many aspire to, and the reason Sean identified this is the aspirations section.

Sean: I realized I kind of--

Ray: Well, I can totally be transparent about this. We use our own formula for communicating persuasively to structure our podcast. So, the PASTOR Formula, the first three letters PASTOR stand for Person, Problem, Pain, then amplify-

Sean: And aspiration.

Ray: -and Aspirations, and Story.

Sean: Story.

Ray: So, here's a story. There was a Mexican restaurant near here that I really enjoyed. I used to have lunch there probably three or four times a week. I would walk there during the warm months and have a great lunch. I noticed very early on, my relationship with this restaurant that they were probably going to have trouble because they were very slow and they were surly. They were kind of like-- seem like they were grumpy that you were there.

I noticed fewer and fewer customers coming in. I tried to go in and boost them up and not like tell them how to run their business, but try to give them an influx of energy. I prayed for them because I didn't want them to go out of business, but they did go out of business, not surprisingly, and they put a sign on their door that said, "Out of business. Terrible economy." Nope.

Sean: Yes, I'm sure that was the reason.

Ray: That was not the reason.

Sean: I know what you're talking about; business is making money, but I remember when the recession hit, a lot of people who were out of work and-- these were not people-- C-level execs either I'm talking about. I heard a lot of people say, "There just aren't any jobs. There's just no jobs out there and it's just this terrible economy." I started taking pictures. I was going to start posting them on Facebook, but I thought--

Ray: Job openings?

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Sean: Yes, this might be mean. [laughs] But it's like any time I drove past a store or place or whatever that said, "Hiring, positions available." I would just think, "Oh, but there are no jobs?" Okay, so when you say, "Oh, there are just no jobs. The economy is terrible." What you're really saying is I am unwilling-

Ray: To take-

Sean: -a job that I deemed that is inferior to me for the short term until I can re-establish myself in my chosen career. Basically, I'm too proud to do what I need to do to survive.

Ray: Yes.

Announcer: Does anyone want to live a life that is long and prosperous? Spiritual foundations.

[music]

Ray: Spiritual foundations, so this week I'm going to offer this just as an encouragement. Philippians 4:19 says-- and yes, I know this can be-- this is in context, it's about other things, but it also applies to what I'm saying. I think I can make a strong case that that's true. It says, "My God shall supply all your need according to his riches and glory by Christ Jesus." So, how rich is God? How much stuff does he have? He's going to supply all your need according to his riches. That should reassure you.

Announcer: Now, simple hacks that make life cheaper, easier, and faster. Ray's tip of the week.

[music]

Ray: Tip of the week comes from our good friend Ernie Svenson, Ernie the attorney.

Sean: Ernie the attorney.

Ray: So, I just wanted to get that in there because what I'm about to recommend some attorneys may not be happy about, but Ernie was like, "This is totally something people should use." I think what he said was something on the order of, "Because this is a stuff-- you don't need an attorney to do this."

Sean: Yes. He was saying, "This is why a lot of attorneys don't like to hear it," because a lot of attorneys base their business off of these low-level--

Ray: Boilerplate.

Sean: Yes, contracts and stuff that people need and like entrepreneur small businesses needed and they built their whole business off that. So, they hate things like this.

Ray: Like this app called Shake Law which you download the app and it's-- a subscription is super cheap. I think some of it is free. It just generates different

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agreements. If you're a freelance copywriter or designer, you can generate client agreements right out of this app. There's tons of different agreements, contracts and so forth. So, check it out. I think you can download it for free and then there's like in-app purchases. It's called Shake Law. I think it's available not only on iOS, but on Android, as well. So, check it out. I've used it and I recommend it. It's good stuff.

Sean: We're not giving you legal advice.

Ray: Nor accounting advice.

Sean: No.

Ray: If you need such advice, you should seek the services of a qualified professional. This information is presented for entertainment purposes only.

Sean: But talk to your doctor today.

Ray: About Shake Law.

Sean: About Shake Law. Finally, I'm free.

Ray: See if it's right for you and with two people sitting in separate bathtubs.

Sean: Yes.

Ray: End scene.

Sean: I felt really bad. Not really bad. I feel bad that pharmaceutical companies by law have to do that.

Ray: Quick story. I was at my doctors' office and he had prescribed a medication to me and I had read this disturbing story. Well, not a story, it was in the legal-- this sheaf of paper they give you with the drug and it said, "It may cause seizures and death." I was like, "Doc, this concerns me a little bit," and he rolled his eyes and he said, "I wish they wouldn't require us to give you that stuff because I know exactly where that comes from.

That was one person that was in a study on this drug that has been approved as safe. This one person was a drug-addicted prostitute who is taking other drugs at the same time, the combination of which caused her to have a seizure and die.

Sean: So, if you're a drug-addicted prostitute, maybe don't take that particular drug?

Ray: This particular drug with the meth and other drugs that she was taking.

Sean: Right, so that definitely means that when that company is marketing their drugs, they should be required to list that as a possible side effect. I'm sorry. I know people get on this anti Big Pharma bandwagon, but I'm just going to say it and you might not say it a lot. Big Pharma allows you to live a normal life.

Ray: Yes.

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Sean: Or mostly normal life.

Ray: I love Big Pharma.

Sean: Big Pharma, has released a cure for most people for hepatitis C. Big Pharma, as much as you may want to hate on Big Pharma, if they weren't Big Pharma, the world would be a much worse place to live.

Ray: Preach it, brother.

Sean: Get off attacking Big Pharma, okay? They help save people's lives.

Ray: End of Sean's rant.

Announcer: And now, our feature presentation.

[music]

Ray: Now, our feature presentation, how do I solve a cash flow problem? Invest in Big Pharma.

Sean: Invest in Big Pharma.

Ray: The advice we're about to give is probably going to be unpopular because it requires work. Work may result in fatigue, tiredness, and grumpy moods and behavior. Use with caution. Okay, so you can beef up your cash flow with these seven short-term solutions. I say short term because usually when you have a cash flow problem, it's not something you want to plan to solve next quarter.

Sean: Right. What's our long-term solution to the fact that we can't make payroll on Friday?

[laughter]

Ray: When you put it that way, there's no good answer to that question.

Sean: We need a strategy session on how to solve our cash flow problem because the IRS needs a hundred thousand dollars today. [laughs]

Ray: Let's have a meeting about that next week, in Mexico. Okay, so, seven short-term cash flow solutions. Number one; reach out to past and present customers. They did business with you before.

Sean: Before I started working with you full-time, I formatted people's Kindle books. I had several clients who [crosstalk]

Ray: I forgot that you did that.

Sean: Yes, I did this. I went back. I had several clients and a month or two, like several moths had gone by and I hadn't had a whole lot of clients and I emailed all

my old clients, said, "Hey, is there anything else I could help you with?" I got another gig out of it.

Ray: Rusty Walker, who was a mentor to me in the radio business, he was our consultant, which is kind of weird because when they first brought him in, I didn't like him because he was hired to tell me what to do, but we became very good friends

Sean: I might say more about you than Rusty.

Ray: Absolutely. Here's a side story about Rusty Walker. The first meeting we sat in with the management of the radio company. I was opinionated, and that's hard to believe.

Sean: What? Someone recently asked me, "Hey, do you have thoughts on this?" and I responded with, "You should know by now."

Ray: Yes, I have thoughts.

Sean: I have thoughts on everything.

Ray: Everything. So, I was opinionated in this meeting. After the meeting, Rusty and I were in my office, and he smoked, and this was a time when smoking was allowed in buildings. So, he's smoking in my office and he's puffing on a cigarette, he says, "Ray, you know one good thing is I think you've learned, it's possible, just keep your mouth shut, people won't know how ignorant you are."

Sean: [laughs] Okay.

Ray: Now, say what you will, I remember that to this day.

Sean: All right. Back to how does Rusty and the Rusty--

Ray: Reach out to past and present customers. The reason I brought him up was whenever they experienced a cash flow problem in their consultancy, Rusty had a famous, very sophisticated approach. He would call up old customers and he would say exactly these words, "Hey, it's Rusty Walker. You wouldn't want any consulting, would you " True story. Rusty was from Mississippi. You wouldn't want any consulting, would you? So, the number two--

Sean: I assume that worked?

Ray: Yes.

Sean: Not like every time.

Ray: Not every time, but enough times that-- he did it more [crosstalk]

Sean: He kept doing it? [laughs]

Ray: Yes. Bob Glasgow, I don't know if he listens to this podcast anymore or not, but he was one of Rusty's consultants and Bob ended up being my consultant later on. He can verify that story. I have a witness.

Sean: You have a witness.

Ray: So, that's method number one, short-term solution to cash flow problem. Method number two; ask for referrals. This is, again, really sophisticated. You just go to people that you've done business with. I have a formula that I like to employ in this scenario, I would say. Just pretend you're a client and pretend I did a good job for you.

Sean: Okay.

Ray: "So, Sean did the work we did for you, did that help you out at all?"

Sean: "Absolutely."

Ray: "You wouldn't want any consulting, would you?"

Sean: "No."

Ray: "Oh, I understand because things are going so well."

Sean: "Yes. They're going so well, I don't think we need much right now."

Ray: "So, you know, it occurs to me you may know some people who could use the same kind of help, that I--"

Sean: "Oh, that's true. I can think of a few right now."

Ray: "Would you be willing to connect me with those people?"

Sean: "Sure, no problem."

Ray: Boom, ask for referrals, and then don't just walk out the door when they say, "Sure, no problem." Say, "Great. Who do you have in mind? Let's call them." I know that sounds crazy, but back when I was doing personal interviews before we let people come to our workshops, I would be on the phone with somebody who's trying to decide whether or not to come to the workshop.

I never put the hard sell on anybody, but sometimes people would say, "Well, I want to come but I need to talk to my spouse about this." I would say, "Well, are they there?" "Yes." "Put her on the phone, let's talk." Usually, they didn't do it, but when they did, every time they did, they ended up coming to the workshop, both of them. So, ask for referrals. Number three; personal services. You were talking about this earlier.

Sean: I was.

Ray: You formatted Kindle books.

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Sean: Yes, right.

Ray: This is a case where people-- especially entrepreneurs get a little high and mighty about this, like, " I'm the owner of the company. I can't do stuff for people." But if you used to be a copywriter or a graphic designer, or you have some kind of skill, consulting, something you can do for people, just offer personal services for pay. This does mean you have to--

Sean: Do work.

Ray: And talk to people. Two requirements of business sometimes-

Sean: That's crazy.

Ray: -you just can't get around. Number four is related; consulting and coaching. Everybody needs some consulting and some coaching in some area of their life. Everybody, I believe, is qualified to do some consulting and coaching because there's something that you know how to do that comes easy for you, but is difficult for other people. You probably take it for granted because it's easy for you. If I were to say one thing that's easy for me that other people find very difficult, it would be writing copy; coming up with hooks and ideas for a crazy good copy.

I have something in mind with you, but what do you think comes easy to you, but it's hard for other people? Maybe because you've had other people say to you, "I don't know how you do that."

Sean: I'm not sure what you're thinking of.

Ray: Well, just think of what you think of.

Sean: I have a lot of people say that I'm good at explaining complex concepts and for every day--

Ray: That is exactly what I would-- I would say that you're good at taking complicated things and making them seem simple and easy to understand. Not everybody has that skill.

Sean: No.

Ray: The number four short-term solution to cash flow problems; if you can't sell your products, sell other people's products.

Sean: That's number five, actually. Well, number four was consulting and coaching. I don't want people to be confused.

Ray: Thank you for unconfusing us.

Sean: Number four lives in a contradictory reality where it can be two things at once.

Ray: That's freaking me out, man. So, number five is affiliate sales.

Sean: Right.

Ray: Just pick products that you believe in and that you use preferably.

Sean: Yes. I mean some people build whole business models off of that.

Ray: Quite a few people we know do nothing but affiliate sales.

Sean: Well, I mean, if you know a lot of people and you can take some time to learn how to do affiliate marketing and you've got products and trainings that you really believe in, it's actually a great little way to make money.

Ray: I mean, for us, and these are just rough numbers, but we do affiliate sales where we recommend other people's products and we get a commission. That probably accounts for less than 15% of our overall revenue.

Sean: Maybe 15%.

Ray: But of our profit, it's a much higher number, it's probably like 30% of our profit.

Sean: Well, yes, because we have virtually no overhead on that.

Ray: We don't have to make the product. We don't have to deliver it.

Sean: We don't have to make it.

Ray: We have to do customer service. So, it's really a lucrative part of our business and it can be a great solution to your short-term cash flow problems. Now, short-term is relative because with most affiliate program, you're not going to get paid for 30 days.

Sean: Right.

Ray: But some actually pay you immediately.

Sean: Whoa.

Ray: This is solution number six to a cash flow problem. People are not going to like this.

Sean: No.

Ray: Get a temporary job. I think we were talking about this earlier.

Sean: We were. We had to cut some of it out.

Ray: Yes. So, you may not like it?

Sean: You may not like it, but I remember what I was going to say. It finally came back to me.

Ray: Cool.

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Sean: So, we were talking, the thing that really drove us nuts is during the recession when people would say-

Ray: There are no jobs.

Sean: -there are no jobs. Then I almost because I can be a little mean in my wittiness sometimes in pointing out contradictions and--

Ray: I would call you cantankerous.

Sean: Inconsistencies. I started taking pictures when I would drive around town and go by businesses and places that had-

Ray: Help wanted.

Sean: -help wanted, now hiring.

Ray: Jobs available.

Sean: I was going to start like a hashtag, like there's just no jobs, because what people are really saying when they're saying, "There are no jobs," is there are no jobs that I'm willing to work.

Ray: Yes.

Sean: I'm too proud to take a temporary job that I have deemed beneath me so that I can reestablish myself in my career of choice. No, but that's really difficult when someone's convinced themselves that well, there are just no jobs out there, to convince them not to means you have to-- if you get them to accept that, they then have to accept that their way of living right now is A; their fault and B; unjustified. There's no excuse.

Ray: It needs to change.

Sean: That needs to change. It's very difficult to get someone to accept an idea that requires them to completely upend their way of life.

Ray: This makes me think of something that a friend of mine, Kevin Nations office says to people. He says, "You are making exactly the amount of money you want to make right now."

Sean: Right, yes. [laughs]

Ray: I mean, that makes people angry.

Sean: Yes. I heard it in a book on *Objectivism: The Philosophy of Ayn Rand*. Someone explained it as the difference between values. Values are things that we actually value. Well, the difference between an actual core value and another value is that values actually move you to action.

So, if you want to know what you really value in life, it's those things that you actually intentionally pursue. If it's just something that you say it's a value to have this income level or do this work, but you're not doing it or working towards that goal, then that's not a value of yours. That's a wish.

Ray: Yes, exactly. Exactly right. It gets under people's skin.

Sean: It does.

Ray: You're earning exactly what you want to earn.

Sean: So, anyway, a temporary job is not beneath you.

Ray: No, it's not, and neither is number seven, the number seven solution to a cash flow problem; direct selling.

Sean: Direct selling.

Ray: By this, specifically, I mean go find a product that you can believe in and rep I, sell it.

Sean: I'm sorry. I'm going back to my second rant.

Ray: Okay.

Sean: I just want to go back to this because this whole no jobs, don't want to take jobs that are beneath you thing, I take the other side of it, too. I'm just not cantankerous about people who say there are no jobs.

When I go somewhere and I see someone who is obviously doing that, maybe they're further along in life than me, but they're doing a job that seems like it might be beneath them [crosstalk]

Ray: So, you're saying like they're a 65-year-old cashier at a retail store?

Sean: Or a 55-year-old-pizza delivery guy.

Ray: Yes.

Sean: I can assume, and also, by the way they carry themselves, you kind of know, "Oh, they weren't always this." You know?

Ray: And they're not going to always be this.

Sean: No. I don't say this because I don't want to embarrass them, but I'm proud of them. They swallowed the medicine, man. They said, "In order for me to live a life worthwhile and to take control of my life, I have to do something for a short while that is not something I really want to do, but it's going to help me achieve my long-term goals." They were willing to do the work.

So, I look at them and I go, "Look, you may be embarrassed for the fact that you're a 50 or 60-year-old pizza delivery person, but I admire that because it speaks to your character."

Ray: There's something that Dave Ramsey says I think applies here. I'll probably get this quote wrong, but it's something like, "The winners are the people who are willing to live like no one else is willing to live, so that someday in the future, they can live like no one else is able to live."

Sean: Yes, exactly.

Ray: Booyah, you've been Ramseyed [sic]. All right. So, let's review. The seven short-term solutions to a cash flow problem.

Sean: The seven short-term solutions to a cash flow problem are number one; reach out to past and present customers. Number two; ask for referrals. Number three; offer some personal services. Number four; do some consulting or coaching. Number five; affiliate sales. Number six; get a temporary job. Number seven; direct selling. Now, I do need to throw some sugar, a teaspoon of sugar into my cantankerous [crosstalk]

Ray: I'm just going to start using the phrase "I need to throw some sugar."

Sean: Yes, I'm going to need to throw some sugar.

Ray: I'm going to throw some sugar now.

Sean: I'm going to throw some sugar on everything I just said.

Ray: Okay.

Sean: There are exceptions to the rule. So, when someone says, "I'm having a hard time in this economy finding a job." It doesn't always mean that they're just refusing and too proud to take it low. I'm not saying that's always true. I know there are exceptions to the rules. I know there are situations that don't fall into the norms.

Ray: Agreed.

Sean: So, don't take that as a judgment or criticism for everyone in that situation. I'm just pointing out a common-

Ray: But those of you who--

Sean: -contradictory thought process that appears in people.

Ray: Those of you who are making an excuse, you know who you are.

Sean: You know who you are.

[music]

If you found this show helpful and not too insulting. [laughs]

Ray: Do you think after the last three weeks, we have any listeners left?

Sean: I don't know. [laughs] Yes, please subscribe to the show, to the Apple podcast app. That's really the best way, it helps our ratings in the show and get it out to more people. Go to iTunes and also leave your name and website, and when we do another episode where we talk about our wonderful fans, you have a high degree of likelihood of being read.

To get the transcript and show notes, please go to rayedwards.com/281. You have a quote worth note?

Ray: I do. It's from the inimitable Zig Ziglar.

Sean: Inimitable.

Ray: Unmatched.

Sean: I like it. I just can't say it.

Ray: He says, "Positive thinking, will let you do everything better than negative thinking will."

Sean: My gosh, love it.

Ray: Yes. You've been Zigged [sic].

Announcer: Thank you for listening. This has been the Ray Edwards show. Find the archives of this weekly show at rayedwards.com/podcast or on iTunes. Contact Ray at rayedwards.com.

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