



Ray Edwards Show, Episode 488 How To Create Steady Cashflow

Ray Edwards ([00:01](#)):

Ray Edwards show episode 488 how to create steady cashflow. The Ray Edwards Show. This is the podcast for prosperity, with purpose. Okay, Kris, I think this week's topic is going to be very popular with a lot of people. It's called how to create consistent cashflow.

Kris Edwards ([00:23](#)):

Hey, I love cashflow.

Ray Edwards ([00:25](#)):

Yeah, me too. There is a saying, I don't know who said this or I would give credit for it. I tried to find it on the internet, but too many different people were credited. So I'm just going to leave it anonymous or source unknown. But the saying is revenue is vanity. Profit is sanity, but cash is life. And as a business owner, nothing could be more true because according to the us department of labor and statistics, the number one reason, 95% of businesses go out of business is they run out of cash. Kind of like a duh moment.

It's like we have no more money. Therefore we cannot continue to do business, but that's what happens.

Kris Edwards ([01:05](#)):

That's Alan Miltz. By the way, really that fast you found that it's Cassius King revenue is vanity profit is sanity and Cassius King, Alan Miltz. I think he also played the skipper on Gilligan's Island.

Ray Edwards ([01:18](#)):

Cool buddy.

Kris Edwards ([01:20](#)):

Anyway, I'm excited. I want revenue. I want cash flow. Let's get to it.

Ray Edwards ([01:24](#)):

First. Let's set our foundations firmly in the spiritual.

Announcer ([01:29](#)):

Does anyone want to live a life that is long and prosperous spiritual foundations

Ray Edwards ([01:34](#)):

So in the book of Luke chapter 14, Jesus said, suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it, or if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him saying this fellow began to build and was not able to finish.

Ray Edwards ([01:55](#)):

I love this translation cause it sounds like my grandfather,

Kris Edwards ([01:58](#)):

Oh, the translation actually says this fellow,

Ray Edwards ([02:00](#)):

This fellow- see Ray, this fellow that sounds like Pa-Paw. So the way this relates to us, I mean, it's a spiritual principle. Obviously it's about counting. The cost of being a disciple of Jesus is what he's talking about. But his wisdom applies in all areas of life, a business leader or business owner like you and I, we want to get new clients or we see a possibility of financial opportunity and there's the temptation to promise more, to offer more, to deliver more, to over commit, to overspend, to fuel growth with debt. And then if things don't go exactly as planned, like let's say, Oh, March, 2020 rolls around. You may find that paying the price becomes a bigger drain on your resources, your staff, your time, your cash than you anticipated.

Ray Edwards ([02:48](#)):

Maybe even more than you can handle many a business this year has gone under because of this very phenomenon of not counting the cost in advance. So the way I think we apply this in our businesses is the next time you have a big business decision to make, or even a small one. Cause take a few small ones. They add up to a huge number quite often. Will you hope you escape paying the price or will you follow Jesus and count the cost in advance? It turns out he was a pretty good businessman too. Okay. It's time for our entrepreneurial spotlight in the week. I was able to say it this week. So I feel like am I'm making progress.

Kris Edwards ([03:26](#)):

Nice.

Ray Edwards ([03:27](#)):

So do we have a spotlight?

Kris Edwards ([03:29](#)):

Okay.

Here's the thing. I have things that I like and I mean, I'm finding entrepreneurs who are doing great things, but I really am hoping to have an entrepreneur reach out to us.

Ray Edwards ([03:42](#)):

So a nominate yourself kind of thing.

Kris Edwards ([03:43](#)):

Yeah. And specifically this is a pretty broad topic, but a man I'm telling you, I've got to send the scales in the other direction or I'm going to be in trouble. I'm going to have to buy a single story house here soon. I do believe there is a way that I can not deprive myself of bread and tacos and still maintain a healthy weight by doing a certain amount of exercise. So maybe there's an entrepreneur out there who is, you know, you've got a site, maybe you're selling your book or you got just a great YouTube channel that- Ray's a big Keto fan. So I know you're probably just thinking, hey you weenie, just don't eat bread ever again.

Ray Edwards ([04:21](#)):

I don't think it's for everybody.

Kris Edwards ([04:23](#)):

Here's the thing. I know that it works. I just know that, um, I hate it and I tried to find loopholes in it. Cause you know, when I was first talking to somebody about this and they're like, well, you just can't eat these things. And you know, it's, it's, it's everything that I love. They're like, well, you, you subtract the fiber from the carbs to get your net carbs. And I'm like, well then can I not just eat a thing of McDonald's fries? And then also eat my napkin? Why doesn't that work anyway? There's no loophole. Um, so I'm hoping that uh, if there is a fitness coach out there, an entrepreneur in that field we'd love to, or at least I would love to put you on the spotlight.

Ray Edwards ([05:00](#)):

Yeah. And you can nominate yourself. Or if you know somebody you think, Oh, you should see this site or this YouTube channel, then send us that suggestion. And where should they send it?

Kris Edwards ([05:09](#)):

How about support@rayedwards.com? Yes. Okay. support@rayedwards.com and in the subject line, just put spotlight, I would say entrepreneurial, but well, yeah, you should be able to spell that either one or a combination of both that way that we will instantly know what you're writing.

Ray Edwards ([05:26](#)):

Well, yes. And now I have to make a note, warn Jenny of incoming emails

Announcer ([05:32](#)):

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

Ray Edwards ([05:37](#)):

Okay. This week's tip of the week is for one of those books that when I saw the title, I went, why didn't I write this? It's called entrepreneurs will save the world. And it's written by my friend, Michael Hyatt and on the page, the book, which is curiously enough, entrepreneurswillsavetheworld.com Michael says, join the movement to bring our economy back with a new resource from New York times and Wall Street journal bestselling author, Michael

Hyatt get over \$164 of bonuses when you order today. So I'm not going to go into the whole deal, but it is a heck of a deal for like \$17. You get a copy of the book, you get an audio book and some other tools that'll help you make your plans for making the last quarter of 2020 and the entire year of 2021, a big win for you and how you can contribute to bringing our economy back.

Ray Edwards ([06:36](#)):

I mean, we all know we're not going to be counting on whoever wins the election to fix things, right?

Kris Edwards ([06:40](#)):

Yeah. I'm certainly not counting on those people.

Ray Edwards ([06:42](#)):

So this is 17 bucks well invested- [entrepreneurswillsavetheworld.com](#). That is not an affiliate link. Why? Because Michael didn't give me one.

Announcer ([06:52](#)):

And now our feature presentation,

Ray Edwards ([06:55](#)):

all right. Today's main event is seven ways Copywriting creates consistent cashflow- because it does. I mean, think about what copywriting really is. It's the ability to write and speak and communicate persuasively, to get people, to do what you want them to do in a way that's in their best interest. As well as in yours, here are seven ways that good copywriting can make your cashflow more consistent. Number one, it can increase the number of customers you have. That seems like a pretty simple idea. But most people, I think don't realize that they can often just change the words on the sign in their window or in their email that they send out to their customers or their prospective customers or what they post on Facebook or anywhere else like social media.

Ray Edwards ([07:48](#)):

And they can bring new customers in the door. One of the things we've done with the coffee shop, Revel 77 here in Spokane, is Sean will occasionally publish a free drink coupon on Facebook. So people can go in, take that ad from Facebook, show it and get a free drink. And you might say, well, how does that make you any profit or cashflow? Well, if we know, if we can get people to come into the shop, at least three times, like the first time, maybe through a free drink offer. And the second time and third time, maybe through substantial discount drink offers. Once they've been in at least three times, the likelihood of them returning his regular customers has dramatically increased. So we've added new customers to the customer count. Make sense?

Kris Edwards ([08:32](#)):

Yup. I got you so far.

Ray Edwards ([08:34](#)):

Okay. So the second way to create consistent cash flows through copy is to increase the dollars per transaction.

Ray Edwards ([08:42](#)):

So each time this customer comes into the store, how do we increase the dollar per transaction? Well McDonald's really revolutionized this with a few words at the end of each order you make. Can you remember what the words are?

Kris Edwards ([08:56](#)):

Will there be anything else?

Ray Edwards ([08:57](#)):

or would you like fries with that? Or would you like to make that. I don't know what to call it.

Kris Edwards ([09:02](#)):

Not supersize anymore.

Ray Edwards ([09:03](#)):

No, thanks to Morgan Spurlock.

Kris Edwards ([09:05](#)):

Right?

Ray Edwards ([09:05](#)):

So it's increasing the amount of money they spend and it could be as simple as saying, if in a coffee shop example, would you like a pastry with that, which I know doesn't help you in your quest to reverse the scales, but there you go. The number three way that good copy creates consistent cashflow is it can increase the frequency of transactions per customer. So this again goes back to your email list or your social media presence, your ads or posts where you just get people to come in more often.

Ray Edwards ([09:34](#)):

So for us at the coffee shop, this is done through introducing new drinks. Like for the fall, we just started serving our pumpkin spice latte, which is not the most original drink in the world, but it's very popular right now. So we just get people to come in more often, get them to stop and think, Oh, I wasn't planning on stopping here today, but I definitely want to get that black Walnut latte. That one is more unique. The number four way that copywriting creates consistent cashflow is it increases the lifetime value of a customer to your business. Now, here, we're not talking about the inherent worth of a human being, Of course, we're talking about on average, if a customer is with you for, let's say an average of four years and they spend an average of a thousand dollars a year, the average lifetime value of a customer is \$4,000.

Ray Edwards ([10:22](#)):

Pretty easy to understand, right? If you can make those first three increases, get more new customers, increase the dollars on average, each customer spends with you per transaction, and you can increase the frequency of transactions. The number of times they come into the store, you're automatically growing the lifetime value of the customer. If you've already got customers that are worth a thousand dollars a year to you over four years, and you can increase those first three numbers by 10% or so, you might be able to crank up the value per customer over the customer's lifetime with your business to, maybe \$3,000 per year, which three times four would be \$12,000. And why is this important? Well, it's more money in your bank account, of course more revenue, but the cost of increasing the value of an existing customer is much lower than the cost of getting a new customer.

Ray Edwards ([11:12](#)):

Think about it. Getting a new customer means we have to go out and run ads and make an effort to take people from I've never heard of you before to- I kind of know you. I think you might be trustworthy to- I think I'll take a risk and spend some money with you to ultimately becoming a repeat customer that takes time and effort. Once you've acquired a customer, the easiest place to increase your revenue and your dollars per transaction and your frequency of transactions is with customers you already have. So increasing the lifetime value of a client, is very valuable to your business. It also allows you to spend more money upfront, to invest more money in acquiring a customer. Cause say that in the scenario that I first mentioned, let's say you sell some big ticket item like swimming pools or automobiles, and your lifetime value per customer is \$4,000. But your average cost for acquiring customer is \$5,000 or \$4,001. You're operating at a loss, but if you can increase their lifetime value as a customer to 12 or \$15,000, then investing 4,000 to get that customer is not so unreasonable. Now for most of us, it's too big of a number it's too risky. Most of us are dealing with smaller numbers all the way around, but you get the principal or do you,

Ray Edwards ([12:27](#)):

Did I make that clear as mud.

Kris Edwards ([12:28](#)):

Oh no, I get it pretty basic math.

Ray Edwards ([12:31](#)):

The number six way copy creates consistent cash flow. Is it increases your leverage. That means it gives you more cash. Remember we said cash is King or in my preferred version, cash is life. Having more leverage means you have the ability to innovate, invest and grow your business because you've got the cash to do it with. And the seventh way that copy creates consistent cashflow is it increases your resiliency, your ability to bounce back when things get tough. Has anybody had experience with this over the last few months? I imagine I hear a bunch of amins. If you had had more cash in your cash reserves than you did, would that have made it more easy, more peaceful, more possible? The answer is of course, yes. So consciously applying these methodologies of writing persuasively to get new customers, to increase dollars per transaction and to increase the frequency of transaction as the first three foundational techniques is key to having consistent cashflow.

Ray Edwards ([13:38](#)):

And as simple as this may sound, if you'll take this seven point plan to heart and start implementing it in your business, I think you're going to see a huge difference in a very short period of time. Would love to hear from you and know if that's true. And if you want some help with that, you might want to check out the link at Rayedwards.com/freebook, where you can get a free copy of my copywriting book, "How to Write Copy That Sells". If I do say so myself, it's one of the best investments you can make in your business right now. Anything you feel like you want to throw in here before we do the wrap up?

Kris Edwards ([14:14](#)):

Okay. So here's the thing with the brick and mortar store. Like the coffee shop people come in and now it's not just the words that got them through the door and now they have, you know, Sean's personality and Katie's personality and the ambiance of the coffee shop and the other customers that are there. And it does kind of become a family thing. I think if you are exclusively an online business, I think the words are about 10 times as important because it's all you got.

Ray Edwards ([14:42](#)):

That's true. And it's also a reason why it's important as much as possible in your online business to recreate some of features. Like the reason we do video and live video and we do the YouTube channel is because we're, it's the only way we can really make eye contact- if you will, literally with our clients in many cases, and we have a community for our clients because we wanted them to interact with one another. We can't get them all to sit down in a room together for now, but we can create that experience online as much as possible. And then through the way you describe your clients as a family, as a tribe, however you want to talk about it, but you create a sense of belonging through the copy. You write, you can evoke some of those same emotions. So that's a really good point.

Kris Edwards ([15:29](#)):

Did I ever show you my pencil? That is like, um, I think it's called a bullet pencil. You probably remember back in the sixties, Ray? They used to give away like one of the promotional chotchkies that people would give away, uh, were pencils that you screw them together so that the pencil's not exposed. And it kind of looks like a bullet on one end and people would use them to dial rotary phones. I ordered one of those. There's a guy who still makes them and he makes them in his garage or at least that's the, that's what his marketing leads me to believe. It's just some guy making these his house house. They're super high quality. And when I got mine in the mail, there was a card in it, you know, um, business card, shape thing, but just a handwritten sentence. Um, Hey, any problems, let me know when he signed it, his name, I can't tell you how much that changed my opinion of this, uh, of this business. I'm like, Oh, this is a guy who made this for me. You know? So, um, I just, I love, I love tactics that personalize things, especially when they feel not forced, but they just feel like legitimate. If I made something for somebody, I probably would throw a note in, you know? And it, it makes you feel important. I have no idea if this has anything to do with what we're talking about. I just thought it was cool.

Ray Edwards ([16:40](#)):

It totally does. I mean, to me, that is copy. Copy is not just about writing sales letters or sales emails. I think it's about the story you tell about your customer and about your product and about what the relationship between your company and the customer really is. So he's telling a story, he's telling a story of nostalgia of personal craftsmanship and pride in his work and of

appreciation for you investing in that. So that whole story is very appealing and it's, it has power. That's why it means so much to you.

Kris Edwards ([17:11](#)):

Words are important.

Ray Edwards ([17:13](#)):

They are. So we'd love for you to join the conversation. Remember, we're looking for nominees for the entrepreneurial spotlight, so you can nominate your own business or YouTube channel or whatever, or you can nominate somebody else by sending those ideas and suggestions to support@Rayedwards.com. Just put entrepreneurial spotlight or spotlight in the subject line. So Jenny will know what it's about. She'll get those to us. And finally, are you subscribed to the podcast? It's one of the best deals going in podcasting. It's totally free. You can subscribe in your podcast directory of choice, or we have an easy one click subscription link for free at the place where you find the show notes for this episode, rayedwards.com/488. I believe it is that's correct. Or just go straight to rayedwardspodcast.com. And until next time may you enjoy long life, good health and great prosperity, peace to you and peace to your house.

Announcer ([18:15](#)):

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