

# Ep #235: Creating Cashflow Clarity and High Profitability with Emily Sandberg

## Full Episode Transcript



With Your Host

**Simone Grace Seol**

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Welcome to *Joyful Marketing*! I'm Simone Seol, and I teach you how to get your life coaching practice fully booked without having to pay for ads, buy Instagram followers, or complicated sales funnels. It's not rocket science, and you can do it, too. Listen on to find out how.

Simone Seol: Hey, everyone. I have a very special guest with me today. And that is Emily Sandberg, who I've been working with for a few years now, since my business was much, much, much, much, much smaller. She has been my cash flow manager, my money mindset coach, sort of, kind of, and general money wizard "CFO". Basically, she knows all my bank passwords, and she knows every dollar, every cent, I spend, personal and business, and so she is very dangerous.

She has been seeing through my soul for the past few years. She is amazing. It's weird to keep referring you in the third person even though you're here. But Emily is a CFA, by training. She is also a life coach by training. And so, she has been combining those two superpowers to help me with my books. To help me think about my cash flow in better ways than I was doing it before, which was basically, scream and run.

I attribute a lot of the development of my maturity and thinking about money and managing money and growing as an entrepreneur, to her. So, I thought it'd be so useful to bring her on and pick her brain about many questions that people have that are not my forte, money management. I'm so lucky to have had your support. And there's a lot of areas of frustration, areas of ignorance, where it's not people's fault. It's just a lot of things where it's not taught in school, it's not taught in coaching school, right?

And so, I want to shed light on all of them. Also, I thought it'd be fun to talk to somebody who's been seeing inside the finances of my business since, I was making a lot less money than I am now. So, welcome to the show. Emily Sandberg. I'm so happy to have you. Did I miss anything important in introducing you?

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Emily: Thank you, Simone. No, you covered it, except I am not a CFA nor a CPA. I am...

Simone: Wait, did I just make that up? What are you?

Emily: My degree was in math. I am a life coach.

Simone: Ah, same thing. Just kidding, I know it's not the same thing.

Emily: It's not the same thing. But yeah, I don't have any formal training in financials. But I have a lot of experience, so.

Simone: Oh! Okay, cool. So, hold on. What was your exact experience prior to becoming someone who does this for coaches?

Emily: I'll try to make the short story of how I got in here...

Simone: I just realized I don't know that about you.

Emily: Yeah, back in 2008, 2007-8, my husband took a career leap that didn't work out the way we thought it would, which was more money, right? And so, all of a sudden, we were in a situation where I had to really figure out how to manage personal finances. And so, I did a lot of work there; a lot of study, a lot of reading, of lot of experimenting. It ended up, one of the solutions we had, was I got a job as a bookkeeper.

I kind of fell into it. It happened to be a business that wasn't doing well at the time. I took my personal finance knowledge, transferred it to the business owner, and we started working on his business. And it just blossomed. All these things I had learned in personal finance translated so well to the business.

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The business grew and grew until he wanted me to work a lot more than I wanted to work. And so, I started doing this at home, online. And a lot of my clients were coaches, so I certified as a life coach. I wanted to be able to speak their language. Such a great, best thing I ever did, right? So much good personal development. Certified as a coach, and here I am, I've done this... So, I've been working with business finances for about 15 years now. But as a life coach for the past five.

Simone: So, even if you don't have formal training, you have the best training, which is through actual experience in real life, and helping businesses to go from struggling to blossoming. That's awesome. I already wrote down questions I wanted to ask you, because there's so many areas where I want to pick your brain.

One of the things that Emily and I feel ... One of the ways we are so well aligned, and we work really well together is because, I think, we share this value that the point of business isn't to be making more and more and more and more and more and more money all the time. And the value of a business, and the value of you as an entrepreneur, as a human being, is not correlated to your income, what's in your bank account.

When I say that, that sounds like something that most people probably would agree with. Nobody would say, "Well, your worth as a human being is reflected in your bank." Nobody says it like that.

But it's one thing to know that intellectually and another thing to really, really believe it and practice it. And to be actively taking a part in cultivating businesses where we're drawing from a deeper sense of purpose and motivation, than just making the numbers all the time. Both Emily and I feel really strongly about that. She really supports me in doing that. And so, we want to be hitting some of those topics as we talk, too.

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Here is my first question. I have some questions, but we can go wherever, just because when I talked about this, I said, “Hey, I'm going to have my cashflow coach on my podcast, what do you all want to know about?” And so many of the questions that I got, which honestly kind of broke my heart, was from people who are in the early stages of entrepreneurship, and they are struggling.

A lot of their questions, were basically; what am I doing wrong? What am I missing? What's my blind spot? What do I need to fix in order to get this right? And the reason that that broke my heart, was not because people have questions, and they want to learn and know things. But because I saw that so many of these questions were coming from a place of people deeply believing that they're doing something wrong, and that they're missing something.

It wasn't too long ago when I was in that boat, and I remember feeling that way, too. I was wondering if you could speak to that a little? Demystifying and kind of de-shaming, what it's like to be in the early part of business and feeling like, what am I doing wrong with money? Why am I always expending more than what's coming in? And why am I not making good on my investments? What am I doing wrong?

That was a lot of the sentiment that I got. So, if these people were asking you, what would you say to that? Where would you start with that?

Emily: The first thing I would say to them, is they think it is a symptom of how much money they're making. They think, “I know I'm doing something wrong, because I'm not making money.” And honestly, you can have these feelings at any level of income. I've seen it anywhere from \$0 up to \$5 million.

Where you can have this idea ‘I'm doing something wrong, this isn't working.’ You can have not enough money. You can have all of these same

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problems they're having at the beginning of their business; they can continue to have, and it doesn't even necessarily mean that something's wrong.

Oftentimes, it's just part of the journey. It's part of their personal journey. Business money doesn't just happen to you in business. Who you are in your personal life, is who you are in your business, right? There's a boundary there; between business me and personal me.

So, the stories, the experiences, and the traditions that your family has around money, they come with you right into your business. The first thing I would say is, you're not necessarily doing something wrong, but you are on the journey. Believing it's wrong, is probably slowing you down, quite honestly.

Simone: I just want to put a spotlight on something Emily said, because I don't want you to miss it. You can have a business that's bringing in millions a year and be freaking out and panicking that you won't be able to keep maintaining that and your next launch is going to fail. And guess what? You have these giant bills going out to support your \$5 million business or whatever.

Because I can just see a lot of people are going to be skeptical. "What do you mean if your business is making millions of dollars? How could you be panicked? That's so much money." Yes, and it's not just inflow, it's outflow too. And how you think about it. And how you make decisions, right? You can keep making more and more money, but the way you feel about it doesn't necessarily change, unless you change it on purpose.

Emily: Absolutely. Yeah. One of the things that I would have you do, especially at that beginning, well, anytime in your business really, this applies. When you're bumping up against that, 'there's something wrong

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with me,' and you can bump up against it in a lot of places in your business, but...

Simone: Something wrong with my mindset. Something wrong with my habits. Something wrong with... And we're not talking about observing it from a curious place. We're talking about looking at it as in a sort of self-blaming, self-shaming, I'm doing this wrong, why can't I just... That kind of thing is what we're talking about.

Emily: Yeah. It almost always starts subconsciously. You feel yourself bumping up against it and it's painful. If you think something is wrong with you, what do you do? You think, "If I just made more money, this would go away." And so, I can see it in some of my clients, sometimes. They start grabbing for the money, and they just are trying to pull it into this hole that is, 'I'm not enough.' And it doesn't fill the hole.

So, how do you know it's happening? Well, there's a lot of stress there. There can be a lot of rage maybe, anger. The people who work for you, the people you work with. There's a resentment against your clients or the people who aren't your clients. So, there's all this negative emotion built up in your business because you have this belief that, "I need my business. Particularly, I need money to tell me I'm doing a good job. Or, to tell me I'm a good coach."

Simone: When you have that and you hit your money goal and you have made the money you wanted, another sign that that's happening, is that happens and you feel worse than before. So many of my clients are shocked when that happens. "I've just made the money I've always dreamt of making, why am I more scared and panicked and anxious and feel grabby than ever before?" It's because it wasn't the money. It was how you're used to relating to money, totally.

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Emily: Simone, I will tell you, I know people will not believe us, so I'm going to say it now and they'll believe me later. So many times, I see clients hit that million-dollar goal. It also happens at \$250,000, \$750,000, but it's especially...

Simone: Whoop, 5-figure month.

Emily: ...at a million dollars. And they go, "Oh, this is it? I thought I hit the rainbows and fairies switch. I thought everything was going to come up roses now." It's still the same business. You just have more money, that's all. And of course, you also have more expenses. That's the other thing they don't think about.

Simone: Yeah, you have more expenses. And guess what? You have more expectation. You have more of a 'I have this giant machine of a business, that now I have to keep living up to and performing and keep it reproducing.' Hey, if you think you have a lot of pressure having a \$30,000 a year business, imagine what that's like 30 times over, right?

Emily: Now, I don't want to take away from that beginner who's in that painful spot, because it is painful. There's no doubt about it, it is painful. But it doesn't need to be the pain of 'there's something wrong with me.' What I would recommend, is that you start engaging with your money. You look at it with curiosity.

One of the best money skills I see, is business owners who are able to look at their business in an objective and curious way and say, "What does this business need for the next step?" Very often, we need to spend money on that next thing; it could be a coach, it could be a software, it could be marketing, it could be a new person, an assistant or whatever.

But when they can look at it with curiosity and objectivity and say, "What is this business need to grow?" And then decide.



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Simone: Or even, maybe you don't need to spend. A lot of times, for my clients...

Emily: No. You can it also be free.

Simone: ...when you ask that, it's like, "Oh, it just needs me to not freak out and not be shitting on myself all the time. And just keep calm and carry on. Everything's okay," right?

Emily: Absolutely. Yeah, that's a very good CEO skill, particularly with money.

Simone: I think, just echoing what you said, the number one priority that you need to make if your money feels frustrating or painful in any way, and you're starting out, is to learn how to look at your money without the mean stories about yourself, without beating yourself up. And listen, I feel like I've got to where I am with so much support from Emily, and other whatever.

Even to me, this isn't automatic now, at all. I have to coach myself intentionally. I have to be very, yeah, I have to be intentional about it to look at my money and not make it mean horrible things about myself. I just want you to be aware, if you're listening, of how much cultural current we're swimming against that is not helpful, right?

There's so much systemic inequality in the world. And there's so much that rigs finances against the average person, and to counter that there isn't nearly enough financial education. So, if you just kind of feel like a deer in headlights a lot of the time, it's not you. If I could have you leave this podcast with one idea, it's that: It's not you. It's not your fault. It's not your personal feeling. You're not doing something uniquely wrong.

It doesn't mean you don't have areas where you can learn and improve and be able to react differently and grow new habits. Of course, you can. Of

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course, you should. But that's going to be a lot easier when you have developed the skill. And I do believe it is a skill, of being able to look at the circumstances and maybe put a pause on all the voices that say, "You're doing this wrong. You're missing something. If only you did... different. That was a mistake," all those abusive voices.

What's it like when you look at this without that? And like Emily's saying, this isn't just about self-love, self-forgiveness, that's nice. This is, let me tell you as somebody who's running a multimillion-dollar business, this is a hard business skill that you're going to need, again and again and again, to make good business decisions down the line.

More than anything, we really want to emphasize how important it is to cultivate that skill of being able to take the shame out of this. And if it's not easy, which it isn't, get support. Even if you can't afford a coach, have a friend be there with you to be a compassionate witness and help you hold your hand, as you look at your bank account and say, "Oh my god, I just feel so terrible." Ask your friend to affirm for you, "Hey, it's not just you."

A lot of that nervous system co-regulation, it can be helpful. I just want to normalize that. And normalize how okay it is to want and need the support. Like I said, this is still not easy for me. I've been doing this a lot, and I have some of the best support. I feel like I'm so much more mature about this than I used to be.

Okay, so we just spoke to the person who's starting out. Now, I want to speak to someone who's a little bit ahead. Cuz, I had... This is one of the first conversations I remember having with you, Emily. I was totally there, too.

I had just made a big chunk of money where I thought, "Wow, if I'm making that kind of revenue, I'll be set. I'll be like, not super-duper rich, but comfortable. So, I had just made \$100,000 in a year. I was like, "Oh, my

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goodness. Wow, I've made it." I look at my bank account and it's like \$8,000. And I'm like, "Where did it all go?"

And my next thought is, "What is wrong with me? Does money just slip through my fingers?" You see how fast our brains go? "What the fuck did you do wrong? Because clearly, that must be the problem. That you somehow, fucked this up."

I hear it from so many of my other students and clients, as well. And it breaks my heart because, once again, they assume that they did something to fuck it up, right?

So, I imagine that you've heard this too, "I made this amount of money that I thought would make me comfortable. An amount of money where I feel like, 'Hey, I made it.' Where did all go? When I looked at my bank balance... Where did all go?" Why does that happen? And what do we do about it?

Emily: It happens because most things we hear are focused on top-line revenue. And when I say top-line revenue, that's the top of your P&L, which is gross revenue, or all the money you brought in...

Simone: P&L is profit and loss statement. I'm like a kindergartener when it comes to these things. I have to mentally remember, what the what? Okay, sorry. Go ahead.

Emily: Thank you. Yes, on top of your Profit and Loss statement, you'll literally hear it referred to as "the top-line". It's also called gross revenue. It means the money you bring in when you first bring it in, before merchant fees, before any other expenses, before you pay yourself. It's that money that comes in; top-line revenue. That's what we talk about.

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We don't ever talk about bottom-line, which is the actual profit of the business.

Simone: Oh, that's where the expression "the bottom-line" comes from? Wow, I did not know that.

Emily: Yes. So, you have top-line, which is gross revenue, or everything that comes in. And then, all the expenses are in the middle. Bottom-line is the revenue minus expenses, and you get your profit. No one talks about profit; everyone just talks about the top-line. So, that's why we're so excited about a \$100,000 year, a six-figure launch, or a million-dollar business, seven-figures. No one's talking about how much money was spent to get there.

Simone: You know how people have legal disclosures that you have to make when you make advertisements. I feel like every time you say anything about profit, every time you talk about the top-line, I feel like you should be required to talk about the bottom-line. Because otherwise, that number's meaningless, and it creates this cloud of amorphous shame that so many people carry around. "Wait, my top-line looks amazing. So, why does my bottom-line look like this?"

And once again, when they don't know all the things that go in the middle that matter, then they walk away feeling like, "I must have fucked it up," and you didn't.

Emily: No, you didn't. Here's the thing that no one knows: No one knows that at different stages of business, we expect different profitability.

Simone: Oh, tell me why. I don't think I even knew that.

Emily: Right? Probably not.

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Simone: Why didn't you tell me this before? I'm just kidding. That's because I was always very healthily profitable.

Emily: You have been. You have been. But everyone thinks, "Once I start making money, that my money just keeps going up, in this 45° angle line. Like, it just keeps growing, it just keeps going, it just goes up. That's all it does. That's all it can do now, because I got through that horribleness that was the beginning of my business. Where I didn't have any idea what I was doing."

"Now, I know how to make money, I hit \$100,000," or whatever the number is that you hit that makes you feel like you know. And you think, "It will never go down again, unless I really screw things up. Which I'm not going to do, right?" No, that's not how it works.

Simone: That is so completely not how it works. And the expectation that that is how it should work, brings so much pain because everyone's reality will be nowhere near that. It is never a 45° angle, straight line, ever, ever, ever, ever, ever.

Emily: No. So, what happens is, you go up and then you drop, and that feels terrible. But then you go up again, as you recover, and you figure it out. You've already got these skills you amassed in getting to that first peak. So, then you go up again, usually higher than the last time but not always. And then, you're going to drop again. Then you're going to figure it out again and you climb back up. It's a lot of that.

Simone: For every one. Every single human being. Unless you're committing fraud, like Bernie... I was going to say, that's the wrong Bernie. I just saw that on Netflix, right? Because oh, what are they, the IFC? Is that the right organization, regulators?

Emily: FCC.

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Simone: FCC. What's IFC? That's something else. FCC regulators, their antennas go up when an investment banking company, whatever, is just recording profit after profit after profit and it's like a straight 45° angle line. Then that raises red flags because nobody's investment actually works like that. Right? So, I think it's such a good principle, if somebody's thing just keeps going up and up and up and up and up, and there's no variation, there's no dips, that's not how anything works. If it works like that it's probably fraud, or something weird is going on.

Emily: Yeah, yeah. So, knowing that, having a one-on-one coaching business, I think a lot of your clients or coaches, a lot of your listeners, is probably the most profitable business. You're going to have your highest profit when you're actually making your least amount of money. As the business grows...

Simone: Hold on. Why? What? Say that again.

Emily: You are going to have your highest profit margin, when you are probably making the least amount of money that you're going to make.

Simone: Why?

Emily: Because you tend to have a business with the fewest expenses, at that point. As a one-on-one coach, you need what? You need a computer, and you need Zoom. Unless you're meeting in person, it's even cheaper. Unless you have an office space, then we have that expense. But it's not very expensive.

Simone: You probably have basic expenses, like some Zoom or website hosting, whatever. But it's pretty lean, it's pretty minimal what you have going on, so when you're making the least money, proportionally, you're probably taking the greatest percentage of it home, is what you're saying, right?

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Emily: Yes, thank you for clarifying. It is a profit percentage. I'm talking about your profit percentage will be the highest at that point. As you start to grow, and you add in an assistant, and you add in more software, and you redo your website, and you start traveling to conferences, or you pay for more coaching, because now you can afford more coaching, right?

So, then you have higher expenses, so your profit percentage, the percentage of revenue that you're keeping as profit, is going to be less, because you're spending more in expenses.

And as you grow, even across industries, not even just our industry, that point between \$1 million and \$5 million, I think, they say is the least profitable across all industries. Not necessarily coaching, but just as an example, because it takes a lot of money.

Simone: It takes a lot to keep that going. Yeah, 100%. Yeah. So, what would you say to somebody who's listening to this, and they're like, "Mmm, this is all a giant bummer. So, I hustled my ass off, and get to the mysterious, illustrious, six-figures and seven-figures, and then I don't get even get to keep any of that money?"

I think part of that kind of sobering, is healthy. Because then, we're not struggling against this completely false myth of nirvana, of once you're making this many digits, right? There's the reality. So, I think it's important to be...

Yeah, your quality of life will be different, even if your expenses are a greater percentage. If you're making significantly more money, your take-home will be more too. So, you're going to have more money. It's not like you're going to have the same bottom-line forever. But yeah, there's going to be expenses.

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And I want to ask everybody, you want to make sure... Do you love your work enough? And do you have the skills to prioritize your own wellbeing, prioritize your self-care and joy and quality of your life enough, that everything that you do for business is going to be sustainable? Right? Are you doing it so that you can sit in the pleasure of you having millions of dollars? Or, are you doing it because you love the work? You know what I mean?

Emily: Yeah, and I would say, "Okay, so take this information, and you may have to sit with it and be bummed out about it for a little while. But once you understand that getting to a million dollars or whatever," I use that because it's an oft used goal.

Whatever your next money goal is, you can enjoy the journey a little bit more. I hope you will engage with the journey a little bit more. Learning who you are, and who you want to be. And you get to do that, make money, and serve people at the same time. It's amazing to me. I can't believe I get to do this.

Simone: I'm always, and this isn't just me saying this because I make multiple millions a year now. I might make less in the future than I am now, right? But at every point, I think I have been able to come this far and enjoy every part of the journey. Because to me, the whole point was what Emily just said. Which is, Who am I becoming? How am I learning more of who I really am?

And getting to occupy a more expanded version of myself. And to dig deeper into my values and my superpowers. And to have truer, more high quality, connections with the people I serve. To me, it has always been about that, those intangible things.

I mean, it was awesome when I made more money than before, but it wasn't the main draw for me. Which is, what I think made my journey very



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sustainable and kind of emotionally a lot more even, then some of what I see elsewhere.

Emily: Yeah, absolutely. I'll share a personal experience. Last year, early 2022, I hit the lowest profit margin ever, that I'd ever hit. Like, shockingly low for me. And I went through a couple months of shame, like, I can't believe this happened to me. Because really, it wasn't so much that it happened to me, but that I didn't even realize it was happening. And here I am, the money manager, right? I should know these things about my own business.

So, I sat in that shame for a little while, maybe it was just a few weeks. And then, I was able to realize, because I already had the strong foundation of, 'this money and my profit margin, don't define who I am. I get to define my worth. My worth isn't touched by that.' But I still want to be in business. And I want to figure this problem out.

So then, engaging with my money and discovering what has changed, why did it change, what were the thoughts that led to this. I was able to pick some out very clearly. And then change those, and watch my profit margin go up.

I was able to pay myself more again, which is fun. I mean, money is fun. And paying yourself is fun. Let's not forget that part of it. It's fun.

Simone: I love that you just told that story. Because people can feel more normal about the fact that, yeah, sometimes you might stew in a little shame for a few weeks or a few months. We all have the same human brains. We are all subjected to the same socialization. So, it's okay, if you feel a little bit of that.

And then, still keep finding ways to find your way back to that self-compassion for that neutrality of like, "You know what? If the explanation

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isn't that I'm dumb and a loser and we'll never figure this out and I fucked up, then what else might it be?" Right? That is, you just heard Emily tell the story, that is what set Emily back on the track to make more money.

And that's the same skill that I keep going back to every single time: How do I make more money? How do I stop...? All the decisions that you need to make are going to be made the clearest, you're going to make the best decisions, when the shit-talking is out of the picture. Or at least, you keep committing to finding your way back to self-compassion.

Emily: Yeah, because it's going to happen.

Simone: Yes. Okay. So, so good. Now, I also got lots of questions from people who wanted to ask you about scaling. What does it take to scale? Why am I not scaling? I just want to give you that. Wherever you want to go with that.

Emily: Okay, I'll tell you, when I hear scaling, I typically think about coaches going from a one-on-one to a group offering. That's very common. You could also think of it as offering courses. There are lots of things you could do, that's more of a one-to-many model.

The thing that we often see is, when we have a coach who has come to a one-on-one and they're full, they have a waiting list. This is so exciting because it's what they've worked for, for so long, right? Awesome. That should absolutely be celebrated.

Then they decide that they're going to go one-to-many. And in that transition, they discover, quite often, their revenue is going to dip, sometimes quite a bit. Because they're selling something now that they hadn't ever sold before. So, it's kind of like they went back to the beginning of online business.

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Simone: Kind of like starting over a little bit.

Emily: Yeah. They have some confidence and some experience that were built up through that one-on-one practice, but their revenue is most likely going to dip significantly. Their profit margin is going to go down. And they're also going to have to deal with this idea of, "What's happening? I just ruined my business. Why...?" All these thoughts of, "Something's wrong, I'm doing it wrong. This isn't right. This isn't how it's supposed to be."

So, we're dealing now, with a business that doesn't feel the same as it used to. Because I no longer have this full practice that felt so good before. One of the reasons for that, could be they're learning to sell something new. B: The marketing and the pipeline, the number of people that they need to be in their audience, is probably a lot bigger now, than it was when they were serving one-on-one.

And so, we need to go back, and we need to discover, how long is the sales cycle? How long does it take for a person to come into my world, before they feel comfortable buying from me? And then, learning that sales process. So, there's a lot of learning going on in this situation.

And I like my clients to have a lot of cash when they do that, because I don't want them also trying to manage their mind around, "My bank account is really low." Now, you can do it. You can manage your mind around all of those things.

But if you can pull one of them out... If you know all three of those things are potentially happening: I'm selling a brand-new offer that I haven't sold before. I don't have as big of an audience as maybe I would like to have for this. And my bank account balance is low. If I can just mitigate one of those, then that's going to be helpful. That's a recommendation I have.

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If not, you can do it. Plenty of people do it with all three of those things being hard. Just know that you're going to be in a period of learning; learning and growing, for sure.

Simone: Is there anything specific to money mindset or money management that is useful to know, when you are wanting to scale up?

Emily: Yeah, it's going to take more money than you thought. It's going to take more time than you thought. And believing that, you could be wrong. You could think, "Oh, it's going to be so much longer than I thought," and then it's not. Wouldn't that be amazing? That doesn't happen very often. Most of my clients, it takes them significantly longer than they thought it was going to.

So, part of our money mindset, when we get to the kind of that zenith of the one-on-one; where we're feeling good, all these people are paying us, we're highly profitable, we have a lot of money in the bank. And so, we start to feel safe to spend it, particularly on owner draw. But what we really need to do, is we need to be conserving some of that cash as a, I think you and I have talked about it, as a cushion.

There's going to probably be a drop, most likely, almost everyone drops. So, how much cushion do you want to catch you there at the bottom? Some people don't need as much. They're like, "I'm okay. I can fly with a low bank account balance. I can do this." Some people like more, or they have to manage their brain a little bit more. So, know yourself.

We don't hang on to cash because it's what saves us. Cash will not save you. What saves you is what got you here in the first place. Which is your brain figuring out how to create products that people want to buy, and then deliver those and market them. So, that's what saves you. But having cash gives you more runway. It allows you to have to manage your mind a little bit less around a lower bank account.

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And a lot of times, people will use it as evidence. “Okay, I was a smart business owner.” So, it can be helpful to have cash. You do not have to. Just know that you could be going through a leaner time in your business. Does that make sense?

Simone: Yeah. Every time you talk, it makes me feel so zen. It makes me feels like, “Ahh.” You make me feel so calm. It's your superpower; one of your superpowers.

Emily: Well, I have seen a lot and it always works out. The things that we think in our brain... Here's what my clients do, and what we all do as humans, is we see the bank balance drop, or people don't buy like we thought they were going to. And all of a sudden, we have this idea... It's panic, and it's fueled by some thought that is either, “I'm going to be homeless. My business is going to fail. People are going to find out. Total catastrophe is coming.”

I've never seen a total catastrophe come. I've seen bank balances get really low. I've seen clients take out big loans. But I have never seen the catastrophe happen. They always end up using their brain to get things back on track.

Simone: But that's the thing, the catastrophe won't happen because you didn't get to where you are by accident. I just thought that was so beautiful when you said, “The cash isn't going to save you.” What's going to save you is who you are and everything that you've grown through to become, to get to where you are today.

And you're the kind of person, and I know this is true of you, if you're listening, you're the kind of person who is going to figure it out. How do I know? You figure it all out, to get to where you are today. So, that is beautiful.

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I think about the fact that we're so worried about the future of our businesses, but even things that have, to be real, even things that I have nothing to do with our businesses, anything could happen to the world tomorrow.

I always think about how precarious the world economy is. Last year, there was a war that broke out in Ukraine and the entire world's economy got shaken and inflation went up and a recession and there could be... You just never know what's going to happen. And so, the most precarious thing, is when you think that the cash is going to save you, and when you are banking on that.

But what really gives me comfort and a relief, in a way, it's not when I know I'm always going to have the money, because that's literally not true. I don't know that. I have no idea what's going to happen tomorrow, right? And catastrophic illness, whatever, heaven forbid. But it's human life on planet Earth, anything could happen.

For me, the real comfort is knowing that I have, not just a brain, but I have a heart and a spirit and a human soul that is resilient, that is skillful, that is loving. And that knows that I'm on planet Earth, to make meaning out of life and to grow as a soul. I can make, sometimes it might take me a while, but I can make my way back to that knowing.

That's what gives me the ultimate comfort. Not like, I'm a millionaire, I'm set for life. I don't know that I'm always going to be a millionaire. And that's not me being pessimistic. It's just me being awake to the reality of being in this crazy world.

Emily: Yeah. I love the way you talk about that; that heart and that soul, and the things you've learned in business. That allow us to pull back a little bit on that idea that capitalism or business is bad, cold, or hard. We're figuring out how to do it with a heart. And I love that.

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Simone: Totally. Yes. So, my last question, or set of questions, is something a little bit weird for me to ask but you and I have kind of talked about this before. I think I'm doing a lot of things right, while not really knowing what they are consciously, because I'm kind of doing them unconsciously.

And you and I have talked about how, compared to the average, I have very high profitability. I don't experience very many ups and downs in my business. I just kind of grow consistently without a lot of drama. I always just have a lot of cash.

We talked about how I am doing some things differently than a lot of other people. I wanted to ask you to speak to that, because I think you can see some things more clearly than I can. Because I'm too close to all of it, and I'm the one who's in my own unconscious mind.

Emily: Yeah. What I see in your business is... So, it's very easy for people to look at you and say, "Well, of course, Simone has a high profit margin, because she makes so much money. It'll be easy when I'm making..." and then they have a dollar amount in their mind. "As soon as I'm making that much money, my profit margin is going to be amazing. I'm going to have so much money."

And yet, I see time and time again, that those two do not necessarily correlate; that we have high revenue, and then high profit margin. So, low expenses.

Let's turn this around, let me be questioner for you. When you decide to start spending money on, whether it's a person or an event, how do you think about it in your mind, in terms of revenue versus expenses?

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Simone: Ooh, I don't. I'll tell you what I think about instead. That's so interesting, because I immediately knew what the answer was, that is pertinent to this discussion.

When I make decisions about what to spend money on, I am very careful, I'm very strict with myself, to check whether that desire to spend money is coming from fear or scarcity, or some kind of anxiety, or the desire to fill a void. Or I'm nervous, so I'm just going to throw more money at it. I'm very disciplined with myself, with that. So, that's the first thing I check myself against.

When I see peers, friends of mine, who are in the process of scaling, I just want to go and grab their hands and be like, "Stop it." When they pour money down the ad drain, when they just hire more people, and it's not coming from a sufficient, clean thinking... I don't love the word "clean".

But it's not coming from a place where they feel powerful and resourceful, and it's not a need. It's something that they're just trying, right? Rather, it's coming from, "This is going to be the thing that saves me. This is going to be the thing that plugs the hole from which the water is just..." There's a kind of almost like a desperation, scarce energy.

"I hope this is the thing that fixes the problem," sort of energy from which a lot of money decisions come. And that's the first thing that I am very serious about, that I'm not coming from that. So, anytime I spend money, it has to be from 100% sufficiency. "Meaning I don't need to spend money here. I'll be fine if I don't spend money here."

Which is why, if you say, "Simone, you're not allowed to run ads anymore, starting tomorrow." I'll be like, "That's totally fine. I never needed ads." Right? If you say, "I'm taking away all your team. You can't hire anyone going forward." I'll say, "All right, well, that'll make some things annoying. But I don't need that, I can figure it out."



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So, it's that attitude of sufficiency. I love how you asked a question back at me, and I'm like, "Here's the answer to that." Having a really, really high belief in my own sufficiency. I don't need anything. Anytime I spend money it's because I want to and it's an experiment. I want to see how it goes.

And secondly, after I've done this efficiency check, I ask myself if the expense feels like a "fuck, yes!" Right? If I am turned on and it feels delightful and awesome to spend money on this thing, to hire this person, to do this. If it doesn't feel like a "fuck, yeah. Delightful. I love it, it makes me feel sparkly," then I don't do it.

And this is the way I spend money for my personal shit, as well. I think those are the sort of decision-making processes and criteria that keep me high margin. I think that's what keeps my expenses low. But the expenses that I do have, are very high impact. And they are very fruitful because of the energy with which I make those decisions.

Emily: Yeah. And I'd like to point out, you're not skimping. There's no place in your business that feels like you're skimping, or you were cheap, or you were trying to save money here or there. There's not that.

Talk to me about the difference between the feeling of 'I'm going to throw money at this because it feels nervous.' That feeling, versus 'I'm really excited.' You said it was sparkly, turned you on, something like that. What's difference between those feelings?

Simone: Okay. Here's the clearest example. This is one of my pet peeves, but I can't even get myself started on it, because I just will scream. As a marketing coach, it makes me want to scream when I see people pay for ads because they are believing that they don't know how to attract people on their own. They don't know how to find people. They don't know how to attract people. They don't think they have enough people around them.

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They don't think they have the skills or the charisma or the time to do the marketing, to pull people in organically. And they're like, "I'm just going to pay for ads." But then they're paying for ads from a place of believing 'I don't know how to attract people on my own.' Or 'I don't have enough people around me. I don't have enough time.' The money is coming out of 'not enough.'

I never had that. When I started doing ads I was like, I can 100% find people on my own. In fact, I do it all the time. I trust myself to do it, 100%. However, wouldn't it be so fun if I could spend some money, and the algorithm found people who otherwise might have taken 30 years to find me, a piece of my work? Which they can then fall in love with and be like, "Oh my god, I'm so glad the ad showed me Simone today, because this is what I was looking for."

I imagine that and I'm like, "That is so fun. Let's do some ads." Right? So, that's the spirit in which I started ads. And that's why my ads are very profitable. That's the first example I can think of.

Because I can't even get myself started; 98% of people that I know who start ads, do it because they think something is not enough. Ugh... Even if that ad campaign is profitable... A lot of people manage to make their ad profit campaigns profitable, if not immediately, most people not immediately, after a while.

Even if it is profitable, it's not going to be as profitable as it can be, when you are doing it from a place of, "I don't actually need this. I know how to do this. This is just a bonus."

And it's the same thing when I... Here's another good example. When I spend money on client materials, right? Let's say I want to... I do this for *Joyful Marketing*. I want to give everybody beautiful hard copies of books with some gifts. Everybody gets a physical gift box in the mail and it's

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delightful, right? That's an ongoing expense. And it's not a tiny expense, either; with the shipping and everything. Sometimes it's international.

I did not make that choice to do that, from thinking, "Oh, well, unless they get this, they're going to think that it's not fun. It's not enough. I need to do this so that they think it's an over-delivery. Without this component, the program is going to be less." So, that's another way I see lots of entrepreneurs make decisions about what to add in terms of expenses, "Because otherwise it won't be enough."

Whereas, call it narcissism, call it delusions of grandeur, but my belief is always, "Yo, you get my brain and my face and my time. What's better than that? That's already A+, your dream come true. Hello, I'm here." Anything on top of that is just cherry on top of the cake. Anything top of that is a bonus.

So then, I get to consider this expense and this gift box that I send people, from a place of, "Oh, wow, they don't need this at all. But how fun, when I get to just send them a gift because I can?" The energy around that is 100% light-hearted. That's true generosity, right? "I don't need to give this to you to win your favor. But I want to because it gives me pleasure to do something fun for you." That's real generosity.

And "I'm going to give you all this shit, because I want you to think that I'm over-delivering," that's not generosity, right? So, that's another example.

Emily: That's amazing. I think you just gave us the secret, right there.

Simone: I think I did, too. Turns out I knew it all along.

Emily: That is so fantastic. So, there it is. What you may not know, you may not recognize, is that with that set of thoughts you just gave us... With that thought of, "I only purchase or only spend money out of self-sufficiency, or

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from a place of sufficiency.” What you've done, is you've set up a business model. It's almost like you've created a virtuous cycle, in that this will create a business model that will stay profitable. I'm sorry, I know, I'm not putting that in great words now. You just handed it to me.

Simone: Recently, as you know, I recently instituted the... Wait, have we talked about that? I don't think we even have, actually; the tiered pricing?

Emily: I think we did. We did, we talked about it.

Simone: Oh, we did? Oh, we talked about it. Okay, I can't remember. Anyway, so I did a tiered pricing. And I created this free course for people, that in any other universe I could have charged lots of money for. I just have a reputation at this point, for just being outrageously generous, and just giving people all of the best without being strategic about it.

I asked people on Instagram, why do you think I still make so much money when other people are telling you, 'Oh, you can't pay give people everything. You have to reserve your best or better for your paying clients? And you can't do that'? Why do you think I just am such an overflow of giving, and I still make lots of money?

I asked that without knowing what people's thoughts were going to be. Because I was curious too, what people thought. I asked that as like a teaching moment, because I wanted people to see evidence that generosity is a fantastic fucking business model. Because people want to believe that, but they're like, "I want to see some examples." I'm the example.

So, why do you think this works? And so many people's responses, probably half the people's responses were, "There is no neediness in your offers, in your business. And we can all feel it. You're not needy. You don't need us to buy, so that makes us feel at ease. It makes us trust you. And

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ironically, it makes us want to buy even more, because it feels nice to be in that energy. And when you give us so much, then also, it makes us kind of want to pay you back just to thank you.”

You reminded me of that because you said virtuous cycle, right? And I don't walk around thinking, “Oh, I'm such a non-needy person.” In fact, I think I am needy, I want everyone to like me. But it's true that in business, when I give people stuff, when I offer people stuff, it's not ever coming from an emotionally sort of manipulative place of, “Okay, I give you this, and you better think this, and you better get into my funnel. And if I offer this, then you're going to...” It's always just I give from such a joyful, sufficient place.

And then, I still make money because I'm like, “Yes. And also, it's awesome when you pay for my thing, because” etc. etc.

Emily: Yeah, yeah. Yeah, that's amazing.

Simone: I thought about how subtle and how intangible it is that people can feel my non-neediness. I found myself also, wanting to tell people, “I'm not non-needy because I'm making millions of dollars. And I'm not feeling sufficient because of a certain number of my bank account. I got here, because I was feeling the same way and I was serving and giving in the same way, when I had \$3,000 in the bank,” right?

And that's how I grew each time. Because, literally, I can remember when I was making \$100,000, people were like, “Hey, everybody needs to get in Simone's Facebook group. Everybody needs to hire Simone because she gives so much value for free.” This has been my business model. I'm not sufficient because I'm successful. I'm successful, because I'm sufficient.

Emily: Yes. And you've created a business model based on that.

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Simone: Yeah. I mean, it just feels weird to say, because I'm not saying this to be, "Oh, look how great I am." But I do want to say, "Look, how great is the principle around the thing that I'm doing?" Because I think we could all have more of this. We could all have more of entrepreneurs being sufficient in themselves, and offering from a true spirit of giving and joy and generosity.

Rather than emotional manipulation, and I don't feel sufficient in myself, so can you please make this purchase so I can feel better about myself, right? It hurts you to be feeling that way. It's not fun. It's stressful. And your audience can very subtly tell. Even if they're not consciously thinking, "Oh, this entrepreneur is needy." They're going to subtly feel that energy.

And the good thing is, that that's always something that you can change in yourself, right? You can always strengthen that skill of knowing that. Of, how to find that place of being centered within. Knowing that it's not something that changes with how much cash you have. It's not something that changes with how many people in your audience you have.

It's something that you are in control of always. It's that, how you get to feel in your own body. How enough you feel in being yourself. And when you are skilled in being able to access that, that is the greatest asset to your business that you can have.

Emily: Yep. Amen. Amen. I've seen it happen. I've seen it work.

Simone: Okay, I bet we could talk about so many other things, too. But I do have to end this interview somewhere. So, we're going to hope for a Part 2, but Emily, in the meanwhile, where can people find you? And what are you available to be hired for, you and your team?

Emily: You can find me at [CashFlowCoaches.com](http://CashFlowCoaches.com)

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Simone: We're going to have all the links in the show notes. And...

Emily: I have a couple of different products. One, is a monthly bookkeeping and coaching package. Where we do your books, and then we coach you on the monthly. So, we talk about a lot of the things that you and I've talked about today. I also do strategy sessions, where it's not a good fit for bookkeeping, we could just get on and talk for a few hours about your business, about your money, and I point people in the right direction.

Simone: Okay, awesome. Well, we hope that was enlightening, and also felt like a relief, and also was inspiring for you all. Thank you so much, Emily, for making time to talk to me. Any last words?

Emily: Oh, thank you, Simone. Your generosity is amazing. I can tell people that it does create a beautiful business. I want to make sure that they understand that it comes out of sufficiency. You don't start, necessarily, with the generosity. But you build that sufficiency in yourself, which then allows you to have the generosity.

Simone: It's an internal decision, and our process has nothing to do with anything external. Okay.

Emily: No. Especially, not how much money you're making. None of that.

Simone: All right. Pearls of wisdom, you guys. I'll talk to y'all next week.

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