



Not So Fun Business Stuff (But in a Fun Way)

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Pat Flynn: Hey, what's up Team Flynn? We've got a great episode today because we are speaking with my COO and CFO, Matt Gartland. Who's going to be chatting with us about some of the more important but often overlooked or avoided parts of building a business. Doesn't matter how big or small you are. These are topics that we're trying to make fun and interesting because they're kind of necessary.

I say they're overlooked because they're just not that fun. They're not fun to me and they're not fun to many people, but for whatever reason they're super fun to Matt, that's why we're great and winning combo here at SPI. But we're going to make things tangible, more fun for you. What am I talking about? I'm talking about a lot of the business fundamentals, the things like incorporating your business and business taxes, finances, cash flow, those sorts of things.

This could potentially be a big game-changing episode for people, especially those of you who have been avoiding this. Maybe it's taken 396 episodes for you to finally say, "Okay Pat, I'll listen to something about this." And of course it's not just me, it's my partner Matt, who's here to make it fun too. Stick around because if you don't, you might miss out on some really important stuff that could determine the doom of your business and we definitely don't want that. Stick around, here's the intro.

Announcer: *Welcome to the Smart Passive Income Podcast, where it's all about working hard now so you can sit back and reap the benefits later. Now your host, he has more ups and downs in a single day than a seesaw, Pat Flynn.*

Pat: What's up everybody? Welcome to Session 396 of the Smart Passive Income Podcast. My name is Pat Flynn, here to help you make more money, save more time and help more people too. To help us today we have my COO (Chief Operating Officer) and Chief Financial Officer here at SPI, Matt Gartland. To give us the low down on some of the basics and fundamentals that are often overlooked in business. Without further ado, here we go, Matt Gartland.

Hey Matt, welcome back to the Smart Passive Income Podcast. Thanks for being here, man.

Matt Gartland: Yeah, my pleasure. Thanks for having me back.

Pat: Excited to chat again. Last time we chatted about the future of podcasts and we're already starting to see some of that stuff come into play. I was at podcast movement recently and just giant companies like Google, iHeartRadio, Spotify, all representing the podcasting space there, which is really cool and just it continues to roll so that's exciting. But what also is exciting—and I'll have you announce this because you're largely a part of this decision and you've been working hard on this. Everybody listening to this, when it comes out, will have something to look forward to at the end of this month, what is that?

Matt: Very exciting news is that the next generation, smartpassiveincome.com website is here or is coming very, very soon. I'm very excited for the whole world to see it.

Pat: What can people look forward to seeing when they get there? How is it going to be different, why have we made a change?

Matt: I would even say it's more than a change, it's a really exciting new vision. Not only for the direction of the brand but then how we manifest that brand on the web as a user experience as is then consistent with our company vision and mission. Which is to continue to educate and train world-class entrepreneurs wherever they are in the world. We have taken a really top-down approach, really with the entire team but especially Pat, yourself, some of our strategic partners that we'll get to in a moment. Thinking critically about how we want to deliver content and resources in such a manner that they're easy to find, better to find than maybe even today on the current website. Can discover the right tools and resources wherever and whenever they are in their journey.

It's an entirely new sort of construct for the web. A couple of key things maybe to discuss in terms of that web experience. Number one; our really big publishing strategy shift away from episodic blog posts into complete published guides. These guides will be free, they'll be chapter-based, they'll be organized into our core pillars that we believe and teach as SPI. Establishes a framework and a pipeline to expand into new avenues of different topics that are germane and if not even critical and seminal to entrepreneurship, that we can grow into. Publishing is itself a vertical that we actually don't write or publish a ton of content on and we want to do more of that. That's just one example. Guides are huge.

The second thing is that, obviously Pat, you've been the face and the driver, and the founder of SPI from the very beginning. But what's exciting, especially given the team's absorption into SPI this year—bringing on and working with other strategic partners—is it's an expanding universe of really important cast of characters or people that have superpowers. So we want to be able to bring forward more characters as a part of the brand identity, so we'll see that across the website as well.

Pat:

Yeah. That's really exciting with the guides. A lot of you who had been following the blog for years, might've noticed that mid-year we decided to stop publishing weekly. That was done for a couple of reasons. Number one, because of the strategic plan and what we're going to do, moving forward, with these guides. I'll talk more about that in a sec. But we also just realized that with the podcast, people can't wait for the next podcast to come out.

They talk about it and it gets downloaded over a hundred thousand times, usually, every single week, every episode and that's amazing. With the blog, we weren't getting that same kind of feeling and it showed in the numbers, the percentages are just insane. Like five percent of the people that listen to podcasts are reading the blog post, meaning five thousand hits on a blog post. That we spend sometimes just as much time on creating, digging deeper into that. It was like, well, it's because people aren't expecting anything super

great every time, it's like these filler posts that I've coined them. But some of that content was really useful but it's just people have come to just go, "No, it's not something to look forward to every week, like with the podcast or even the YouTube channel at this point." We wanted to go, "Okay, what can we publish that would get people excited?"

Obviously, it's stuff related to where you need help, but also stuff that would give you everything you need and is the best quality content on the internet. We're stepping up and we're saying, "Hey, when we publish something, it's going to be worth your while." That also is great because then that gives us time after it's published between these guides when they come out to actually talk about them, market them and share success stories behind them. Almost like a book, and it's just free and available on the web.

You might have seen some come out earlier this year that are about email marketing, was one. We have one about affiliate marketing, too. There's the podcasting guide that's been available for a while and these are being packaged in a way where it's just going to be a lot easier to find them. Then we have a lot more coming in the future like, Matt, the one that we're going to be talking about today, and hinting about and actually discussing a bit is about business fundamentals.

These are the things that are usually a little bit boring or mundane in a business but are necessary to talk about, that's really what your expertise is because you love those things. You coming on not just this podcast but to create the guide and be the author of the guide, and be the new character in this story that we're telling of business is really exciting. What I'm excited about for the audience is to, yes, they know me and they've gotten to know me over the years. I'm still going to be here, don't worry, I'm not leaving or adding more characters who can help you, too. The example that we were discussing when this was all going down was with the Avengers, right? If I were Iron Man, for example, like if I were Iron Man and I have my own superpowers but Matt is the Hulk, so and so is Black

Widow and now we'll have this entire Avengers squad who can help you.

If you need help on this particular topic, you go to that person who has that specific superpower and can help you better, and will have better guides, and go deeper into them versus me. Which, if I tried to do all those things myself, I would either get burned out or I just wouldn't be able to serve you and create quality content in the way that a specialized person can. This also enables us to talk about even other topics that we don't have specialization in, because we can hire or find people, players who have that specialist superpower. The example that we always use on the team is, if we wanted to go down and start talking about real estate or rentals, we could have somebody come in to the SPI as a leader who owns that vertical and helps create those guides, helps create the email list for that. Maybe they might have their own podcast under an SPI network, a branded network of podcasts. So many amazing things open up when we structure this way. Hopefully you're all getting excited about that so that when you do come to the website, you're going to find stuff that is amazing just like you do on the podcast and on the YouTube channels. It's exciting, Matt, I hope you're excited about it too.

Matt: Oh, it's one of the biggest things that we've been building to this year. Incredibly excited, and that's probably even being a bit mild because it's something that even Pat, you and I, we'd been talking about even for the last two years, it feels like. How do we really revolutionize our web experience, not to just do a "redesign" for the sake of it, but to really with great intention and strategy and purpose, come up with concepts and user experiences that presents the content, delivers the content, all the resources as we've been describing here. In a manner that for the fans and in the folks that we have the privilege of serving, it's the right experience that they keep wanting to come back to, right, time and again. To keep learning and keep engaging with us, so it's a big deal.

Pat: The most popular post on my website for the last three years, the one that's driving forty percent of our traffic, is one post and it's our

guide on podcasting, right? Our podcasting tutorial, which is amazing and we'll link to it in the show notes and everything for you. We need more content like that, that really dives deep into the specific needs and wants of what people want to do to grow their business.

One of those things is business fundamentals, which I'd love to shift the conversation to that. Because this will be very much displayed and detailed in the guide that you are creating, the multiple chapter series on the blog that'll be coming out very soon, which is really, really exciting. You've put a lot of time and effort into really helping people walk through some of the . . . I like to say the not so fun parts of business but are very necessary. I want to make them fun and you're doing that with the guide, but let's talk about some of these things. When you consider business fundamentals that often are overlooked, what are those things, Matt?

Matt:

Yeah. It starts with truly the nuts and bolts of have you thought through with some measure of intention, how you're forming your legal entity, do you even have one? I know that even from my direct experience as well as a number of friends. Typically, when you strike out on your own, you just sort of start to be a freelancer and generate income to yourself as a person or as a human, and may not even have a proper LLC form. I know that truly is sort of 101 advice but some people do get it wrong or they don't think it through in terms of how that starts the ladder into future decision making for the business.

We'll revisit some of those basics around, is the LLC entity type the right selection for you because there are others? Where are you forming your LLC and which state? The standard decision is probably still whatever state you live in. But there are some other options that can sometimes have advantages for your company, especially as it may grow and depending on how you want to grow it. That starts to get into some tax planning and tax thinking around, "Okay, where's your organization based, how is it seen in the eyes of the IRS?" Because that can have different implications in terms of tax matters. Again, really boring stuff as, Pat, you're setting up but these are

things that have real teeth to them if you don't think them through and maybe don't set them up properly the first time.

That's really the ground floor and then it rolls forward from there. If you want me to, I guess articulate a few more points here. We get into business partnerships, you and I have that—Pat, you're business partners with a couple of different people in a couple of different ventures. That's maybe a little more than just fundamentals, per se, but really aligning with partners on vision and mission, and core values for what your company is meant to achieve. How do you think about articulating and structuring a proper operating agreement? If you do have business partners, you got to think that stuff through very carefully. Pat, you and I have done that I think very well in the past, so how do you think that through? If you are forming an organization for the first time with co-founders, this is a subject that while maybe not so basic in nature, you are crossing that bridge from the get go.

We want to be able to educate and empower other entrepreneurs and folks like us from the get go to not feel bad about that, right, not worry about that as much. It can be something that is a little bit scary, quite frankly. To have this conversation with potential business partners and what sort of terms do you need to discuss. We want to provide at least the beginnings of a backbone for what things should you discuss with partners towards the formation of a very well-built operating agreement

Pat:

You had mentioned just briefly the tax planning stuff, but there are a lot of things in and around money that are also going to be in these kinds of things too. Like business checking account and those kinds of things, and using a credit card in your business, and the implications that might have, and how that's good but maybe not so good, all these kinds of things as well. Because most people who are listening to this, especially those who have not yet started a business are going to be overwhelmed by all these things.

In our job and Matt's job in particular with this guide that's coming out and some of the conversation we're going to have, momentarily, is just to help make it seem more doable for you and give you literally the steps that you need as well. Back in 2008 and 2009 when I first started SPI, I did discuss these things briefly. It was only because I only knew what I knew, and I was just posting as I was going. Now we have a decade of experience, and Matt and his professional experience to come on board and help and serve, as well, much better than I could. This is an example of one of many that will happen in the future of these key players who have better expertise than I do who are going to come on and say, I'd love to know what you think in the comments section of this podcast or somewhere on social media @patflynn. Let me know what you think of the future of SPI, getting these other players involved. I'm still going to be here, trust me.

But getting other people with other superpowers who've kind of come on and you see them, and you get to know them more regularly. If—let's say for example—you have a specific business entity question. You would likely know then to go and find Matt or ask Matt or maybe you come to FlynnCon and you can talk to Matt in person, versus coming to me and then having to me find the answers, to find somebody on the team to help you. You're going to start to see more of that. You had mentioned publishing, we have published a lot of books and that's going to be another vertical that we're going to talk a lot about. Caleb and I on the SwitchPod and physical products, we have a lot of experience. It's just not yet organized in a way where, “Hey, if you want to do this, here are your people,” and we're about to get there and hopefully that's exciting to you.

Matt, let's talk to those people who are just starting out literally from scratch. This is a common question I get, I'd love to know your thoughts. That is: when do I create my business entity? I haven't yet made any money, I have a business idea. I'm in talks with people, I'm reading through, Will It Fly?, validating my business idea, when does the entity come into play?

Matt: Probably a little bit earlier than you might normally think it will. You don't need to be three months out or anything super crazy. But when you think you're getting reasonably close to taking action, when you think that you're getting close, for example, to maybe signing your first freelancing client. Or you're getting ready to—not necessarily resigned from your day job, if you have a day job. But if you're getting close to start making business investments, if you're thinking about, for example, maybe you don't have a client yet on a freelancing project but nonetheless, you may be, have the means and some capital to invest in a website. Any business expenditures should be made through a business entity. Actually, that's probably the better starting point because oftentimes people will start spending money before they make money as an entrepreneur or as a freelancer.

When you're ready to start spending even your first dollar, it behooves you to have some of these business fundamentals in place. You mentioned, Pat, some of the financial aspects of this realm of topics. Yes, a business checking account, you can't get that until you have your entity registered; that's getting your LLC formed. If that's the right entity type, it's then from there registering, getting your EIN from the federal government, then you take those inputs and you can create a checking account. Down the road, that is typically worthwhile to consider than a corporate credit card that starts to . . . If that is the right decision for you, down the road can be a means to develop credit in the name of the business itself. Then certainly, if you use it wisely and responsibly is an effective tool to help with cash flow management. Which Pat as you know, is something that is near and dear to my heart, the mismanagement of cash ruins more companies than anything else. We won't get into all of that, the depth of it because it is in and of itself a massively deep topic.

Pat: Is that going to be featured in the guide, a little bit of how to manage your money in a simple way?

Matt: A little bit, yeah. We start to lay the foundation, which is why the first guide is really focused on fundamentals. Why I care so much and am excited so much for this first guide, because it's the keystone. It is the first step or two, maybe three down the road toward a much larger sort of vision around just business leadership. That's what really excites me. For this entire vertical we're starting to build out now, really the term I think that I would superimpose across everything is this idea that at least I've embraced from my college days all the way through my career, of servant leadership and how you apply that to business as well as your team.

There's even a little bit in this foundations guide that talks about team, talks about building a team. That doesn't have to be employees that you would hire onto payroll, it can just be starting to surround yourself with other experts on contract that can help you in one way, shape or form. But being thoughtful and intentional about team building is an absolute necessity to being successful as an entrepreneur. Starting to develop the right mindsets and the right leadership disciplines and habits early, will pay massive dividends down the road.

Pat: Absolutely. Going back to the starter, would you recommend still getting an entity and doing that stuff while a person just builds a website . . . Let's say their website is, they don't even know what their business is, they don't even know how they're going to make money. But they know they need to build an audience and they want to start a podcast, and have a website to collect leads and then they're going to use that opportunity to then discover what that target audience may want or what that business could become afterwards.

The reason I bring this up is because that's the way I approached it and that's because I didn't know. I think if I were to start over, it might be different, but the way that I did it was I had built my following on InTheLead.com which later changed to GreenExamAcademy.com to help people pass this exam. I was building a little community there, getting a little bit of notoriety in the space, which was great. Then I sold a study guide that I had just put together as a PDF file and it was

all running through my personal. Which I know is a little bit scary, because the reason why you'd want to form an entity is sort of to protect your personal stuff and have a barrier in between. In case something were to happen with the business, your personal stuff is sort of, you're okay there.

But I wanted to prove that I could make money first before investing money and going full force with an entity and a business. Then what I did for tax purposes was, I was able to go back. Because I saved all my receipts from everything that I paid personal, then I was able to pay myself back or sort of reimburse myself or take what I had spent money on, and use that in terms of my business tax planning after that. Again, I hired somebody at that point to help me because I don't know that language. They were helpful and me sort of backtracking. But what's the proper way to do this, in a way that's not going to scare people?

Matt:

It doesn't have to be scary and shouldn't be. The landscape is pretty minimal in terms of again, sort of actions to take or things to set up, it's the aforementioned input. It's the registering with some state to create and form your entity, getting the EIN, getting a bank account set up in the name of that business. Really, those are the primary three. While, certainly opinions will differ and it's hard to maybe argue that there is a black and white answer to this. I still find that it is advantageous and very worthwhile to set up those things before you might have an understanding of the brand, the outward facing brand, your complete business model for a couple of key reasons.

Number one; relatively in generally speaking, it's inexpensive to set up an organization. You're talking a couple or a few hundred dollars, two to three hundred dollars, especially if you just kind of do it yourself. There are DIY tools online. LegalZoom is still a reputable go-to source, to getting an entity formed rather inexpensively and quickly. Stripe Atlas has an offering or Stripe's offering, is called Atlas, that you can do that. We cover both of those quickly in the foundation's guide. You could even hire—for a little more money—a

small law firm or legal specialists, or business strategies that can help set that up for you.

It's relatively easy, quick and inexpensive. Which then sets up point number two is, you don't have to know your brand name. Sometimes people pivot their brand name and that's okay, and that's easy enough to do. Your underlying business name, that stays the same and you can put sort of like a new shop face to it, right? That's called a doing business as, or a DBA name. That's really easy to do, that's the marketing aspect, right? Even if you don't fully understand or you may be change your mind a little bit later based on feedback and input, to a different brand or maybe you start with a personal brand and you want to change that later to not a personal brand. Your underlying business name really doesn't matter. What does matter is that you have those business elements in place.

Pat:

Yeah. That's true. I'm just thinking timeline here for everybody. To reinforce that, for example, Flynnindustries, currently, is the parent company that was the LLC formed through LegalZoom back in December, 2008. Smart Passive Income lived in there as well as Green Exam Academy and all these other things. Since then things have been finally organized and separated, because I do have my hand in a lot of things. SwitchPod is a completely different company. SPI Labs is a company between you and me that is a different LLC partnership. These things come on a case by case basis, but my brain could change and Flynnindustries will remain the same and that's totally fine. I think that should help alleviate a little bit of the decision making, sort of anxiety that comes with that. It could be anything really.

Beyond that, if a person is just in the research phase, they're not spending any money yet but they're just asking around. They're doing research, they're coming up with ideas, but they're not yet building a website or buying anything. Do you even think it then is important to create a business entity? The reason I'm asking this is because there is something to be said for a saying, you know what? I'm going to start something and I'm going to invest a little bit of

income. I'm going to put my foot in the ground and say, "I am going to do this and I'm going to make it work." Versus, it would have been very easy for me to have not created anything and not invest any money, and never lift a finger and just go, "Oh yes, I didn't lose anything anyway so," and then never get anything done. There's something to be said for putting your money down and making decisions.

Matt:

I agree a hundred percent, if not a thousand. It's important to start to make progressive commitments. You don't have to make gigantic, five-figure commitments right out of the gate to building a custom website or purchasing a lot of hardware that you think you might need to run and operate your business, right? You don't have to do. But making, I think, manageable, progressive commitments that are again, intentional to a degree that you have that foresight. Yeah, do it please, because that fosters more than just a commitment but it is the momentum. It is then the confidence that comes from that momentum.

That includes domain names and certainly some people can run rampant a little bit just buying up domain names. But as you're doing your research and contemplating your positioning statements for what service you're going to provide. If it is a service or if you're going to come to market with an information product or even a physical product, and you're doing that R&D, and you're getting feedback, and you're checking domain names. A few are candidates, relatively speaking. Domain names are cheap, especially if you're going after like dotcoms. Dotcoms even though the most popular, they're still relatively inexpensive. Some of the more kind of niche focused in newer TLD domain names can get a little expensive, like dot io's, for example. I think dot fm's aren't even all that cheap, they're a hundred bucks or something. But anyway, yeah, you could start to make some purchases of domains and start kind of developing a little treasure trove of possibilities for yourself.

Pat:

That's really cool. Let's shift the conversation from, okay, the beginner, let's help them think about the future but also help those

who are existing with a business already. One of the things that is your superpower as well as, is related to cash flow and money coming in versus money coming out, and auditing what's going on, for those existing business owners in the audience right now. Again, this is all going to be a little bit deeper in the guides that are coming out. I hope that you'll check those out. I hope that you're excited about them. But for right now, number one, what are some cash flow mistakes that are very common? Then what are some strategies and methods that you use to just keep a pulse on and understand how money is flowing in the business?

Matt:

Yeah, it's a massively important topic. I don't think and don't prescribe waiting to start thinking about and sinking your teeth into this topic, even if you are just getting started out. It ruins more companies than anything else. Some of the biggest mistakes are simply a lack of organization. Some people don't know that certain charges that they've signed up for are still hitting their credit card or even directly to their bank account. Developing a list of what is called, and what I typically refer to as your fixed costs list is maybe a really great starting point. What are your fixed costs that you spend more or less like clockwork every month? If you do have a small office or a membership at a coworking facility, that's on your fixed costs list. If you subscribe and have a membership to Slack for yourself and your team, and those recurring costs.

You start to just build that out. For SPI, we have a very dialed in, fixed cost data set that we manage very carefully. We scrutinize sometimes, Pat, you love to play with new tech, of course. So like, okay, we'll sign up for something and we'll try it for a couple of months. If you're not using it or if it's not delivering value, then we should sunset that, right, we should take that off the fixed costs list. Grooming that regularly is probably the second thing that I would say, certainly relates to the first. The first being; build your fixed costs list. Second is to groom it on, call it a quarterly cadence. In general fiscal strategy, certainly at scale, doing things on quarterly reviews and quarterly basis is a pretty proven cadence. Especially when you get to a point where there's so much happening within the business, not

even just from the cash flow management standpoint but business planning and financial audits, and tax matters. The months go by pretty quickly, so quarterly is a good review sort of period.

But anyway, so beyond fixed costs and those sort of number one and number two, both relate to fixed costs. Three; is to start developing budgets and no one likes to hear that term. You can call them budgets, sometimes we call them internally variable costs. Because they're things that are more volatiles that they change in a more dramatic manner, up or down on a given month. For example, well, I guess let's use FlynnCon as an example, Pat, right? Especially in the immediate ramp-up to FlynnCon, about the two months preceding it, our variable costs, which is to say, again, our budgets for that particular event went really, really high. They're decently well controlled and managed, especially for I think an event in its first year. We were learning a lot on the fly but nonetheless, those variable costs spiked in those months.

Starting to get an understanding of how your expenditures are going to fluctuate month to month or even quarter to quarter and start to kind of put some budgets around that. Travel is typically a big budget item. When, Pat, you're traveling a lot or when the whole team is traveling and we're getting together like we're coming up for our business planning summit here in Columbus in a few weeks. At least compared to when we're recording this, we know that and we have foresight to that and can start to develop that budget for it. I guess I would call that number three on the list, is to start building out your variable cost or budget list, different things that you're making more discretionary decisions around making expenditures.

Pat:

Yeah. I think this is so important. A part of the, like a big word here that I'm hearing is just planning, right? Planning in the sense of cash flow and what's going in and what's coming out. But mostly, I think one thing that I love that we do very often, Matt, you and I, we collectively get together and we consider, "Okay, what are our strategies going to be moving forward that supports this?" Strategies that are used for marketing and selling that bring money in but also

okay, to help support us with that, there's money going out for ads and all these others kind of things.

I think a lot of business owners, especially those who are self-driven, self-made entrepreneurs who are just starting out, are in the camp of, "Let's just take it week by week," even, "and just kind of go from there and see what happens." I think there's a lot of things that can happen when you plan in a more quarterly-type fashion. You understand, "Okay, I'm going to have a launch during this time and I'm going to hopefully have a goal for that launch." I think that's something that we've been doing really well at, is the projections and the goals. We're even getting it fine-tuned down to the point where we understand, Okay, if we're shooting for this number, we know how many people we would want on a webinar or how many registrants we would want to have, those kinds of things. I think that's where you start to get into some fun planning because then you can have goals that you can reach.

I think that's one thing that I didn't have until you and the rest of the team came on board. I didn't have money and projection goals. I just had the goal to just keep going and keep growing. It's been really neat to have these monetary goals as well as the marketing goals behind them, to strive for and to build for. Because then it's allowed us to go, "Okay, in order to get this we have to find a way to get more people on the registration page, what are some ideas that we have?" Then you can take specific actions from there. Hopefully, you can see that it's kind of working backwards in a sense with these goals. How are we going to encourage everybody listening to this to start planning ahead and start creating these monetary goals, especially if they're still in the beginning phases of their business, Matt?

Matt:

Yeah. Exactly. You're starting to get to the other side of the coin, which is great. The first side as we started talking about fixed costs and budgets and things speaks to, obviously, the expenditures cash going out. That all starts to then at some point roll up into a proper operating budget. The other side of that coin is the revenue planning, is, in fact, the business planning. Things that generate, revenue-

generating income. It's tremendously exciting and I'm certainly grateful, Pat, to hear you say that publicly. It's fun to talk about it privately as well, around getting more sophisticated and strategic, and more just ahead. Proactive so that we're not scrambling or anything.

Because, and I'm sure I've said this probably on a past recording of an episode, that unmanaged growth can kill more companies than anything else. It's sort of the same idea may be expressed differently, as compared to cash flow; mismanagement can scuttle more companies than anything else. They're kind of one and the same because it all comes down to planning or I guess the mismanagement of that planning, right? Because even if you're making three million dollars or four million dollars top line and you're trying to grow to ten million dollars. Man, if you're spending the five million dollars and you're only making three to four, that can be challenging, especially if you're in a more services business or something. The tech sector is a little bit weird sometimes, especially if they have venture capital, where they're almost incentivized to lose money just to get users. But that's a whole different conversation.

Yeah, anyway, the planning out the revenue, having goals, especially in our industry, thinking about those marketing strategies that are going to really not only develop that audience but do them right and nurture them. Pat, you've always been great at this and the team continues to excel in this department. We want to expand with SJ coming on board to the growth team, all of these things that are in the works. It's so exciting to be putting these plans in place.

Pat: Yeah. It's really neat. For those of you who've been following my journey for a while, you've heard earlier this year when Matt came on the show to talk about how the team that I had hired for a while to help me, the agency, Matt's agency. I brought them all on board and we're all under Flynnindustries right now and helping to serve you, which is really neat. Now we're kind of taking that and moving it to the next phase to find new ways to help you. These are some examples of that, and I'm excited to feature and introduce many more

people on my team. Even the people who aren't even a part of our team yet, who are going to be a part of our team, too, in the future and just hope you're excited. We've just scratched the surface on some of these business fundamental things.

I'd love to perhaps have you Matt, point us toward one more particular topic. If you have one in mind that is often overlooked in business, I'd love for you to expand on that a little bit. Maybe another little teaser on something that's coming up in the fundamentals guide on SPI. I'm just curious, as well, because you've been behind the scenes of writing this. What's one other topic we can kind of dive into a little bit related to what you've been discussing?

Matt:

Probably the thing that actually is more near and dear to my heart than anything, which is strategic business planning. Probably also very boring but as I like to say, I think these days, Pat, you're party in the front and I'm business in the back, and I'm at least personally way okay with that. Because this strategic business planning topic, when you grow out of the fundamentals but you master those fundamentals and you start to embrace them, and use those as progressive progress towards growing your business. This stuff gets really cool and starts to sync together—some of the topics we've already discussed here today. Where you're putting in at a time, twelve-month growth plans, you have really dialed in operating budgets. At the topmost level, there is really close alignment with your business partners.

All of that gets synced together with strategic business planning. It's what we're about to do in about a month here in Columbus, where the whole team coming together, which is amazing. I do start to hint at that a little bit in the foundation's guide because it is important to start developing a mindset toward those leadership skills and points of view. There's a bunch of those specific methodologies around how you build a real proper strategic business plan that I can't wait to write about. Again, we touched on it a bit in the foundation's guide, but it will become another dedicated guide in sort of the vertical that

we're building for SPI, around business fundamentals and just business development at large.

Pat: That's so great. A lot of businesses who've even been around for a while just aren't thinking about their business in that way. Why do you think that, just we aren't attuned to business strategy in this kind of way, how did you gain that skill and why do you think people aren't there yet even though they should be?

Matt: Yeah. This actually gets to the heart of me and why I have such heart for this subject, and why it is. I found my groove in terms of, yeah, my superpower and being a leader in this area because it is so important. I think that a lot of people, a lot of organizations, even a lot of educational institutions, I think make it more complicated than it needs to be. When you think about pursuing an MBA, sometimes if not still, that'll feel daunting. That'll feel expensive, "Oh my gosh, I have to devote two years and tens of thousands of dollars, if not maybe a hundred thousand dollars, if I try to go get an Ivy League MBA."

What I care about, is taking the essence of those skills. I have been fortunate to have been exposed to some of those experiences myself. I went through a leadership development program, very elite leadership development program right out of my undergrad. I've been leading businesses for years, I've sold a couple, I've invested in businesses. Through my education, my direct experience, and then my professional and friend networks, I've been privileged and I'm grateful to have had the skill development.

I want to make this easy for people because you can distill it, you can make it approachable. You can develop tools and provide tools; downloadable tools, spreadsheets that I'm apparently known for, step by step guides, just methods overall. I care about distilling what are really powerful concepts and strategies, and making them approachable to everybody because they can be. Entrepreneurs, it's not just about the idea, it's about how you marshal those ideas through method and through people, and through discipline into life.

Then keep those ideas going. I know that I can do that and that we together, you and the rest of the team in SPI, we can do that in a way that can really democratize these powers. I think sometimes people feel like they're reserved for some elite class of MBA grads, and that's not true.

Pat: Not true at all. I'm learning from you as we go too, and I'm excited to share that information to everybody else who's been following along in my journey and is building their own as well. Hope you guys are excited. Let me know what you think on [Twitter](#), [Instagram](#), @patfynn love to know what you think and let Matt know what you think as well, and make sure to check us out in the show notes page.

If you're listening to this in the future, the new website might be up already and you might even be able to check out that guide. When that's the case, we'll have the links to everything Matt's talking about and everything we're talking about there too. Matt, excited to have you back on, and again in the future to talk more about this stuff and give people an update on where SPI is. Any other fun things that we could tease that are coming up in the future for everybody to know now?

Matt: Oh, heavens. Well, always a pleasure to be back, buddy, and other things to tease for everybody else. Along with the new website, it gives us an extensible framework to publish new podcasts. We're starting with some conceptualization of some new show concepts. More news to come, obviously, on this front. But, Pat, you and me and other members of the team getting on the mic with some different shows aligned to some of these different pillars and verticals we're talking about. Maybe having a dedicated podcast for example, on business leadership and business development, something that I would host. I used to host a show and am just chomping at the bit to get back on the mic. Excited for that and I think, I could share a lot more but I'll stop at that one.

Pat: We've got a lot more to come you guys and it's all because we want to help you, and we have a lot of things to share. Hopefully, we're

going to be able to organize it in a way that'll be easy to consume, too. Which is the whole point of this new web redesign and new vision moving forward, and we're excited for you to be a part of it. Thank you so much for listening in today. I appreciate you and thank you, Matt.

Matt: Yeah, my pleasure.

Pat: Alright. I hope you enjoyed that episode. Matt, thanks for coming on as always and we're going to have you on again. I'm sure to talk about some of these things. For those of you who haven't or maybe forgot, but we talked about it a lot in the beginning, and that is these guides that are coming out and the new direction of Smart Passive Income. I'm so excited to share this stuff with you and it's likely going to be revealed, debuted or whatever the word is in November of 2019. Depending on knock, knock on wood, how things go and if everything goes according to plan.

But I've already been, I'm recording this a couple months ahead of time to that date, but I've already seen a lot of the wireframes and a lot of the high fidelity designs, and oh man, I'm so excited. The website's always been a big pain of mine. I've never really felt like it was me or it was us. It was nicely designed and it was very . . . lots of illustrations and vector drawings. It was great, but it just didn't scream me, it didn't scream easy to use, it didn't scream helpful and that's exactly what we're creating. In addition to not just how it looks but also the frequency of posting and what gets posted. I want to get you excited again about what gets published on the blog and I don't want you to feel like you're left behind, but get excited about when the next big publication or the next guide comes out.

This business fundamentals guide is just one of several that will be available when the new website pops-up. We got more in the backlog as well, using a team of players to help support us here at SPI. I'm excited for you to come along and enjoy all this free content, including the podcast here. Of course, more podcasts coming your way. I was going to say patcasts. I had once thought of how those

vlogs, like vlogging where people are filming themselves just in their daily life? I was thinking of creating a plog, P-L-O-G. Like a podcast log where I'm just recording my daily life and podcasting, call it like the patcast or something. This is like plan X and a number of different things that I have come up with, but I put them all on a shoebox and I wait until the time is right. Because right now I know I got to focus on the things I need to focus on right now.

I need to focus on telling you where to go to get the show notes and everything we talked about today, smartpassiveincome.com/session396. Hey, big shout out to all of you. If you're in the car with a little one and you're still listening to the show after all that we talked about today, hopefully, there was some interest from the little ones and if not, maybe they're too young. Just, I appreciate you sharing me and my team with you and your team, that just means the world to me. We always keep it swear-free and safe here on the podcast. I know that with this particular topic that sometimes is very unusual for people to remain swear-free. But hey, kids, if you're listening and you know what I'm saying, you rock. I appreciate you for listening to the show. Thank you so much. Maybe you can join us at FlynnCon one of these days.

But anyway, thank you so much everybody, I appreciate you so much. Thank you Matt, and look out for some stuff coming on smartpassiveincome.com, your way very soon. Man, we're just leveling up and stepping it up for you because we care. Because we care, we know we can help. We know we have the best talent and the best staff to serve you, and hopefully you enjoy it. Thanks so much Team Flynn, I appreciate it. As always, Team Flynn for the win.

Announcer: *Thanks for listening to the Smart Passive Income Podcast at www.smartpassiveincome.com.*

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