

Change the Way You Think About Money to Solve Your Money Flows Woes

In order to be successful you need to know about money and how to handle your money problems. Many people who are otherwise successful feel that they fail because they never have any money. This is due to the fact that they have many misunderstandings with the regard to money and how to handle it.

If you are requiring a greater income you must demand that greater income of yourself first before you have any hope of making any.

This doesn't mean that you go out and demand income from someone else. Income of any description is only earned as a result of giving service. The service must have monetary value and someone must be prepared to pay for that service. The service given must approximate in value to the amount of money exchanged for it. If a service is of high quality and superior to any other service being offered, then a higher value can be placed on it providing there is a need for that service. If there is, people will pay for it and not even question its value.

An understanding of the term "demand for income" is essential. It covers your desire to earn, your needs, and how much you feel you should have in life. You will receive income to the degree you are prepared to give service and value.

In other words, the fair exchange of value for value.

If your income is not high enough, one of the first actions that should be taken is to pour on the service! Give more service, give better service and be prepared to give more!

In other words, you have to put out more if you are going to get more or retain your existing income. This is of particular importance to us as business and sales people. It is a promotional action and will result in excellent word of mouth from the satisfied customers to others who will then start coming in for that high-quality service.

The simple A B C's of financial control.

Make all the money you can. Spend less than that. That's it!

As uncomplicated as it is, this is very sound advice. In essence it means make all the money you can and spend less than you make. It is a natural tendency to spend all that you make, if not more.

Have you ever noticed this?

Let's have a look at how to control expenditures.

Many people have problems with money because they don't understand it. The definition of money is as follows:

Money: 1. A commodity that is legally established as an exchangeable equivalent of all other commodities and used as a measure of their comparative market value. 2. The official currency issued by a government. 3. Assets and property that can be converted into actual currency. (Latin *moneta*, a mint)

--*The American Heritage Dictionary*

The best way to think about money is in terms of flows.

A "Flow" is defined as follows:

Flow: 1. To run like water; move in a current or stream. 2. To pour out, pour along. 3. To move easily or smoothly; glide. (Old English *flowan*)

--*World Book Dictionary*

It is really important that you understand this point so go to a sink and turn on the tap water. The water flows. So does money. Try to hold onto water. You can't. It continues to flow and you waste it. Even if you had a large container, it would eventually fill up and then begin to overflow and waste. It's the same with money. Now, try flowing the water down definite channels to areas where you can recover it. You see how it doesn't waste. Got it?

It's the same with money. You have to keep it flowing. Try blocking the outflow of water. The flow reduces and eventually stops. The same will happen with money unless you follow the rules of "flows".

If you block the outflow of money, the inflow stops. If you stop the inflow, well, you don't have anything to outflow.

Money is not an end result. It is a means to an end. It helps to bring about an end result. I can always tell if someone is going to have money problems. He always starts out by saying "I'm gonna make a lot of money". Anyone with a purpose like that will always have money problems. The purpose should be to render a service and, as a result of rendering and concentrating on giving and maintaining a high level of service, money will flow and help you to maintain that service and grow. This tells you then, that you should concentrate on giving the service and not on money, itself. Put your attention on earning money, giving service, and not on spending it. To the degree that you put your attention on spending it, you will spend it. To the degree that you put your attention on giving service, you will give service and earn money.

Control of money consists of controlling the flows of money. Money is not something you have, it is something you flow. A good way of controlling these flows which I have found very successful is to put aside 10% of everything you earn each week into a savings account. You spend it into a savings account so that later you can recover it. As far as you are concerned, it is spent.

In other words, you pay yourself first 10% of your income. Out of the remaining 90%, you pay your living expenses, etc. Debts are also paid out of this 90%. You must budget what you spend and then keep within that budget. For one week keep a record of every penny you spend. You will be surprised where your money goes. By knowing where your money is going, you are now in a position to handle it and stop the waste.

Handling money consists of flowing it in and out. You must control both the inflow and the outflow. If you flow money in and fail to outflow it, you will jam the flow and it will stop coming in.

Using this method of controlling your flows, you will find that very soon you will have more than 10% available to put away in your savings. In other words, you will be paying yourself more than the original 10%. You will also find that you will have your attention on savings and paying your expenses and debts and you will not have your attention on spending money. You create what you put your attention on, so put your attention on earning it, saving it, and paying your expenses and debts.

Do this consistently, discipline yourself to do this each week and you will find in a very short period of time that you are up to date with your debts. Do not commit yourself for the future payments by using credit or buying articles on time payments.

The secret of solvency is:

1. Make a lot of money
2. Spend less than you make.
3. Make it before you have to spend it.
4. Gather bit-by-bit a cushion of cash to fall back on and don't ever fall back on it.
5. Keep your credit excellent as a second cushion.
6. Refuse to spend reserves. Instead, make more money to meet the emergency situation. Never borrow to pay bills. It is less trouble to just make the money.

Put the above into practice and you will notice a considerable difference in the way you think about and manage money. You will also need to know something about credit and its use, otherwise you will run into difficulties and not know the reason for them.

I will discuss credit and its purpose next time.

- **DJM**



David J. Mazarella is the President and CEO of Mazarella Car Care Systems, LLC (MCCS). MCCS is a privately held company involved in manufacturing and marketing automobile appearance products to the car care industry and auto enthusiasts. David J. Mazarella can be reached directly at (617) 569.9092 or by E-mail at djm@MazarellaCarCare.com or visit him online at www.MazarellaCarCare.com