

A man with short brown hair, wearing a dark suit, light blue shirt, and a red tie with a subtle pattern, is smiling. He is positioned on the right side of the frame. The background is a red, textured surface with a faint pattern of stylized leaves or petals. In the center-left, there is a circular inset showing a city skyline with several skyscrapers, including one with a distinctive stepped top, and a river in the foreground. The text 'Business Keys to Success' is overlaid on the left side of the image in a large, white, serif font.

# Business Keys to Success

Lesson 12  
Compounding Interests?  
The Movement of Deposits  
and Money



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The Houston Business Coach

# Business Keys To Success

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# Foreword

Welcome to Week 12 of “The Keys And Steps To Small Business Success: A Definitive Guide To A Better Business And A Better You”.

In Week 11 you focused on living your business and life on purpose. As you know, it is easy to talk about living on purpose but it is hard to do. I hope that you have gained some insight and momentum to applying the principle of focus to your business and life.

When you understand what you can do to start conducting your business and life to be more on purpose is when the miracle process of great growth and forward progress is realized.

You have started to create some momentum. The goal is to keep that momentum. And, a great way to do that is to be on a track to becoming more, earning more and having more.

This week’s training session is a true story about success that embraces all three.

# Introduction

One of the things I hear most often from my self-employed friends and clients is that they want to earn more money.

Very often it isn't the money that is focus. Many times having more money means they will have more options for growth and enjoying life. Having more money will allow them to do that.

It is all good.

Yet, in our quest to become more and have more some people seem to have the touch while others, who are worthy people, remain on a path that gives them balance and stability, yet with little satisfaction.

The truth is that balance and stability are desirable yet at the same time they can kill personal and business growth. How can this be?

When the overall focus is balance and stability guess what? Not much changes. You reach a comfort zone. And, this comfort zone becomes the zone of mediocrity.

It becomes a zone of mediocrity because very little growth can take place in the comfort zone. Think about it. Growth upsets balance and stability, the twin pillars of the comfort zone. It's virtually impossible to grow in the comfort zone.

If you wanted to walk from the kitchen to the bedroom you have to take steps. The only way you can take steps and move forward is if you get out of balance.

It's the same thing with business. You must be willing to take the steps to growth. And, you must first take those steps in your mind. When you do, you will be ready to become more and to have more.





week

12



# Compounding Interests?

## The Movement of Deposits & Money

*Hello, Business Keys To Success Members*

Welcome to Week 12 of the Business Keys To Success. Last Week we looked at our movement and purpose. We always must be aware of what we are making for lunch.

This week we will be looking at the movement of compounding and how it moves us to money. It is critical that we are always moving to compound our business and our relationships. The ability to compound the interest in our personal assets is critical to how quickly and how far we move forward in our lives. And, we must understand how we are truly influencing others. Our influence is the deposit we make into others. Ultimately, that is what

determines the size of our bank accounts. When we start compounding the deposits of our influence three things happen. We grow in our businesses, our lives and in wealth.

### **The Challenge**

Most people want more in life. And, very often one of the first things they want in life is more money. How often have you heard someone say, "If I only had more money then I would be able to accomplish more." In reality, the challenge is to accomplish more by becoming more. Once you become more then you can have more because you will attract more. **And, here is the most**



**important part, when you have more because you have become more you are more likely to keep it.** Have you read stories about people whose lives were like shooting stars? Their movement and their lives shone brightly for a short time only to fade into an abyss of swirling and undirected movement. What happened to these people? They had success by all appearances. Failure came from never mastering the movement of compounding. When you understand the power of compounding in your life and use it your business and your life will continue to become more.

How do you start compounding? To start the compounding process you have to start with the small things. Only when you have an understanding of how to handle the small things do you have a chance to understand and master the bigger things life has to offer. The two stories that follow illustrate the benefits of compounding.

### **Compounding Less With Bigger Results**

The following story concerns how to manage small sums of money. Once we understand how to manage small sums then we can be ready for more money. There was a client of mine who was self-employed and did well. But money was always tight. This man had a teenage daughter and he was always at odds with her over how she spent her allowance. She was responsible and never came back and to ask for more money. You would say, as I did, this seems like a pretty good kid. His problem was that he just didn't like the way she spent it.



He always would be asking her how she spent it and he would criticize what she did with her money. In fact, it was getting to the point where the issue of what she did with her allowance, **her money**, was driving a wedge between them. His daughter liked this particular rock group and spent some of her allowance on the CD's of this group. Whenever he heard this music he would get angry that she was "wasting her money" on junk.

Over time, his relationship with his daughter deteriorated. As we were working together it became a primary concern to improve his relationship with his daughter. We discussed how he had to look at things differently or they would get worse. I had him explore possible ways to repair the bridge with his daughter. He knew he had to deposit his influence in a different way. He determined that his goal was to have a good relationship with his daughter. Yet, he struggled over how she spent her money. One option was to not say anything about how she spent it. That was a good option. But, silence after years of criticism wasn't the solution by itself. There would have to be action to show a true change in how he wanted to make the deposits in his relationship. He realized that all he had been doing was making withdrawals.

One day he called me and he was excited. He had seen an ad where the rock group his



daughter loved would be in town for a concert. He had been able to get 2 tickets for a reasonable price. Money was still tight but he was very happy. That night when he came home with the tickets he was very excited. His daughter, not knowing what he had done, told him he was acting weird.

Then in a cheerful tone he told her that he wanted to sit down and talk to her about her allowance and how she was spending it. Very reluctantly, she did. He told her that he realized he had been too focused on the small things, like the allowance and how she spent it, and that he was losing the bigger thing, his relationship with her. Tearfully, he handed her the tickets and told her to take a friend. He also gave her another \$20 for food and drink. His daughter was overwhelmed and started crying. She hugged her Dad and told him how much she loved him. They never talked about how she spent her allowance again.

He understood that he had to master how he looked at a small amount of money before he could have something bigger--a great relationship with his daughter. In mastering a small amount of money he allowed it and his attitude to be compounded into something bigger and better. Before this realization he had always been a 10% tipper



at restaurants. He began to understand that his penny pinching ways made him feel bad about himself. Every time he did it he knew, especially if the service was good, he should tip more. He now tips between 15% and 20%. And on occasion, if the service and food is great, even more. His wife likes him much

better. She always felt bad about his poor tipping.

Now bigger things have come his way in terms of money and life. He feels good about himself and how he manages small amounts of money. He

understands that money is a tool that with the right attitude can enhance life. As a result he has better relationships in all areas of his life. Oh by the way, about this time his business and financial situation started to improve every year. There were many things he worked on to reach a new level. But, learning how to deposit his influence with small sums of money allowed him to compound it into more money and more life.

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when you have more  
because you have  
become more you are  
more likely to keep it.

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## Case Study—Compounding More With Huge Results

Twenty-five years ago there were several companies that were in the business of providing a service to large retail stores of Fortune 500 companies. In this story we are going to talk about two of them. The largest one, company A, dominated the niche. In fact, they had been in business twenty years. The owner of company A had done well. He had a yacht and would entertain the executives of these Fortune 500 companies. Very seldom did he visit his true clients, the store managers.

He also had a banker. But, he never took the time to develop a relationship. He saw banks and bankers as something to be tolerated, not embraced. They were like the store managers. They should only be dealt with if necessary. When he needed a loan for equipment he would take it out and pay it off on time. His banker had encouraged him to establish a line of credit because he was in an industry that was expanding. He always would tell the banker that he was fine and didn't need his help.

The owner of company B, the small company, was growing slowly. He could not compete with the yacht or the other perks. He went and visited the store managers on a regular basis to make sure they were satisfied with the service. He had a vision of a bigger company and a brighter future. Even when things were tough he kept that vision in the front of his mind. He was growing slowly. He had established a \$75,000 line of credit at his bank. He used some of the line of credit but always paid it off on time. He had developed a relationship with his banker. Every year, he would bring him the



tax returns and financial statements for the business. He understood that for the banker to help him get where he wanted to go that he would have to help the banker by keeping him up to date on him and his business.

One day the owner of company A received a phone call from one of his Fortune 500 clients. They needed to add his service 30 stores as soon as possible. This was a huge break and represented doubling his business. In fact, they needed an answer in 48 hours. The cost to add the service and provide the equipment for the owner of company A was \$100,000. He went to his banker to get a \$100,000 line of credit. The banker told him that he would need tax returns for the last 2 years and financial statements. Also, the loan committee didn't meet for another 6 days. The owner of company A was furious. His future was at stake. Didn't the banker understand? The banker understood but there was nothing he could do.

The 48 hour deadline came and went. The Fortune 500 company called the owner of company B. He was well liked but they didn't think he was big enough to handle the





large amount of new business. After all, the owner of company A couldn't get a \$100,000 line of credit right away. They didn't expect the owner of company B to be able to do it. Thirty additional stores would cause his business to become 4 times larger overnight. The owner of company B was elated at the opportunity. He went to his banker and the banker said that it would be no problem to increase the line of credit immediately to \$100,000. He had all his tax records and financials. Plus the banker knew the owner of company B personally. The owner of company B called the Fortune 500 company back within an hour and told them that everything was arranged. They were surprised and happy that he could respond quickly. He got the 30 additional stores and became the largest in the industry and the business grew even more. He got to know the other 30 store managers and they started referring him to others.

Meanwhile the owner of company A started losing business. People preferred doing business with the owner of company B. He cared about them. Within 3 years the owner of company A had lost a great deal of business to where he had to close his doors. Twenty-five years later the owner of company B is looking at retirement. His banker had a retirement party after being with the bank 30 years. After the party, they sat down and reminisced about what had happened that fateful day 25 years earlier. The banker, now retired and no longer with the bank, revealed a secret that he had kept for 25 years. He was not only the banker for the owner of company B but also for the owner of company A.



The owner of company B understood the principle of compounding. He made deposits of influence in his relationships and also was good at managing small amounts of money. When the opportunity for more money arrived, he was ready. He understood that for successful compounding you must take a focused interest in your business and you must take a special interest in relationships. When you do that, interest in the business and you will be compounded by others. The end result when you abide by the principle of compounding is more business, more life and more money.

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# Questions For Reflection & Evaluation

## Compounding Interests

Q. What areas are helping you to compound interest in your business? Start with the small things that you are doing well.

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Q. How do these positively affect your business?

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Q. How can you expand these?

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Q. What areas do you need to start compounding in? Start with the small things you can do to make your life better.

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Q. How will this benefit you?

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Q. What areas are helping you to compound interest in your life? Once again, start with the small things.

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Q. How do these positively affect your life?

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Q. How can you expand these?

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## Action Steps

Q. What will you commit to doing to become more (compound) in your business?

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Q. What are the obstacles and how will you overcome them?

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Q. What will you commit to doing to become more (compound) in your life?

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Q. What are the obstacles and how will you overcome them?

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# Coming Up Next

## **Would it be helpful to you to recognize one of the major keys to success?**

Much has been written about attitude. All of you know that a positive attitude is critical to your success.

Yet, unknowingly, many people who are well-intentioned and good people have a negative attitude. And, this negative attitude holds them back.

Even worse, they can't recognize it. This next session will help you identify and start practicing one of the keys to having a positive attitude.

When you have a positive attitude you will become more open. And, when you become more open, more good will come your way.

Are you ready to accelerate the process of your successful performance? One on one personal coaching can help you step up to the next level.

Experience the support and accountability of one on one personal coaching. It is all about you and your future.

I have a few openings for one on one coaching. If you wish to increase the probabilities of success in your favor then contact me at

Steve@TheHoustonBusinessCoach.com

Or Call me at 1.866.387.7805

Embrace the process! Stay motivated! Enjoy the outcome!



Steve

***P.S. - Compound the interests of others and you will build two bank accounts. The first bank account is the account of good will from those that support you and believe in you. The second account is your actual bank account where you will deposit the dollars from the regular and continuous support of others that you have positively touched.***