

MI Gretchen Grove

Jaime: Welcome to Millionaire Insiders. I'm Jaime Tardy and I have Gretchen Grove back on the show. She's a serial entrepreneur - she's owned a chocolate company, she's owned an art gallery, she's owned a lot of really amazing things. I'm excited to have her on the show and I asked her what she was an expert at and she said 'money' which is awesome - but not just making money, it's really being able to pay attention to your expenses and your assets and what you have so that you can grow it slowly. It's not necessarily about this big, huge payday that everyone talks about. Thank you so much for coming on today, Gretchen - I appreciate it.

Gretchen: Thank you. I would love a big payday - I mean who wouldn't?

Jaime: Who wouldn't love a big payday? But the funny thing is that those aren't all that common and I think we get caught up in how amazing these things are. What we were talking about was book keeping and how we should actually be in the business of knowing what our finances are. A lot of people try to ignore that as best they can because they don't feel like they're an expert at it. Can you give us your stance on bookkeeping and how a small business should work with this stuff?

Gretchen: Absolutely. When I started out in my first business the bookkeeping was all done manually.

Jaime: I can't even imagine!

Gretchen: You know what, in some ways it's easier.

Jaime: Really? Ledgers and all that?

Gretchen: No, it's easier because it's one piece of paper and you just write it down, but I had to write checks and it's so easy to write a check and hand it to somebody and then you've forgotten it and that's why I decided to start doing my own bookkeeping, because it gave me a chance to go through my spending again and again and again and really decide if I was making good choices in my spending. I think it's essential to a business owner to know that you're not just throwing money at problems and that you're using money wisely, because the money that is coming in to you as a business owner needs to go out in the best way possible to build that business.

Jaime: How do you decide what that is? Somebody who owns a business has a thousand opportunities thrown at them, especially online with all the software - SEO and this and this - how do we decide what's a good opportunity to spend our money on and what isn't?

Gretchen: Keep it simple to start with and build on that - don't be beguiled by every little thing that comes along. I know as a business owner you get hit up all the time by charities so if you feel inclined to give to charities create an annual spending allowance for that and decide who you want to give to or not and how much and when you reach that max then you say 'I'm sorry, I've reached my annual limit.'

Jaime: I do the exact same thing with online info products. Everybody that loves education, I love education and I bet you do too. It's so hard because there's this new program and I want to buy this \$2,000 thing and I want to do this thing. I had to tell somebody yesterday 'You know what? No more buying anything,' because you need time to

implement. So I've done that exact same thing, creating that yearly budget. Is that something you usually suggest for people in general?

Gretchen: I didn't do it, if that's what you're asking.

Jaime: But you suggest it because you should have, right?

Gretchen: In certain aspects of your spending I think it's a good idea. Of course with the cost of goods and things like that, you have to spend because that's how you make the money. I won't go into that. My daughter has a store and she doesn't manage her money wisely but she doesn't want to listen to mom.

Jaime: Don't you love that? So tell us what sort of advice you would give to someone like her, in general, to try to manage the money better in the business.

Gretchen: Again, I feel that a business is like a child and you are not going to deprive your child of the things that child needs and so, in the case of my daughter's retail store, in order to make money she's got to buy products but instead she's spending that money on herself or her husband or whatever so the business, or her child, suffers. So she's got to take care of that business first. I know it's very difficult if you're trying to live off what you're earning but the business is what's bringing in the money so you have to take care of the business.

Jaime: Definitely - business first. How do we do that? We talked about QuickBooks - some people, especially at the very beginning, find all of this stuff overwhelming in general so how do we dip our toe into paying attention to our finances more?

Gretchen: Well I do use QuickBooks and I think it's a wonderful program. Once you get it set up it's super easy. The beauty of it is that every accountant out there has QuickBooks on their computer so they can tell you if you're doing things right or wrong. But basically what I'm saying is know where your money is going. If you have to do it on a piece of notebook paper, do it that way. Do whatever is simple but don't keep a box full of receipts - spend ten minutes a day writing these things down or half an hour a week. One of the things I always did which my employees didn't particularly understand was I always worked at home for one day. I was in a retail environment but I did my bookkeeping on that day when I didn't have any interruptions and could really focus on my spending.

Jaime: I love that it's super easy now because I used to save all of my receipts and that sort of stuff but now I have one debit card and that debit card is linked with QuickBooks so as long as I use that debit card it's all online, I don't have to do anything, I just swipe that card, and my assistant has her own debit card and it all goes into one account. Not having to save receipts is the best thing in the world and a lot of people don't even know that that's available yet.

Gretchen: Well I didn't know you could not save receipts. I thought the IRS loved all of that paper.

Jaime: Well they do. I use to use Shoebox where you could take pictures of all of your receipts and then you could throw the receipts away. I know, geek. It's because I hate paper. I write on paper all the time but otherwise I hate paper, so being able to track things a little bit better is huge. Then you're only dealing with the line items instead of holding all of these receipts, because it's hard to go through all of your stuff at the end of the month, with all of this random paper and trying to figure it out.

Gretchen: Well I wouldn't do it every month, I would do it every week or, if need be, every day, just quickly do it for five minutes every day.

Jaime: I was going to say - how long did it usually take you?

Gretchen: I would do it every week and it would probably take me an hour. But then I would do all of my ordering at home too, because if you have employees they're always asking you questions.

Jaime: Well an hour a week makes a big difference instead of saving it all until tax time and then releasing that you have a mess on your hands.

Gretchen: That would be crazy.

Jaime: So everyone listening right now - taking an hour out of your week, maybe setting up a system with QuickBooks and diving in there and not ignoring it. This is in my book - being honest with what this stuff is, especially if you're not making a lot of money in your business because then people like to not think about it and think 'I'll just get more sales,' but we need to know what those true numbers are beforehand - even if they're bad, you need to know what they are.

Gretchen: Again, going back to that child analogy - when that report card comes you want to know how your child is doing in school. This is your report card.

Jaime: Exactly. Sometimes we get too emotional about our own stuff so we don't even want to look at it.

Gretchen: Money has a lot of weird things built in to it. I don't know where they come from but they come up, they surface, and people sometimes don't want to look at that and it's really important to be honest.

Jaime: Beautiful. So get some systems in place like QuickBooks or something like that and take an hour every week to make sure where you're at and that you're dotting all the Is and crossing all the Ts so that you know where you stand and can make the best business decisions that you can. That's a little summary of what you're saying, right?

Gretchen: Yes, and if you absolutely feel that you just hate the idea of doing your own bookkeeping, at least learn how to read a profit and loss statement and understand QuickBooks or whatever program enough to know that you can click on the right hand side and all of the expenses will come up in detail. Know what you're dealing with; just get a grasp.

Jaime: I agree.

Gretchen: It's really, really important if you want to be successful.

Jaime: And we like to ignore it, so today stop ignoring it! Gretchen says this is so important, you need to do it.

Gretchen: Gretchen says!

Jaime: We do what she says. Thank you so much for coming on the show. Where can we find out more about you and what you do online?

Gretchen: Well I'm at GretchenGrove.com and I look forward to hearing from you.

Jaime: Awesome and I'll definitely link that up. She has a blog and a bunch of information there too. Thanks so much for coming on today, Gretchen, I really appreciate it.

Gretchen: Thank you, Jaime, it's been fun.