

Hi. This is Wayne Rivers at FBI, where *We Build Better Contractors*.

This week, I want to talk about people who are conflicted about money. I was listening to a podcast and this person came on and more or less did a rant about frustration over having to work to pay for transportation and food and all that stuff, as if all that grows on trees and just comes because you want it. But it started me thinking, I've also known a lot of contractors that were conflicted about money. Now, this happened to be a younger person, but over the years I've heard contractors say so many times, "We're not in it for the money. We're not in it for the money." I understand the sentiment, but I want to talk bluntly about money and what it is, because I think that's rather shortsighted and foolish.

Now, what about this is important to you? Well, you may be conflicted about money. You may have employees who are conflicted about money, and I'm hoping I'll give you some language you can use to let everybody know that money is just a tool. It's just a convenience. It's a means of exchange. That's all it is.

We even had a consultant here who was conflicted about money, never wanted to charge the going rate for consulting services and things like that. He wanted his contractors to make money, didn't care if FBI made money. A little bit of a conflict for me there. Okay, people assume that there's a scale and we need to be way over here on the altruism side of the scale. If we're not, then we might be too much on the self-interest side of the scale. Now, self-interest and selfishness, not the same thing at all, and I think that they could coexist on that same scale. You can have a healthy degree of self-interest and also a healthy degree of altruism. I want our contractors to wildly succeed, but I want FBI to wildly succeed too. Why can't we be in it together? Why can't it be win-win? And I think it can.

Money is nothing more than a measure of value. If you want a new pickup truck, if I want a new pickup truck, and the dealer says, "It's X dollars," the only real mental exercise we have to go through, do I believe that truck is worth X dollars? Does it provide that value to me? And if it does, I don't have to trade him wheat or I don't have to trade him my direct labor. I can trade him money, and then he'll trade me the pickup truck. It's a means of exchange. It's an efficiency provider.

I remember in school, you go through business school, and these academics talk about the purpose of a business is profit. That is hogwash, utter hogwash. Here's an analogy. Profit is a requirement for businesses to succeed and to be sustainable, okay? But it's not the purpose. Breathing is a requirement for human life, but it's not my purpose. I don't wake up every morning yearning to ... Well, I do. I do want to breathe, but it's not my purpose. It's not what motivates me to do things during the day. Breathing is just a requirement of life, just as profit is a requirement of being in business. Money is a necessity, just like breathing is a necessity.

Profits are only a measure of efficiency. The more profitable contractors are running more efficient organizations over the long run. Sure, you can have a blip one year and you have profits that are tied to whatever reason that may not be permanent, but over time, profit is simply a measure of a company's efficiency and the value that it adds to its customers. So, if your customers are willing to give you higher margins for doing work that can be done on budget, on time, and efficiently, it may mean that you're adding more value to your customers, and what in the world is wrong with that? More money means you helped more people. That's what it comes down to.

So, for your folks, whether they're executives or whether they're rank-and-file employees, if they're conflicted about money, explain this to them. Money is simply a means of exchange. It's a tool that we have in the name of efficiency and effectiveness.

I'd like to hear what you think. What's your thought? How would you define money and profits? This is Wayne Rivers at FBI, where *We Build Better Contractors*.