



# Revenue Is Not Wealth



Salena Kulkarni knows from working with high-net worth individuals that big income does not equal wealth. Listen and discover what does.



**Salena Kulkarni**

**James:** James Schramko here. Welcome back to SuperFastBusiness.com. And today, we're going to be talking about why you make lots of money but you're not rich. Bit of a touchy one, this one. I've welcomed back [Salena Kulkarni](#), it's nice to have you back on the show.

**Salena:** Thank you, James. It's great to be here.

**James:** It's been a little while between [our episodes](#). But I have had some great responses from people that I speak with regularly, have been very interested in the discussion that we had after they heard the [very first episode](#) you did. And they're like, Oh, this is really good to cover this. It's kind of like a topic that people either put off, or haven't thought enough about.

## The horrors under the hood of some businesses

In the previous episode that we did, which was 878, we were talking about [the velocity of money](#), and why you need to get started quickly, and some areas on where you might get your dollar working harder for itself than just sitting in a bank account. In this episode, I just really want to touch on something that I see a lot as a coach. When I look under the lid of people's businesses, obviously I find, like, unimaginable horrors.

You know, because I focus on four main areas, right? I'm looking at their team, and systems and stuff. Often that's a mess. I'm looking at their sales and marketing. And quite often, people haven't articulated the way that they're communicating what they do and how they sell it as well as they could. I'm looking at their sort of business model and the strategy around how they actually set things up, looking for leverage and so forth.

And the last one is the sort of personal optimization thing, and that can range between health through to, you know, are they actually having a good life? I've found people who are workaholics who need to pull back a bit. I've found people who are doing something very unhealthy and need to make changes.

But an overwhelming majority of the people I speak to are so busy, being a busy entrepreneur, and trying to do all those things I just mentioned. Like, the last person they're looking after is themselves financially. And I remember something my grandfather told me, and that is, pay yourself first.

And that's something I've always done. I've always been interested in building wealth, whether it's buying and selling cars, privately, buying and selling properties, and certainly buying and selling businesses, or building and selling. I tend to just build and sell. I haven't really bought that many, but I have.

I've purchased 200 domains once and then sold them for a fortune. And lots of domaining actually, I bought \$800,000 worth of domains one year, just because it was close to tax time. And it was good to just put my money to work, like we're talking about last time, and I did really, really well out of that.

I still sell domains now for \$3,000, \$4,000, \$5,000. And we're talking nine years later. So it was such a great little bank. And I went for dot coms. Speaking of which, you're now on a dot com, [inkosiwealth.com](https://inkosiwealth.com). That's where you'll find Salena.

## Why so many entrepreneurs are broke

Salena, why are all these entrepreneurs, like seven-figure ballers, broke?

**Salena:** Ah, well, where to begin? I genuinely think, because I've worked with hundreds of business owners, and I agree with what you're saying, I think when you pull back the curtain, numbers immediately, like, if you look at a static picture of where someone is, when you look at their balance sheet...

**James:** If you look at their Instagram, you think they're like, their life could not possibly be any better.

**Salena:** Oh, yeah.

**James:** But then that's curated. That's heavily curated. It's designed to manipulate and persuade. But it's very rarely what you see in the background. I know I'm interrupting you here, but I just want to say this point.

When I was at Mercedes-Benz, it was so common that I'd see some high flyer come in, get the most fancy car, finance it, and then end up on A Current Affair or 60 Minutes, or whatever current affairs show a month later or a year later, just completely coming unstuck. Very common that outward appearances are not what's actually happening. And what I have found to be true is the people who talk more about being rich and being amazing and flaring that are usually the worst.

**Salena:** Yeah, well, look, I mean, a simple answer to why are they broke, broke is probably not the word I'd use. But I think the way that I look at it is if you have the luxury of a high income, I almost feel that there's a level of responsibility about converting at least a piece of that into something meaningful that will endure beyond when your income stops.

And the reason I think that a lot of people flounder is some people are just so - especially business owners, they're awesome at producing income. But there's a disconnect in that they think that the income is wealth, not that they need to actually do something to convert it. So when I often look at the balance sheet, meaning, what have you actually got if the income stopped tomorrow, there's no question that there's an underperformance issue.

There's either, you know, as their income has grown, they've inflated their lifestyle, which is often, and there's no right or wrong with any of this, by the way, this isn't a judgment, but it's more that, often, business owners work really hard, like they give a pound of flesh for the income that they earn.

So when the money comes in, there's a justification of, I've earned this, I think, or maybe there's an expectation from the family and the people around you to start increasing the way that you live. And maybe you think you should have a more lavish lifestyle. There's a whole world of pain that people have in terms of keeping up with the Joneses. So there's that side of it.



But I think that there's a huge difference between being good at making money, and then being good at converting it into wealth. And they are two totally different disciplines.

**James:** You know, I used to be a debt collector, right? So I would go and repossess a car that cost \$20,000, and they're living in a rented fibro shack or a government-supplied facility. I'm like, where did their priorities go?

And some of them used to complain to me. You know, it's just not good enough. Like, The government this and blah, blah, blah that. I'm like, Hang on a minute. I'm driving a \$700 Holden Kingswood. Now for our international guests, that's just the run-of-the-mill standard vehicle, you know, like, just like a regular Ford or something. And it was living within my means. That's something a lot of people could actually learn from.

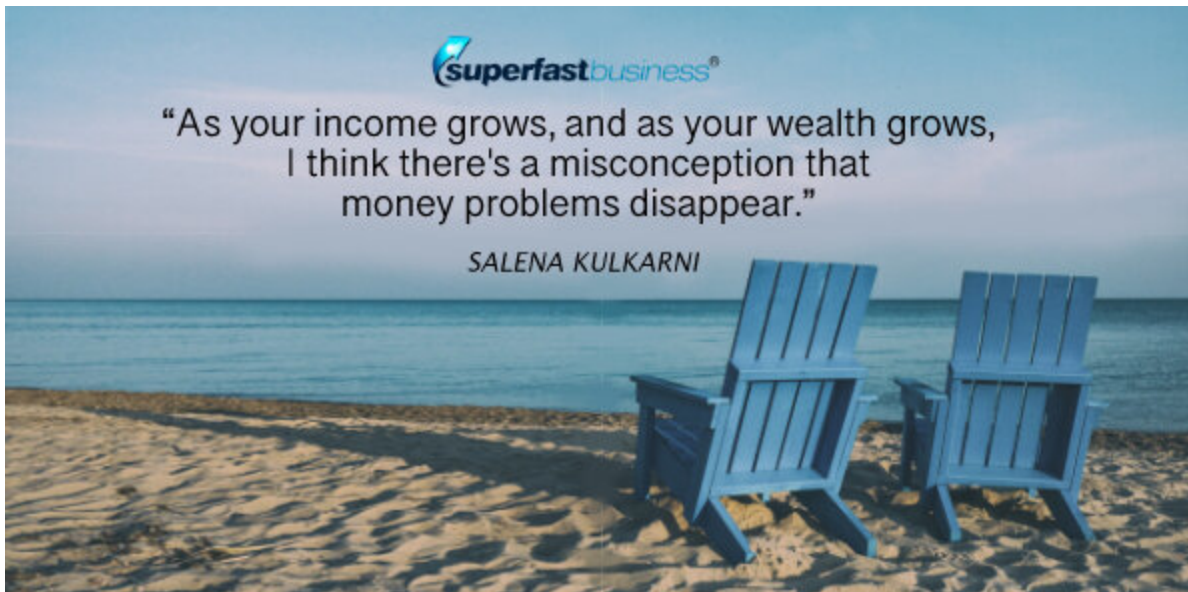
You said so much there, I think, that's really important. Keeping up with the Joneses, I often think, why are they making all this money? Is it some deep-seated need to be significant? Why do they post such exoticness on socials? Is it right or wrong? You know, the only way that they can sell is to be braggarts and to show people this lavish lifestyle?

And I post stuff on Instagram too, but mostly just scenery, beach shots, or whatever. I'm not into rented Lambos, or whatever. I actually understate my life because I don't want it to be about that. I'd rather just focus on my customer, and make it about them being successful. But I wonder if they've disconnected from the reason why they're making that money, or they're even aware of it.

And then, are they aware that there are people who are, like, factory workers, or electricians who are on a much lower wage, but are significantly wealthier, like could literally stop working, and live for the rest of their life with a reserve, and even have legacy to pass on?

### Myths and landmines around wealth-building

And I wonder, what can we do to make an impact? If someone's listening to this feeling like, Oh, sh\*t, they're talking about me. What are the steps?



**Salena:** Oh, that's a good one. Look, I think the first thing is just to recognize whether you've been muddying those two concepts around income versus wealth. What I would say as well is, as your income grows, and as your wealth grows, I think there's a misconception that money problems disappear. And I know that that's not the case. And the best metaphor is probably parenting, where you think that it's going to get easier as they get older, and the flavor of the problems just change.

So having worked with a lot of ultra-high-net-worth individuals, I can tell you now they still have money problems, they're just of a different nature. And so I think, to assume that there's an element of money problems disappearing may be a myth, and I think you've touched on this earlier, but, I mean, I just ran an event this weekend, and the theme was the invisible landmines of wealth building.

And one of the, you know, I guess, principles or pillars that we talked about was the greatest challenge, especially for entrepreneurs, is this idea that they keep moving the goalpost. You know, it's that whole keeping up.

**James:** Like a politician.

**Salena:** Yeah, pretty much. You set up this goal of where you want to go. And then as you approach it, you undermine your whole wealth for the aspiration for more. And we shared a bunch of stories of people who were worth hundreds of millions of dollars, who foolishly started to go, Well, hang on, that's not enough. I need to be a billionaire. And they risked what they had and needed for what they didn't have and didn't need.

**James:** But I suppose you're filtering them based on your own things. Like, for me, \$100 million, that will be enough for me to just surf and have some conversations with people, like I'd mentor people. I'd still mentor people because it's built into me. But for other people, they might be in a pissing contest with billionaires and that might be, like, the first rung of a bigger ladder.

**Salena:** Totally. And would you risk your reputation for it? Would you risk all of it to be a billionaire? And unfortunately, I think a lot of people make fatal mistakes when they reach the next stage, instead of kind of consolidating and thinking about, right, how do I get to the next place safely, they blow it up.



**James:** It's so common people blow it up. And a lot of those billionaires have been bankrupted many times on the way, or there's some pretty clever ones who seem to bankrupt all their partners along the way. They get better lawyers and better structures, but they're toxic. Some of the most famous ones who even have books and everyone references in every book, have never been in profitable deals, but have become fantastic messes of PR and protection.

So yeah, would I? Absolutely not. I think I'm way more conservative. But as an entrepreneur, I'm also okay, I'm pretty comfortable with taking risks. But they're measured risks, and I do what I can to educate myself.

The point of this particular podcast is to call out those of us who start to lose our way a bit. I think, you know, we turn into Darth Vader, getting a bit power hungry with our Death Star, thinking about all our money, but we're not doing good things for ourselves, first and foremost. And if we do get into a situation where we can have impact, hopefully we're having the right kind of impact.

## **Ripples and risk-taking**

And, you know, at this time that we're recording this, there's been a lot of ripples in the Facebook camp, right? People are leaving Facebook, people are whistleblowing Facebook, Facebook's changed their name. Like, lots of things going on.

Could there be a risk if our business doesn't go so well that we'd have to go and take a job or something? For me, that will be my worst nightmare. It literally is the only nightmare I ever experience, is me working in a car dealership. And I do what I can to make sure that will never happen to me.

And so that's one driver. I'm conscious of my driver. That's it. I really would hope someone listens to this episode and says, I'm now one more level aware of why I'm doing what I do. And I want to take a commitment to get more serious. It's funny you said about kids, because one of my daughter's favorite sayings is, Not yet.

And I think some people who are so busy making all their money are putting off storing some of that money into higher-value mechanisms. Like, I'll do it, but not yet. I'll get there one day, or someday, or later. But it may never come, and you could be on the rat wheel for no reason.

Like, if you said to someone, Hey, listen, there's no reason you need to actually do any work in five years from now, if you start now, if you have a business and you have a reasonable income, and even a little bit of equity, I think that would be shocking to some people that they could think that that's even possible.

### **When high net worth doesn't feel like wealth**

**Salena:** Absolutely. I think if I was going to put a twist on the flavor of this podcast, it's that, I speak to a lot of people who are high net worth, but they don't feel rich. And the reason is that they're putting all their energy, if at all, into building capital, because they have this perception that highest net worth wins, that if I have 10 million bucks, then I'm set. If I have 20 million bucks, then I'm set. But basically, they're carrying these big, fat, lazy pandas I call them, that produce no income. And so for me by definition, that's not life-altering wealth.

**James:** Well that falls into the thing where, you don't own things, they own you.

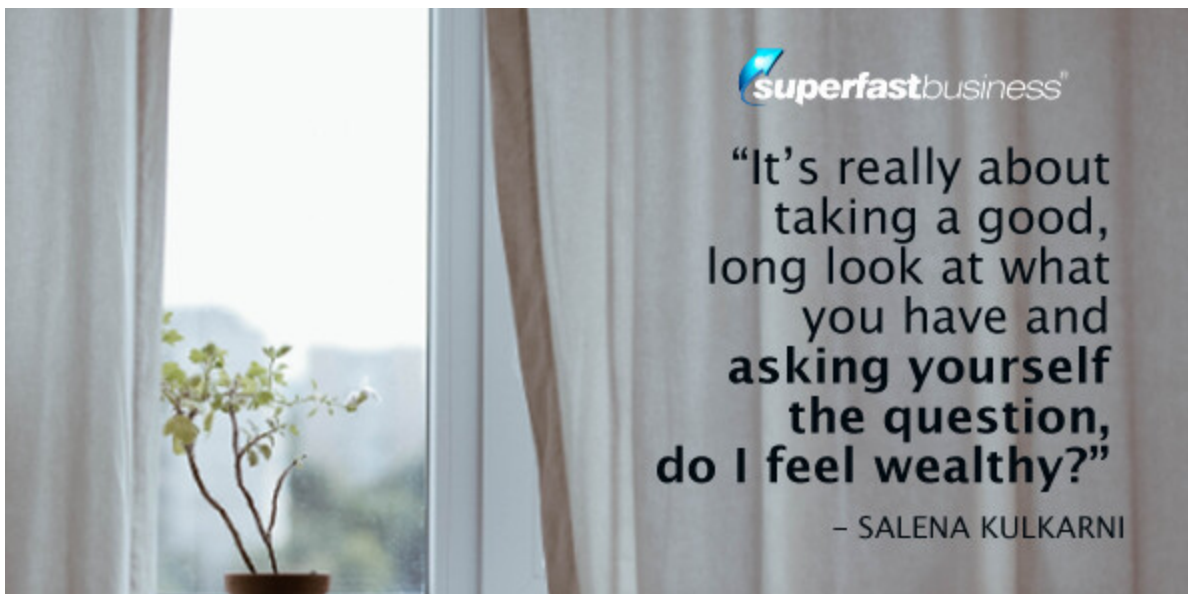
**Salena:** Absolutely.

**James:** They drain you. Like, it does, like you get the rates notice, or the electricity bill, or the water bill or whatever. You think, didn't I just pay that? Oh no, that's another place. Like, they just add up. You've talked about property investment vehicles inside SuperFastBusiness membership and how that's like, it's highly lauded in Australia, but it's probably fairly inefficient compared to what else you could do.

And this industry has created its own problem in a way because they celebrate revenue. Six figure, seven figure, eight figure, like, almost without exception, anyone who I coach is already making a million dollars a year, wants to make \$10 million a year. It's a 97 percent response to that question, like, what's your goal? And they go, 10 million a year.

I even did an episode about this, that like [maybe \\$10 million a year isn't the goal](#). So I'm trying to educate about this. It's not your revenue number. It's not your total asset value. It's a combination of things. But you're big on having income coming to you that's leveraged, and I guess the old thing about passive income, that your money is working for you.

**Salena:** Absolutely. And I would just add to that, that the reason that I like taking a maximum five-year outlook with the people I work with, is if you can take a small fraction of your wealth and put it into investments, which work way harder than mainstream investing, it's game over. It could be game over in six months, let alone five years.



But it's really about taking a good, long look at what you have and asking yourself the question, do I feel wealthy? Because you and I both know business owners that do earn more than 10 million per annum, and they can't get off the treadmill, they cannot get off the hamster wheel. They have created this monster. And if they stepped off, they'd have nothing else to fall back onto.

## Beware of the tendency to compare

**James:** This is such a critical point, do not fall into the comparison trap. Some people ask me like, do you want a \$10 million business? And I'm like, I don't, I actually don't, because I've seen what is involved in that for most of people. Unless you're a genius songwriter or something and you could get royalties for that, which would be amazing.

I probably won't get to \$10 million a year revenue, but I also won't have the layers of staff and all the big cogs and the expensive challenges and problems. I don't want to work more than 15 hours a week. I'm kind of more like the Mexican fisherman, you know that story, and the investment banker who is there for his holiday? And I'm okay with that. So, when you're okay with not playing the comparison game, that can help you a lot. I think that's critical.

Something you said in our previous episode that we recorded, which was [episode 878](#), was you said that Bill Gates has a problem where he couldn't even spend his money fast enough. And when you said that, I guarantee you, someone listening to this podcast, in their mind said, Oh, well, he could send some to me, I'll help him with his problem.

And that, that's your problem, because you want a handout, you want entitlement, you want money for nothing. As soon as you say, Good for Bill, I can create that for myself, I can be responsible for my own wealth, that's the day you grow up financially. And you're ready to start getting out there and doing something.

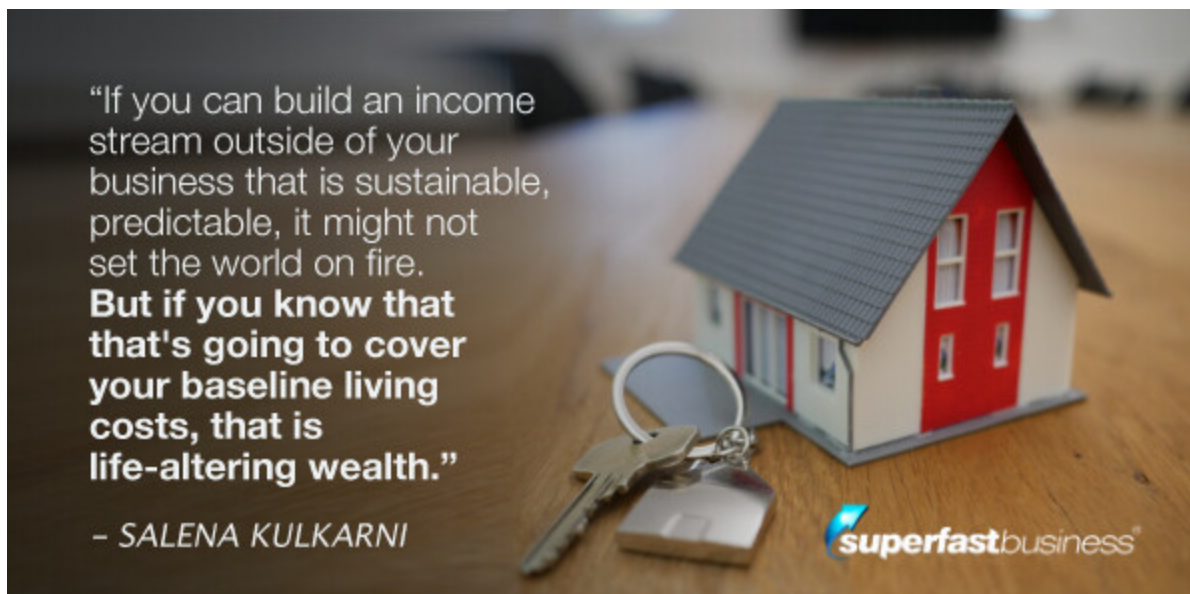
And I know this episode's a bit of a stir. But I just feel like it has to be said. Stop judging people based on their revenue or their Instagram, and thinking, oh, they're such a big baller. I was coaching this lovely person. And she said to me, Oh, such and such, you know, he's so popular and so successful. And I'm like, Wait a minute, what do you mean successful? Oh, yeah.

I'm like, Do you realize this guy lives on a little patch of dirt in the middle of nowhere out of a camper van? And she's like, What? I said, Yeah, he's not successful from a wealth perspective. He's good at writing words. And he's got a big following. But you're, like, 10 times wealthier. Where you are sitting right now in your house that you own, right, you are like 10 times plus wealthier. And she's like, Oh, wow.

You know, I'm like, maybe we should give ourselves more credit than what we've been giving ourselves, so where we've got to, but from today on, let's judge ourselves against ourselves. And that's what your Inkosi wealth formula is, it's a percentage that you can work out how effective you are at deploying your own money into making more money.

## Recognizing the struggle

**Salena:** I think the other end of the spectrum that's worth mentioning here, though, James, is that there are some genuine business owners out there who are in a state of just a little bit of pain because they recognize, they've tried to do all the right things, they've tried to build wealth outside their business, but maybe just haven't quite got the formula right.



And for those people, what I would say is that, what I'm hearing when I read between the lines is the idea of wealth, the idea of passive income, is more of an insurance policy. And that is smart thinking. Because if you can build an income stream outside of your business that is sustainable, predictable, it might not set the world on fire. But if you know that that's going to cover your baseline living costs, that is life-altering wealth.

So, you know, we've talked about those who have a lot of income and maybe flaunt it, but I think the other end of the spectrum is business owners who maybe aren't in that boat, they're genuinely trying to figure out the wealth building piece. But unfortunately, in a very noisy marketplace of wealth building, it's confusing. And so, it's just, they understand what it is, they just haven't found the right pathway.

**James:** Yeah. Well, I mean, that's where you come into the picture, Salena. I've partnered with you to help you get this message out to more people as a wealth coach. Give us your contact details. So if we've listened to this, and we're inspired, we want some help, whether we're the struggling business owner who's tried and got ripped off, burnt or bad advice, or read a book and it didn't pan out, or whether we're a high flyer, sort of wrapped up in our own little world and didn't realize that we probably should have been more serious about it, how do we get in touch to get some help?

**Salena:** I always think the easiest is just email. So [salena@inkosiwealth.com](mailto:salena@inkosiwealth.com). That's it.

**James:** Love it. I love what you're doing. I hope this episode creates some change. I do feel better for just having my little rant about it. You know, I'm very lucky because I've got influencers around me who make sure that I stay humble. And I've got people like you who's keeping me in check. As you said, it's hard for people to disclose where they're up to initially to themselves. But when you involve others, and they have a look through it, like if you open up your books, someone's going to realize, hey, you know, you're a swan on the top of the water, but you're just like, paddling like crazy underneath, just trying to hope that you can get through.

But I do think people are just sailing along and are going to have a life-changing event in the negative sense when things stop working, and that's crazy. It's fixable, but you've got to start now. This is episode 891, [SuperFastBusiness.com](http://SuperFastBusiness.com). I'm James Schramko.

We're going to put the transcription up for you to read through. We'll put some highlights there. My brilliant team will summarize this into some digestible bullet points. And Salena, thanks so much for sharing. We'll catch you in a future episode.

**Salena:** Sounds great. Thanks, James.



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