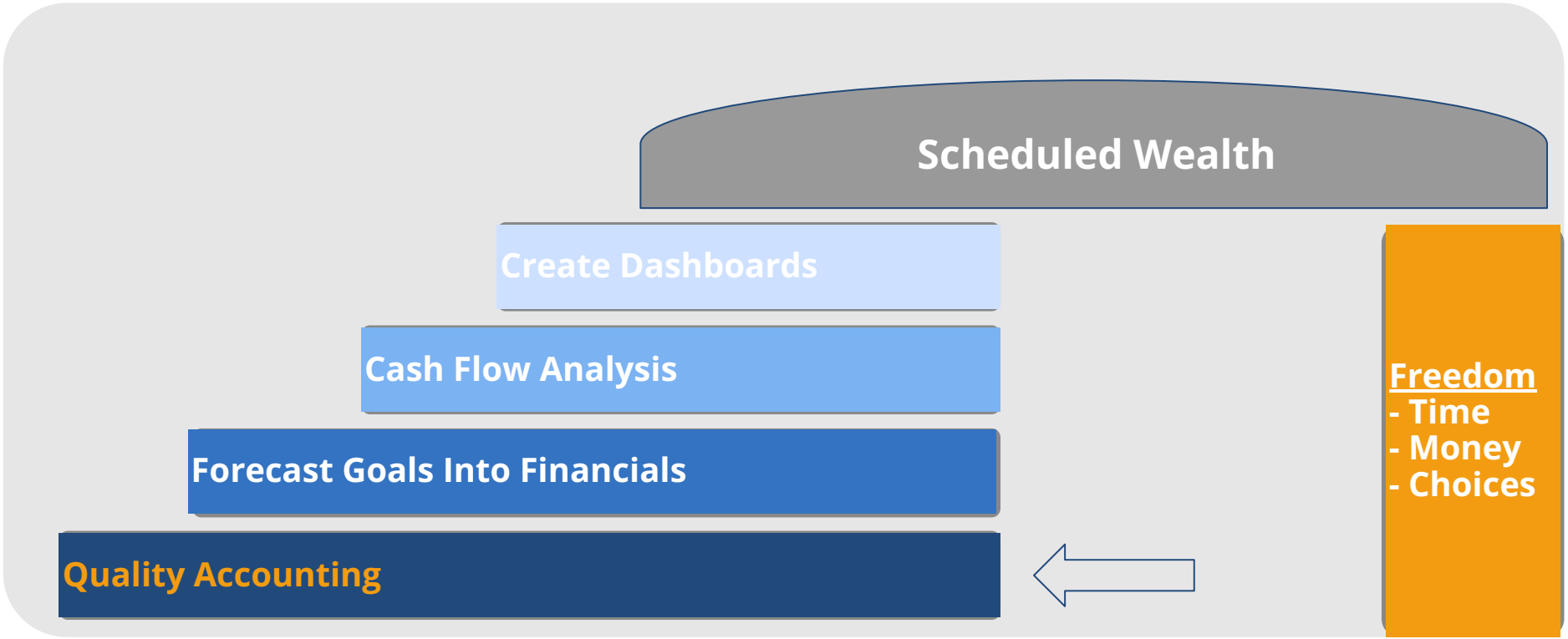
INCITE

THE WEALTH BUILDING FRAMEWORK

I got a fever. And the only cure is more cowbell!

Steps of The Wealth Building Framework



Terms to Define

Chart of Accounts

Lists the categories used in your business to label assets, liabilities, equity items, income, and expenses

Financials

Profit & Loss statement; Balance Sheet; Statement of Cash Flows

Profit & Loss Statement

Records the income and expenses of our business

Balance Sheet

Lists the assets, liabilities, and equity of your business

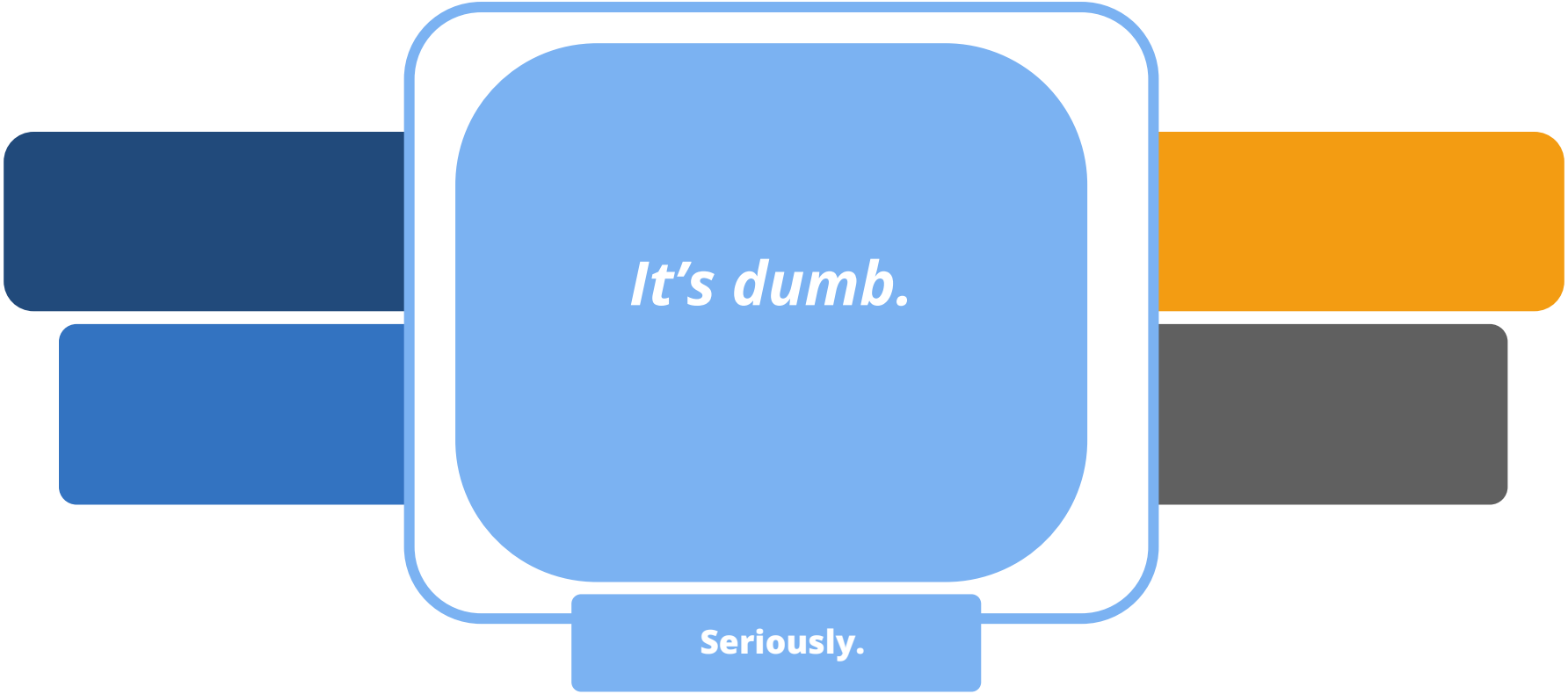
Accounting

Act of recording your transactions in a way that give you good financial reports.

WHAT IS QUALITY ACCOUNTING?

- Consistent categorization of vendors and customers.
- Consistent schedule of updating your books
- No personal accounts in business
- All loans are listed in your books and balances are accurate
- Reconciling your accounts
- Checklist

TRADITIONAL BUDGETING



Cash Flow Management System = Better Budget

You Can Only Manage Cash When You Have It

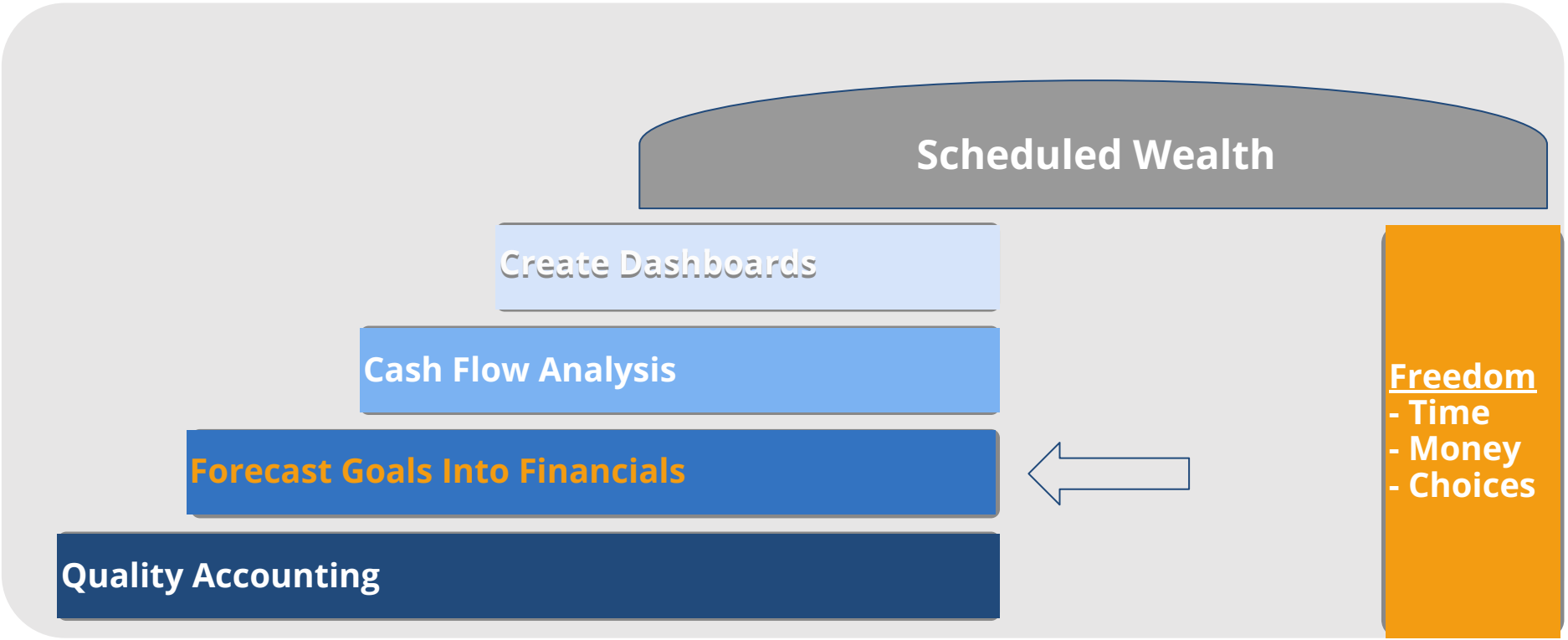
Who Cares What You Did? What Do You Want To Do? That Is What You Plan

Keith Cunningham - Rich Dad

“Leverage is the key difference between small and large business. *Measuring Time* and *Thinking Time* are the 2 highest forms of business leverage available”

Leverage is any tool, technique, asset, or process that allows you to do more with less

Steps of The Wealth Building Framework



FORECASTING TEMPLATE

REVENUE GOALS by End of Year

- Net Income/Profit
- Revenue by Income Stream
- Total Revenue

Revenue Forecasting To Consider

- List all services and products you currently sell or want to sell in your google sheet
- Are you offering new services?
- When will the new service be ready to sell?
- Are you reformatting any existing services?
- Are you stopping any existing services?
- How many units of each service do you need to sell?
- What is the price of an individual sale?

Breakout Revenue By Month

- How many units per month will be sold to hit that revenue number?
  - Number of Units x The Price
- Is your income divided evenly throughout the year?
- Do you have seasons of high sales and then low sales?
- If offering a new service, how long will it take to make it ready for sale?
- When do you expect the first sale of new service to happen?

Breakout Revenue By Month.....

- How quickly will you ramp up sales for the new service?
- Reformatting a service; will you have a new price point
- When will that new price point hit?
- How does reformatting the service effect historical conversion rates or historical average sales price?
- If stopping a service, at what point will you stop selling it?

Your Commitments

1. *Finish Filling Out Your Revenue by Month*
2. *Go Through Accounting Checklist with Bookkeeper to verify Step 1 (Quality)*

To Cause to Action