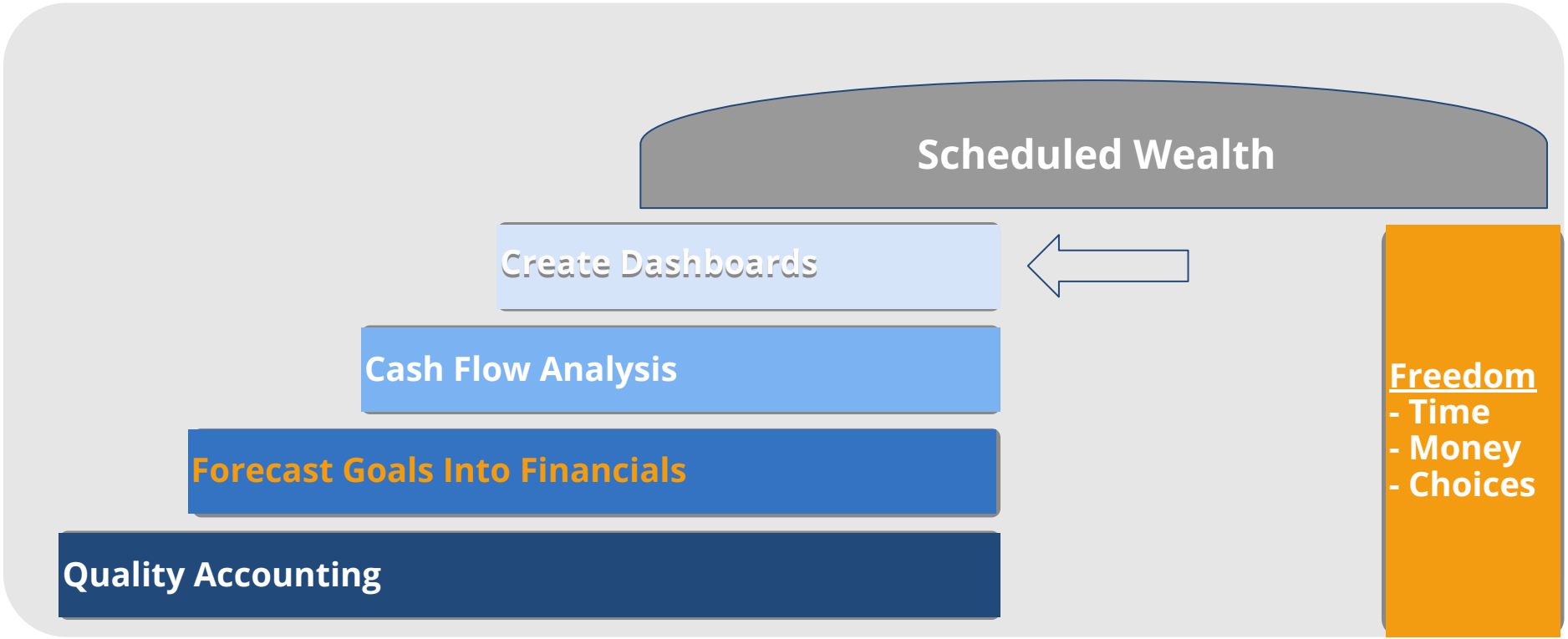
INCITE

THE WEALTH BUILDING FRAMEWORK - 4

Back to the Future!

Steps of The Wealth Building Framework



RECAP

1. *Quality Accounting*
2. *Forecast Filled Out*
3. *Cash Flow Analysis*

4th Quarter.

Roadblocks - Questions

Where are you stuck so far?

- **Quality Accounting**
- **Revenue Forecasting**
- **Expenses Related to Revenue Forecast**
- **Historic Expenses**
- **Cash Flow Analysis**

Dashboard Example

Go To Dashboard Example Tool

KPIs (Key Predictive Indicator) vs Metrics

A KPI is a Metric

A Metric is a KPI

But They Aren't The Same

KPIs vs Metrics

KPIs are Metrics you want to focus on

Metrics make up your Dashboard

Manage by Metrics

KPI is Micro Managing

- You don’t trust me if I have to report and track metrics
  - Poor Attitude
  - Excuse of lazy people
  - Don’t want to be held accountable
- You have to know your numbers
- You have to know what is being produced by your team
- “A” Players like proof they are succeeding
  - Michael Jordan, Usain Bolt
- Each Team Member needs a Metric to Report

Dashboard Template

Go To Dashboard Template Tool

What Are KPIs?

A measurement of an activity

1. **What activities will drive your growth?**
2. **What do you want to improve in your business processes?**
3. **What are the activities that drive your main goals?**

More KPI Development

1. Is there an activity that drives *that* activity?
    a. Blog posts vs Sales Calls
2. Are there obstacles that get in the way of that activity?
3. What is the expectation of acceptable performance?

KPI Handout

Go To KPI Handout Tool

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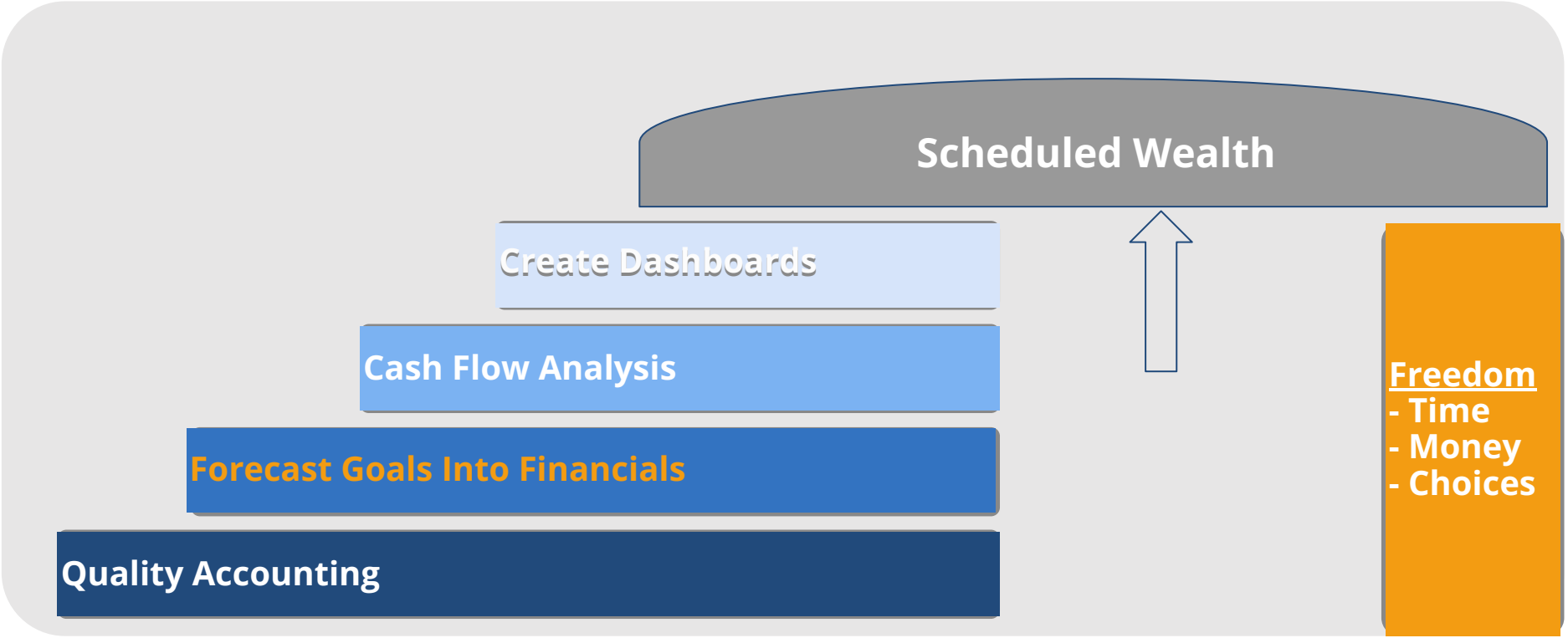


Evaluate Your Business Regularly

Where Can You Improve

Assets/Team into Revenue

Revenue into Profits

Profits into Cash

Big 6 Business Risks - Keith Cunningham

1. Concentration Risk - Having a few clients that make up a large portion of revenue
2. Sustainability Risk - What could disrupt the future stream of earnings?
3. Business Model Risk - How a business makes money and whether or not the amount made is adequate compensation for the owners
4. External Risks - Competition, regulatory change
5. Leverage Risks - Borrowing too much money
6. Excess Capacity Risk - Don't have idle resources

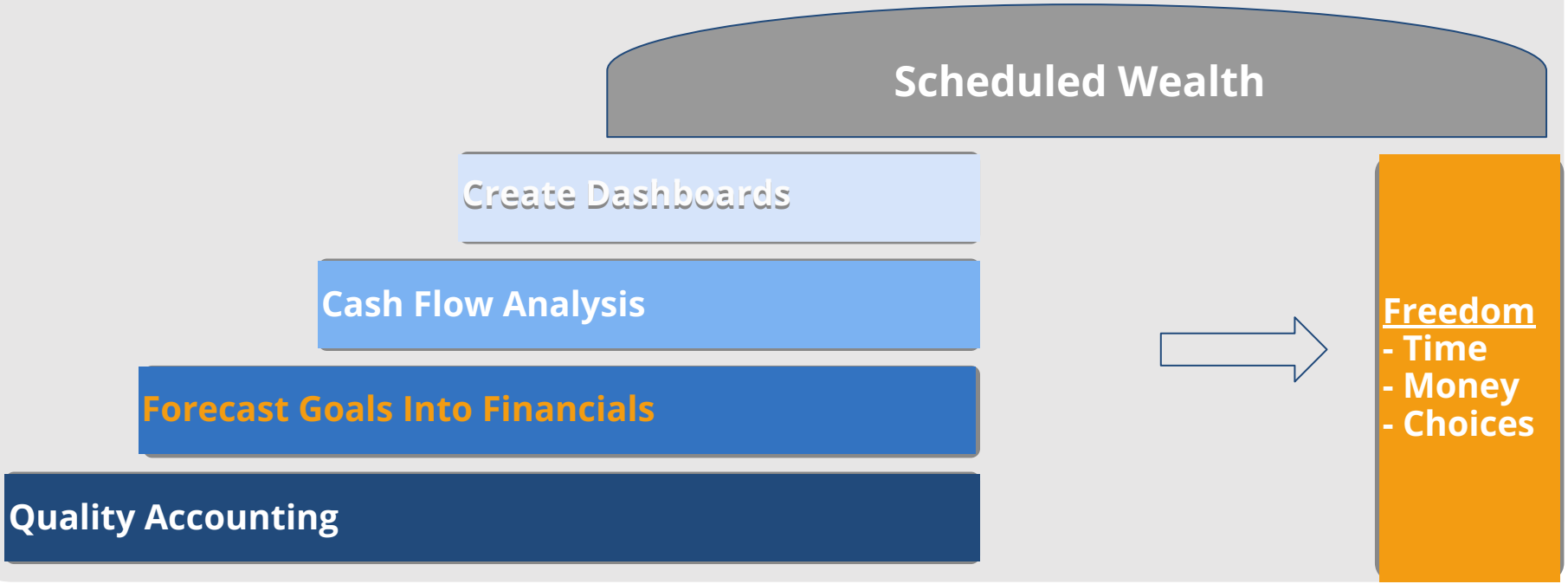
Not all risk has an equal chance of happening or an equal cost if it does

Regularly Compare What You Did To What You Planned

By Keith Cunningham

- **How can I be smarter and more competitive?**
- **How can I add more value and make fewer mistakes?**
- **How can I rapidly find the leaks that are costing me profits and cash flow?**
- **How can I get them permanently plugged?**
- **How can I take the guesswork out of my decision making and take control of my business and finances?**
- **What are the critical drivers I must monitor to optimize and maximize my profits and cash flow?**
- **How can I be more efficient with my business prioritization and activities?**
- **How can I move the needle with the least amount of wasted motion?**

Steps of The Wealth Building Framework



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

Not The End But The Beginning