

# MONEY BLUEPRINT FOR BUSINESS OWNERS



A financial program custom tailored  
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Financial

# CONGRATULATIONS ON DOWNLOADING THE MONEY BLUEPRINT CHEATSHEET!

As a business owner and consultant to business owners, I know how easy it is to feel intimidated by the numbers, or to suddenly realize your business isn't where you thought it was.

## *That's why I created the Money Blueprint Cheatsheet.*

It's a high level introduction to help you understand your numbers. And it's designed to help you begin running your business like a true Profit Boss. So don't be intimidated by the acronyms.

### *How to Use this Blueprint*



Firstly, if you are a member of the [PROFIT BOSS FACEBOOK GROUP](#), please feel free to ask questions about the Money Blueprint Cheatsheet there.

If you aren't already a member, just [VISIT THE PAGE](#) and request to join.

### *Here's how to get the most out of this content...*

Read the entire Money Blueprint Cheat Sheet once. Don't execute any of the Pro Tips until you understand the terms.

If there are any numbers you don't have, you can get them from your bookkeeper.

Then plug in the numbers to calculate Company Profit (quarterly and annually) and also Profit from a Promotion. (Many business owners don't track this, but it's super important to understand so you can do more of what works and less of what doesn't.)

Once you have those numbers, proceed to the "Static Numbers to Know" section and fill those out.

These are the high level numbers about your business and promotions that you should always know and have at your fingertips. The good news is that, in many cases, knowing these numbers means you can let go of having to know the myriad other numbers on your books that might overwhelm you.

#### *These are the numbers that matter!*

Once you've got a handle on your numbers, make a regular habit of doing the activities in the Pro Tips section.

Then you're well on your way to becoming a millionaire CEO (otherwise known as a "Profit Boss")!

# DEFINITIONS

**Direct Costs** — promotion-related costs.

Facebook ads, Google ads, program brochures, travel costs to a trade show where you are selling something, lunch with a prospect (but only if you ask for the sale).

**Revenue** — All sales and income.

The biggest income number. It's useless to know Revenue without knowing Profit.

**Pure Expenses** — all of your other costs.

Employee and contractor wages, office space, office supplies, legal fees, general marketing, website design and maintenance, etc.

**Profit** — why you are in business.

Profit is the golden ticket to an amazing lifestyle - profit should be top of mind for you always.

**ROI** — Return on Investment.

You can't make money without spending money, but your job as a CEO is to make sure there is more money coming in than going out. If you spent \$100 on Facebook ads and generate \$150 in sales, that's a 50% ROI. That's a great ROI, but you have to make enough ROI in your promotions to pay for the pure expenses in your business (office space, cell phone, Internet, office supplies, etc.)

## CALCULATE PROFIT THIS WAY

### **Profit from a Promotion**

(calculate after the promotion)

Revenue – Direct Costs – (all) Expenses  
(including your own income).

### **Company Profit**

(calculate quarterly & annually)

Revenue – Direct Costs – (all) Expenses  
(including your own income)



# THE CHECKLIST

## *Static Numbers to Know*

- What was last year's revenue?
- What was last year's profit?
- What did you pay yourself last year?
- How much did you save last year in personal accounts (not business accounts)?
- You must know your break-even point: that's the amount of revenue you need to bring in or price you need to charge in order to generate a profit. Businesses that don't exceed their break even point are not sustainable.

Once you know these numbers, they are your benchmarks. It's your job to make them bigger each year. For businesses that are dramatically affected by economic cycles, you may not be able to grow them every year, in fact, you may find that your company revenues ebb and flow with the economy in ways that don't make you happy. You have the opportunity to create lines of business that are non-cyclical — something people buy whether times are good or bad.

## *Ongoing Numbers to Track Quarterly*

- Track revenue and profit numbers quarter over quarter (Q3 versus Q2, etc.) and year over year (2014 versus 2013, etc.).
- For businesses that are seasonal, track season over season. For example, if you sell a lot at the holidays, track Q4 2013 over Q4 2014.
- For businesses that have a consistent or periodic promotion, track promotion over promotion. An example of this is if you launch a virtual training course 3 times in a year.
- Track direct costs, such as advertising a sale, the cost to rent a room where you'll run a seminar and make a sales pitch, etc. This is the only way to know if those efforts are providing ROI.

THAT'S IT! KEEP IT HIGH LEVEL  
AND BE RUTHLESS ABOUT PROFITS!

# PRO TIPS

- 1** Check your bank accounts every day. **ALL OF THEM** - business and personal. But do NOT make management decisions by the balance in your business bank account!
- 2** You need a bookkeeper and an accounting tool like QuickBooks. Downloading and categorizing expenses isn't good use of your time. If you find someone who works virtually, consider looking for someone who doesn't live in a big city. That way, you don't have to subsidize the high cost of living. This tip alone will save you lots of \$\$\$!

After hiring a bookkeeper there MUST be a check and balance system in place to monitor the bookkeeper. For example, not allowing them access to sign checks or pay bills or having a separate person reconcile the accounts. Checking the bank account daily will help, but there must be another system in place.

- 3** Automating profit and income means paying yourself FIRST and setting aside profits at the beginning of the quarter. If you relegate owner income and profits to "whatever's left over", that's nearly always nothing. Parkinson's Law says that the demand upon a resource tends to expand to match the supply of the resource. This means your expenses will rise to match revenues unless you commit to automating your profit.

## SUPER PRO TIP

This is how you become a millionaire CEO: Track the actions you take to produce sales. Sales calls, meetings, ads, speaking gigs, etc. and track your effectiveness at those activities. You can create a funnel that shows how revenue gets produced, know your conversion rates, and tweak each aspect of the funnel for effectiveness.

## FOR EXAMPLE

Spent \$100 on ads for seminar ---> Got 25 people to attend ---> 5 people purchased ---> \$1000 in revenue ---> \$200 room cost + 3 hours of your time to prepare (if your billing rate is \$100/hour that's \$300 in implicit costs) ---> \$400 in profit

You can tweak each aspect of the funnel: make the ad more effective and get more butts in seats, make your sales pitch more effective and get more sales, get the room for less cost and profits go up. You can see that there are lots of ways to increase profits when you track each part of the funnel!



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