

Paul Hoyt's "Office Hours" Series



THE **Awakened** CEO System

Office Hours

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Welcome to Office Hours

- A relaxed, informal mentoring program
- Held every Monday at Noon Pacific Time
- All recordings, slides, and exercises are archived in our member's area
- All recordings are available on my YouTube channel:

www.YouTube.com/user/PaulHoyt

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The Reasons

- Being a successful small business owner can be a great experience!
- It's tough - you need Education, Training, Tools, and Team to be successful
- We want you to get to know us

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The Reasons

- First and most importantly, we want you to know that we care about you.
- We want you to succeed in every area of your life, whatever that means to you.
- We want you to find the **greatness**, the **happiness**, the **divinity** within yourself, and then remember it, embrace it, and live it every day.



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Our Passion

To increase the survival rate...

Accelerate the growth rate...

And reduce the struggle rate
of businesses in America

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Our Vision...

To help millions of CEOs and
Entrepreneurs accelerate their business
growth and enjoy greater harmony and
balance in their lives

Please Pass the Word!

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Office Hours Agenda

- In depth discussion of a business success principle
- Closing remarks, special offers, and invitation for next weeks session
- Open Q&A and coaching

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Join Us!

- The Awakened CEO Communities on both LinkedIn and Facebook
- Business Success Principle of the Day postings on both Facebook and LinkedIn
- Energy of the Day posting on Facebook

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Today's Topic:

How to Be GREAT at Financial Management!

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The Key Performance Areas



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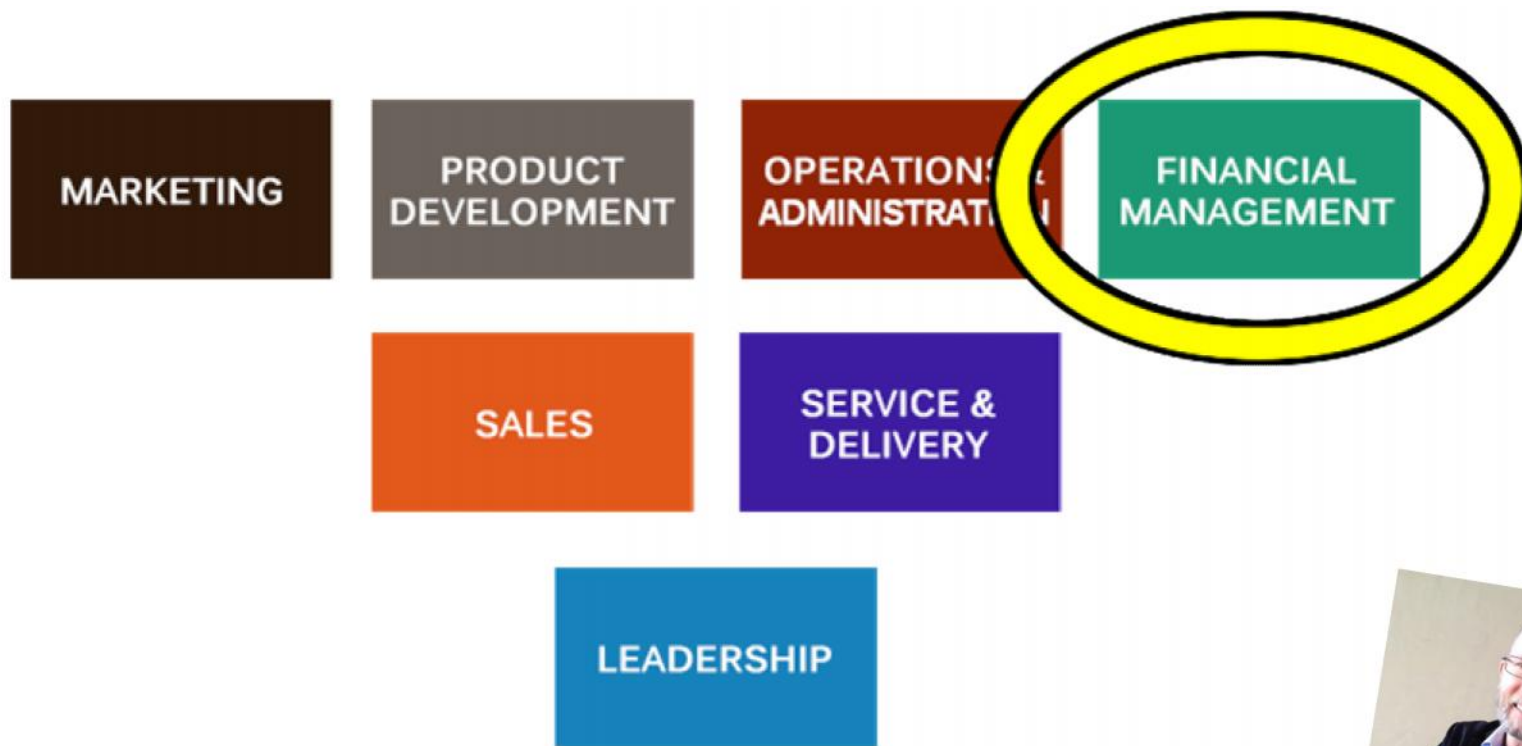
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The Key Performance Areas



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THE **Awakened** CEO
System



A Balanced and Comprehensive Approach
to Business Growth, on multiple levels



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The Awakened CEO System



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Agenda

- How To Transform Yourself and Your Company
- What is Financial Management?
- The Value of Excellence in Fin. Mgmt.
- The Eight Financial Mgmt. Success Principles
- The Bottom Line

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How To Change

- What to do - Education
- How to do it - Training
- Doing the work - Coaching

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The Awakened CEO System

Levels of Performance



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Doing the Work

- **Mindset** – your beliefs and perspectives
- **Methods** – your plans, processes, and procedures
- **Momentum** – taking action, accelerating your velocity



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What is Financial Management?

- Processing your transactions efficiently
- Running your business by the numbers
- Managing your cash flow and your risk
- Managing the assets of your company and your funding options
- Managing the value of the business

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Value of Excellence

- You are generating cash predictably
- You make a profit every month and brainstorming ways to invest your profits
- You welcome, even encourage audits
- You don't worry about taxes or compliance
- You know you are covered
- Your company is increasing in value



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Impact of Poor Fin Mgmt

- You wonder how you can borrow more money
- You worry about making payroll and paying your suppliers
- You don't know how much money you lost last month and are afraid to find out
- You hope no one has an accident
- The IRS is knocking and the bill collectors are calling

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Eight Principles of Great Financial Management

- Manage Your Cash
- Have Effective Credit Policies
- Process Transactions Accurately and Efficiently
- Implement Financial Controls
- Protect Your Assets
- Be in Compliance
- Properly Fund Your Business
- Learn to Read Financial Statements

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Manage Your Cash

- Cash is King!
- You can be profitable and still go broke
- There is a limit to how much you can borrow
- It takes cash to grow
 - Team
 - Inventory and Accounts Receivable
 - Marketing
- Forecast cash effectively

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Establish Credit Policies

- Some people don't pay their bills
- Some folks stiff people habitually
- Others get behind and have to make tough choices
- You have to check credit and have limits!
- Get your money up front or on delivery
- Tip: Saying "No" is also saying "Yes"



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Have Great Bookkeeping

- Transactions have to be processed accurately and timely
- Getting behind is never an advantage
- Surprise! Some people love bookkeeping!
- Tip: have an accounting calendar and close the books every month

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Implement Financial Controls

- Checks and balances protect you from fraud, embezzlement, and mismanagement
- Don't tempt people with poor financial controls – otherwise honest people can make bad decisions in times of weakness
- Make sure everyone has someone looking over their shoulder



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Examples

- Balancing the cash drawer at every shift change
- One person enters check requests, another approves them, and a third person pays
- One person prepares deposits, another takes the money to the bank
- The books are reviewed every month
- Have periodic audits



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Protect Your Assets

- Assets include cash, inventory, AR, physical property, intellectual property
- Take physical inventories every month on key items
- Have agreements with employees and contractors
- Use asset tags and track serial nos.
- Get a good IP attorney



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Manage Your Risk

- **Minimize** risk through contractual limits of liability, indemnification clauses, safety programs
- **Manage** risk through inspections and diligence
- **Transfer** risk through contracts and Insurance policies
 - There are a lot of kinds!



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Types of Insurance

- Health
- Property and Casualty
- Professional Liability
- Errors and Omissions
- Directors and Officers
- Key Man
- Workmans Comp

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Stay Compliant

- Payroll taxes, 1099s, and W-2s
- Unemployment taxes, workmen's comp
- Sales taxes and property taxes
- Local, state, and federal income taxes
- Business licenses
- Quarterly and annual reports and returns



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Manage Funding Options

- Self Funding
- Debt Financing
 - Lots of kinds!
- Equity Financing
 - Requires expertise
- Supply Chain Financing
- Moderately overfund your business

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Read Financial Statements

- It's the key to managing growth and building the asset value of your company
- Income Statement
- Balance Sheet
- Cash Flow Statement
- Prepare them every month and discuss
- Perform other financial analysis as necessary



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Financial Mgmt Success

- **Mindset** – Money is important! It's how we keep score
- **Methods** – diligence, controls, processes
- **Momentum** – Get caught up, get right with the government, and stay that way



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Eight Principles of Great Financial Management

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Excellence in Fin Mgmt Mantra

“I will manage my cash like a miser. I will balance my checkbook and pay attention when money comes in and when money goes out. I will implement great credit policies. I will not put myself out of business by extending too much credit to un-creditworthy clients. I will protect myself and the good people who work with me by implementing good financial controls. I will protect myself from traumatic loss with good insurance, good agreements, and good standards of practice. I will pay my taxes and fees on time, all of them. I will properly fund my business, and I will learn how to read financial statements and study them each month.”



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The Bottom Line

- You have to be great at Financial Management, or you will lose money
- Trust, but verify and control
- Investors, suppliers, employees, and the government are very serious about tracking the money – you should be too!

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Homework / Exercise

- Talk to your coaches and colleagues about how they are managing their finances
- Get great bookkeepers, accountants, and a CFO on your team
- Focus on being excellent in Financial Management as soon as possible
- Check your bank balance today!



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Related Office Hours

- 04 – What to Do When You Have No Money
- 11 - Cash Flow Secrets
- 19 - Credit Cards - Getting the Money
- 20 - Financial Modeling
- 22 - Reading Financial Statements
- 32 - Credit and Collections
- 67 – Valuing Your Business



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Open Q & A and Coaching – in a minute

- Comments and questions on the topic of the day, then any other issues
- Tell me what your biggest “take-aways” are and what insights you gained from this presentation
- Tell me what you are going to focus on

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Our Support Services

Service	Teach You	Do It With You	Do it For You
Education	X		
Training	X		
Coaching	X		
Advising / Mentoring	X	X	
Consulting		X	X
Growth Management		X	X



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Next Office Hours: Feb 8th

- Topic is: How to Be Great at Sales
- Let me know what topics you would like for me to address: www.PaulsSurvey.com
- Do your homework!

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Open Q & A and Coaching

- Comments & questions on the topic of the day, then any other issues
- Contact Me at paul@paulhoyt.com
call or text: 415.997.8001
- www.SchedulePaul.com



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