

*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](http://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:**

**Who Gets What?**

**Sharing Revenues with**

**Your Partners**

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# The Key Performance Areas



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# The Key Performance Areas



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# The Key Performance Areas



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



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# Levels of Performance

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



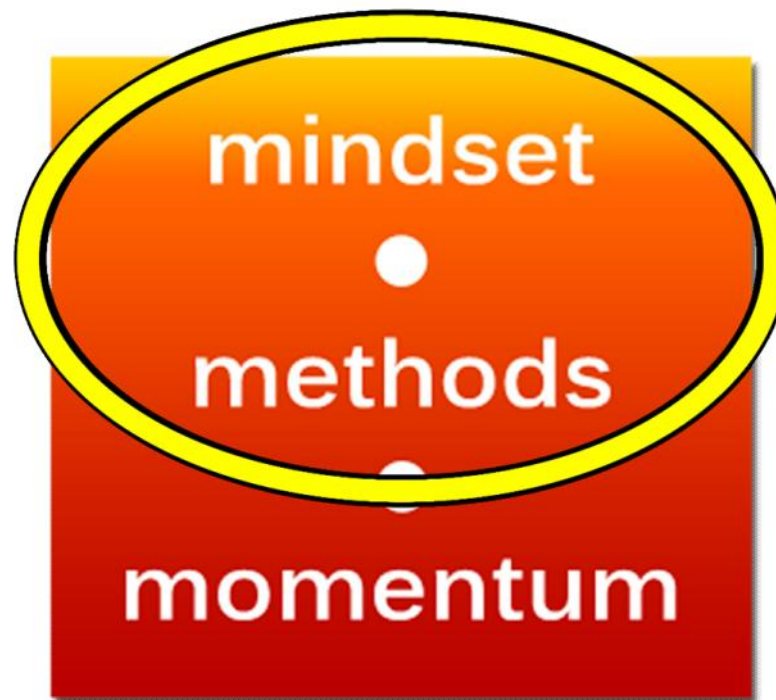
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# The Awakened CEO System



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# Agenda

- Business Model Basics
- Principles of Outsourcing
- Simple Service Business Model
- Complex Service Business Model
- Simple Product Business Model
- Information Products Business Model
- The Bottom Line

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# Business Model Basics

- It costs money to make and deliver products and services
- Every company has an overhead
- Every company has a cost to sales and marketing
- When we understand how we make money, and the use of those revenues, then we can safely engage partners



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# Principles of Transferring Cost

- The term “partner” is generic – may refer to contractors, suppliers, or legal partners
- The assumption is that if things have a cost, they also have a value
- You are transferring functions that have a cost and a value to you
- Key is to understand the value of those functions by understanding what portion of your overall costs you are transferring



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# The Great Game of Business

- Championed by Jack Stack, Springfield MO
- CEO of Springfield Manufacturing Company
- “The Open Business Plan”
- Heresy in the 1980’s
- Still not taught in schools – even colleges!

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# Simple Service Business Model

- Profit – 10%
- Overhead – 15%
- Sales & Mktg – 25%
- Delivery – 50%



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# Simple Service Business Model

- Sales: \$100k
- Profit – \$10k
- Overhead – \$15k
- Sales & Mktg – \$25k
- Delivery – \$50k
- Solopreneur makes \$60 – 70k



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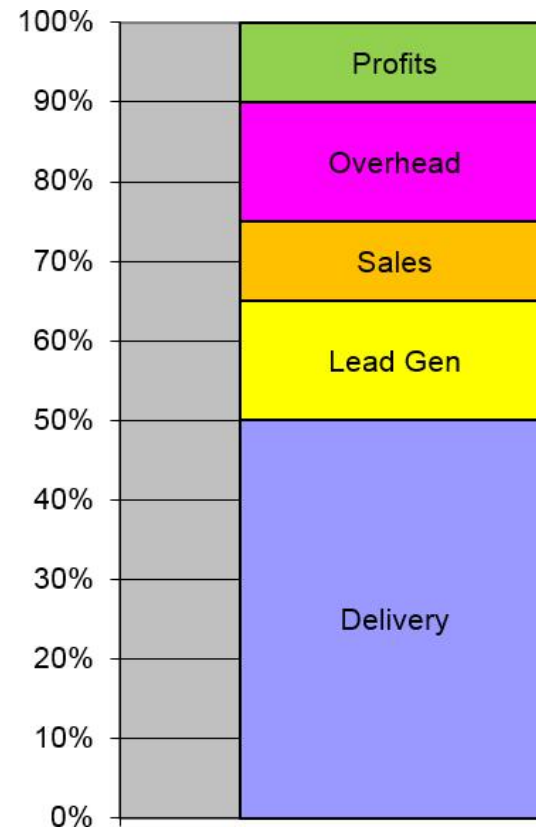
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# Simple Service Business Model

- Profit – 10%
- Overhead – 15%
- Sales – 10%
- Lead Gen – 15%
- Delivery – 50%



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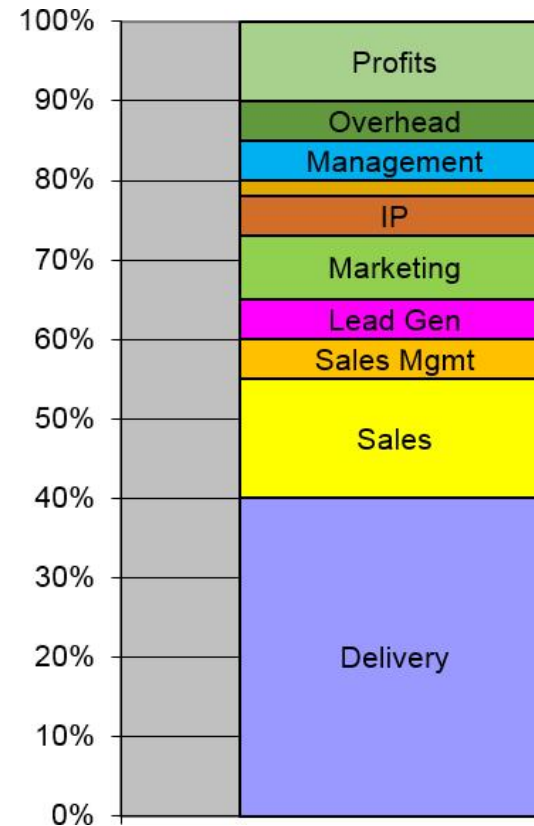
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# Complex Service Business Model

- Profit – 10%
- Overhead – 10%
- Management – 5%
- Facilities – 2%
- IP – 5%
- Marketing – 8%
- Lead Gen – 5%
- Sales Mgmt – 5%
- Sales – 15%
- Delivery – 40%



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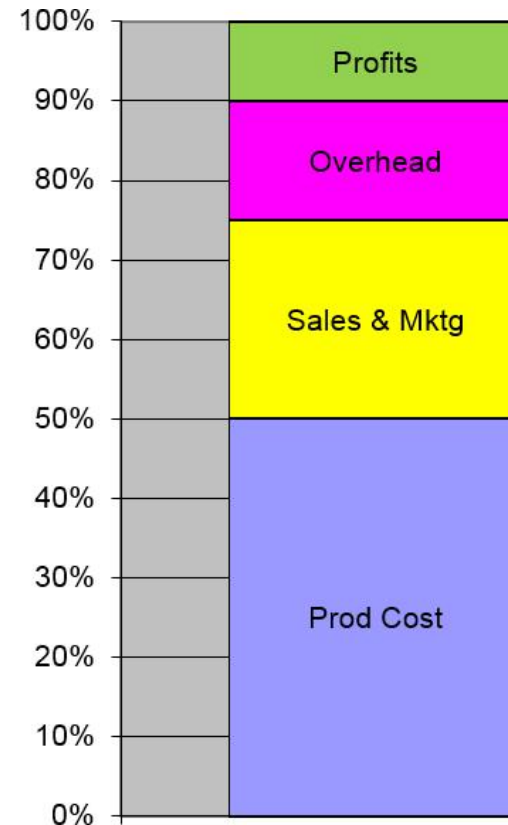
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# Simple Product Business Model

- Profit – 10%
- Overhead – 15%
- Sales & Mktg – 25%
- COGS – 50%



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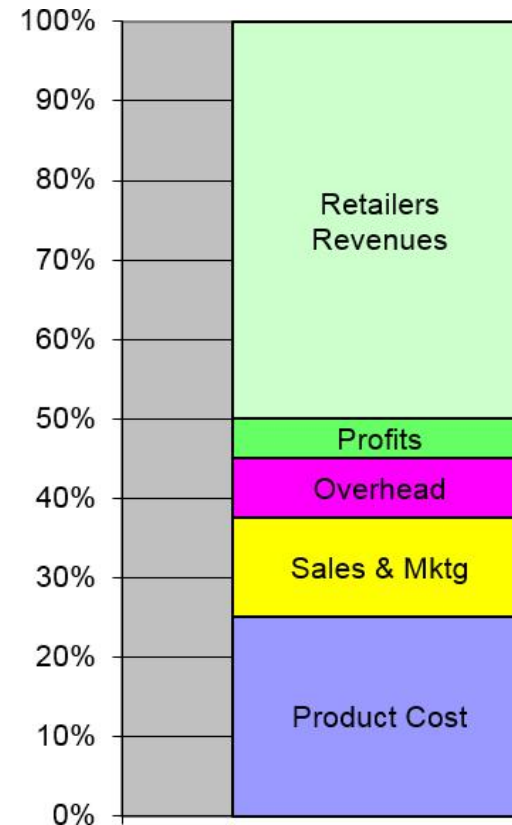
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# Retail Product Business Model

- Retailers Rev – 50%
- Profit – 5%
- Overhead – 7.5%
- Sales & Mktg – 12.5%
- COGS – 25%



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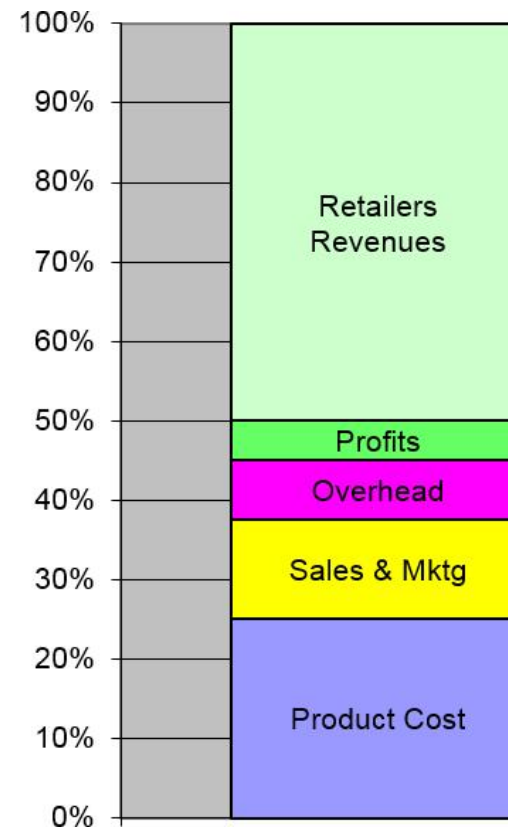
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# Retail Product Business Model

- Retailer sells it for \$100
- You sell the product at wholesale for \$50
- You make the product for \$25



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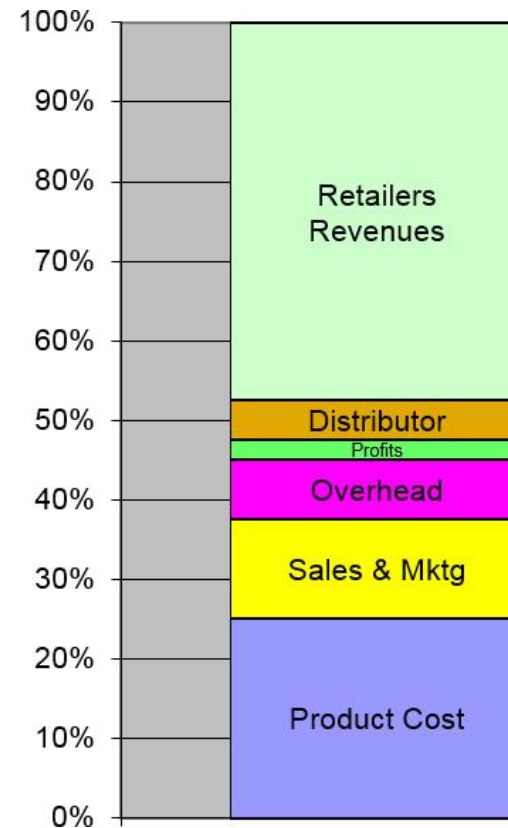
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# Retail Product Business Model

- Retailers Rev – 47.5%
- Distributor – 5%
- Profit – 2.5%
- Overhead – 7.5%
- Sales & Mktg – 12.5%
- COGS – 25%



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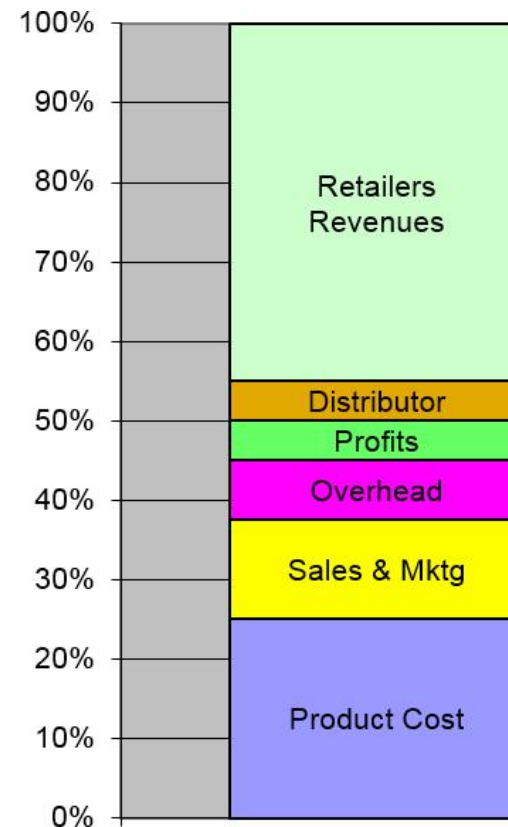
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# Retail Product Business Model

- Retailers Rev – 45%
- Distributor – 5%
- Profit – 5%
- Overhead – 7.5%
- Sales & Mktg – 12.5%
- COGS – 25%



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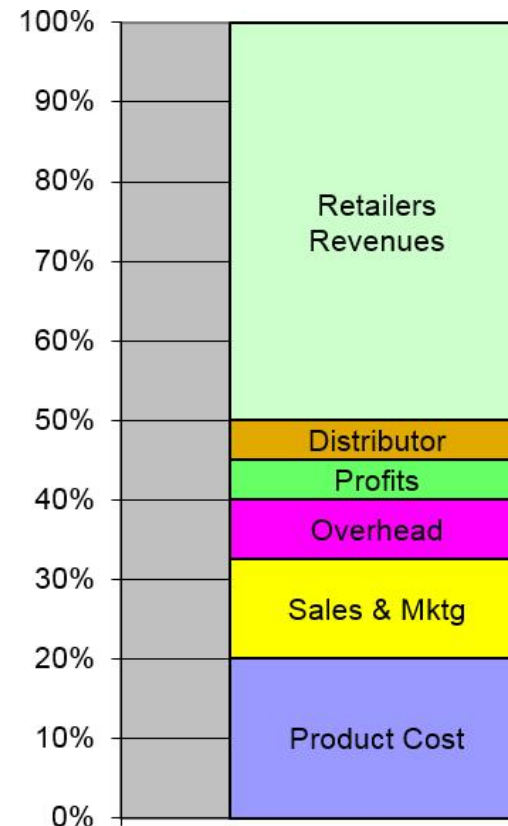
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# Retail Product Business Model

- Retailers Rev – 50%
- Distributor – 5%
- Profit – 5%
- Overhead – 7.5%
- Sales & Mktg – 12.5%
- COGS – 20%



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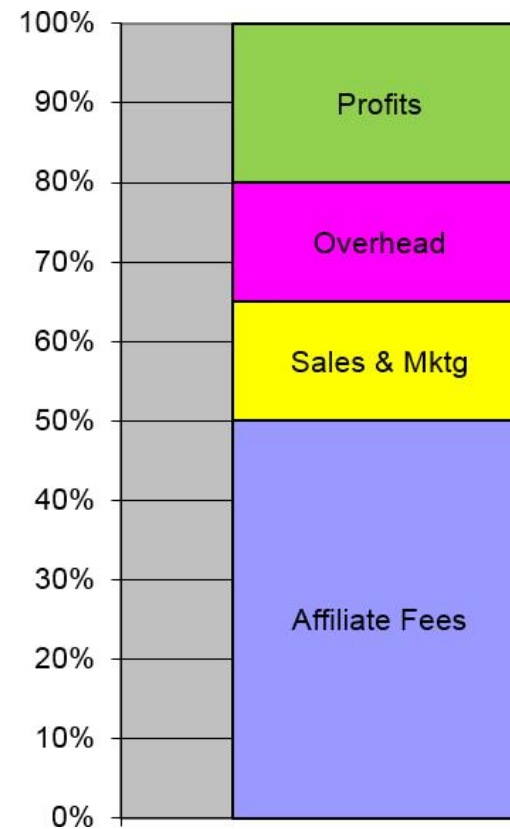
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## Information Product Business Model

- Profit – 20%
- Overhead – 15%
- Sales & Mktg – 25%
- Affiliate Fees – 50%



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# The Bottom Line

- There are a lot of different business models
- You have to know your business model to safely have partners and outsource components of your cost
- Your business model dramatically impacts your partnering options

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# Homework / Exercise

- Understand your business model and the cost of each function
- Outsource the functions to a partner that:
  - Can be completed at less cost
  - Can be completed at higher quality
  - You can't do
  - You don't like to do
- Find partners you can work with to accelerate your growth



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# Related Office Hours

- 33 – The Art of Profitability
- 34 – The Art of Profitability II
- 68 – Great Agreements
- 74 – Pricing Strategies
- 103 – How to Be a Great Leader

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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: June 20th

- Topic is: TBD
- Let me know what topics you would like for me to address: [www.PaulsSurvey.com](http://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](mailto:paul@paulhoyt.com)  
call or text: 415.997.8001
- [www.SchedulePaul.com](http://www.SchedulePaul.com)



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