

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

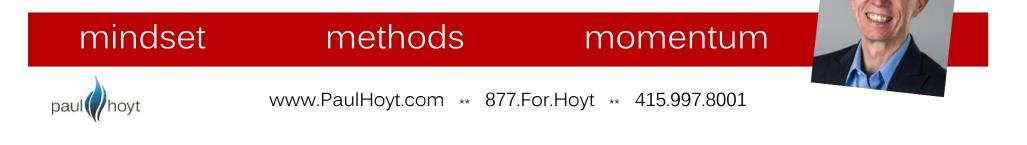
- Being a successful small business owner can be a great experience!
- It's tough you need Education, Training, Tools, and Team to be successful
- We want you to get to know us





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.



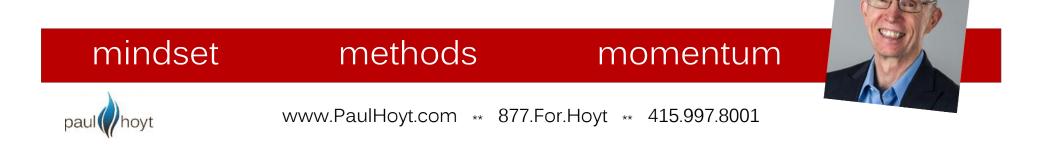


Our Passion

To increase the survival rate...

Accelerate the growth rate...

And reduce the struggle rate of businesses in America

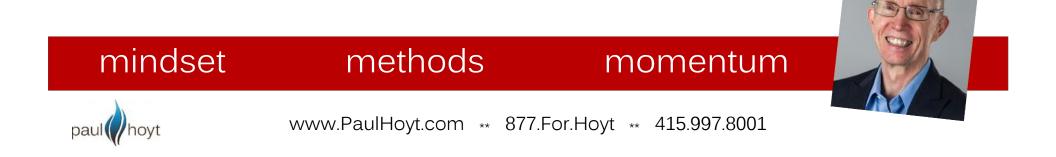




Our Vision...

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

Please Pass the Word!





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
- Best question or comment wins!

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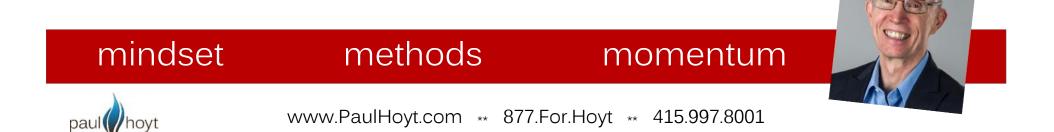
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Join Us!

- 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





Today's Topic:

Cash Flow Secrets:

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How to Take More Money Home!





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The Key Performance Areas





The Key Performance Areas





The Awakened CEO System

	Business Growth	Professional Growth	Personal Growth
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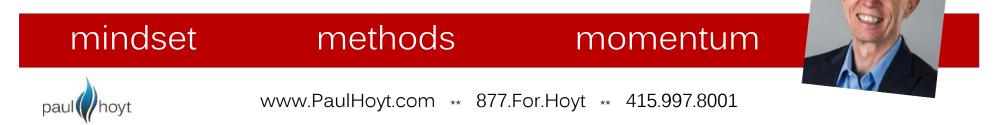
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Agenda

- The Importance of Cash
- The Cash Flow Statement
- Sources of Cash
- Uses of Cash
- Forecasting Cash
- Tips to Increasing Cash
- The Bottom Line





The Importance of Cash

- The Life Blood of your company
- You die when you run out
- The Energy Flow of your company
- You can run out of cash while making a paper profit!





Financial Statements

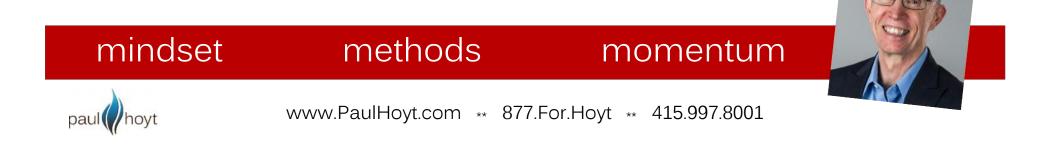
- Profit & Loss (Income Statement)
- Balance Sheet
- Cash Flow Statement





Investor Grade Financials

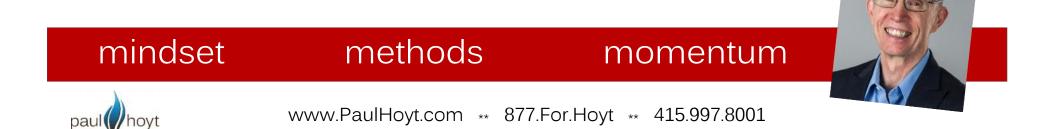
- All three statements, Month by Month
- It's the only way to project the true cash requirements of the business
- Often results in changing the growth strategy and the funding strategy





Cash Flow Statement - 1

- Net Income
- Adjustments to Cash from Operations
- Cash Flows from Investing Activities
- Cash Flows from Financing Activities
- Net increase (decrease) in Cash





Cash Flow Statement - 2

- Beginning Balance
- Add: Sources of Funds
- Subtract: Uses of Funds
- Ending Balance





Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	5,000	5,000
Cash Sales			
Collections			
Loan Proceeds			
Investors			
Total Sources			
Direct Costs			
Office Expenses			
Product Development			
Debt Service			
Total Uses			
Cash at End of Month	5,000	5,000	5,000
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Cash Flow Statement - 1

- Net Income
- Adjustments to Cash from Operations
- Cash Flows from Investing Activities
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- Net increase (decrease) in Cash





Net Income

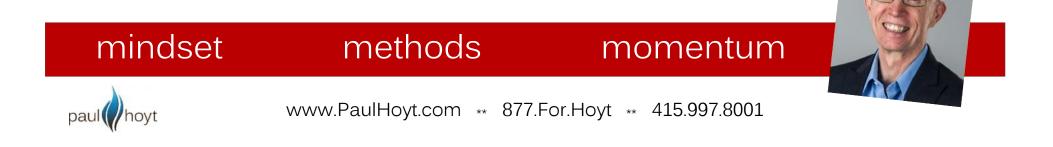
- Contributes to cash with a profit
- Consumes cash with a loss
- ... usually!





Adjustments to Cash from Operations

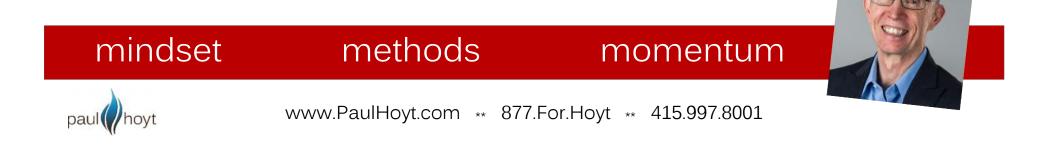
- Increases in Accounts Receivable reduce cash, decreases in AR provide cash
- Depreciation, Amortization (if any) increase the cash available





Adjustments to Cash from Operations

- Increases in Inventory consume cash, decreases in Inventory provide cash
- Increases in Accounts Payable provide cash, decreases in AP consume cash





Investing Activities

- Increases in Fixed Assets and other assets consume cash,
 - Furniture and Fixtures
 - Trucks and Automobiles

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- Buildings and Land
- Likewise, selling Assets increase cash
- Increases in Capitalized Development expenses consume cash





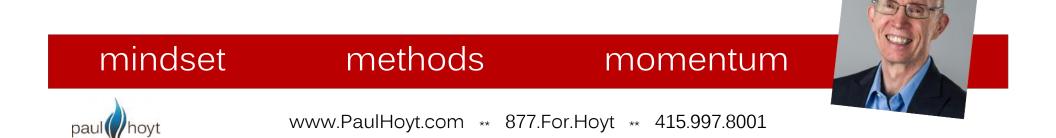
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Financing Activities

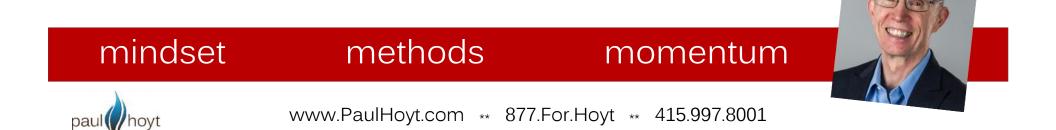
- Increases in Interest Payable provide cash, decreases consume cash
- Increases in Notes Payable provide cash, decreases consume cash
- Increases in investments into the company provide cash, decreases consume cash





Cash Flow Statement - 1

- Net Income
- Adjustments to Cash from Operations
- Cash Flows from Investing Activities
- Cash Flows from Financing Activities
- Net increase (decrease) in Cash





Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	5,000	5,000
Cash Sales			
Collections			
Loan Proceeds			
Investors			
Total Sources			
Direct Costs			
Office Expenses			
Product Development			
Debt Service			
Total Uses			
Cash at End of Month	5,000	5,000	5,000
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Sources of Cash

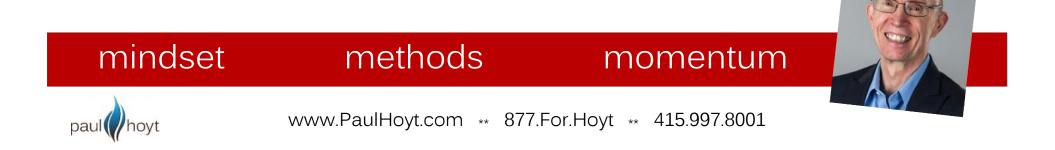
- Selling your products and services for cash
- Decreasing accounts receivable
- Increasing accounts payable
- Selling assets, such as inventory, vehicles, receivables
- Receiving investments in the business
- Borrowing





Uses of Cash

- Direct Costs / Cost of Good Sold:
 - Paying for products and services you sell
 - Commissions, royalties, and merchant account fees
- Increases in accounts receivable: giving customers terms





Uses of Cash

- Current operating expenses
- Pre-paying expenses
- Down payments and deposits
- Decrease in accounts payable
- Purchasing assets
- Paying off long-term debt
- Buying back equity
- Distributing profits!



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Forecasting Cash Sources

- Cash sales (by customer, territory, product) line, etc.)
- Collections
- Extended payment terms from suppliers
- Selling assets
- Borrowing
- Investors





Forecasting Cash Usage

- Cost of goods sold / direct costs
- Operating expenses
 - Recurring
 - Periodic
 - Unplanned
- Product development

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• Debt service (credit cards, AP, notes)





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Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	5,000	5,000
Cash Sales			
Collections			
Loan Proceeds			
Investors			
Total Sources			
Direct Costs			
Office Expenses			
Product Development			
Debt Service			
Total Uses			
Cash at End of Month	5,000	5,000	5,000
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Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	12,500	12,500
Cash Sales	5,000		
Collections	2,500		
Loan Proceeds			
Investors			
Total Sources	7,500		
Direct Costs			
Office Expenses			
Product Development			
Debt Service			
Total Uses			
Cash at End of Month	12,500	12,500	12,500

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Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	2,000	2,000
Cash Sales	5,000		
Collections	2,500		
Loan Proceeds			
Investors			
Total Sources	7,500		
Direct Costs	4,000		
Office Expenses	2,000		
Product Development	4,000		
Debt Service	500		
Total Uses	10,500		
Cash at End of Month	2,000	2,000	2,000

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Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	2,000	10,000
Cash Sales	5,000	6,000	
Collections	2,500	2,500	
Loan Proceeds		5,000	
Investors			
Total Sources	7,500	13,500	
Direct Costs	4,000	3,000	
Office Expenses	2,000	2,000	2,000
Product Development	4,000		3,000
Debt Service	500	500	1,000
Total Uses	10,500	5,500	6,000
Cash at End of Month	2,000	10,000	4,000



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Cash Flow Statement - 2

	Month 1	Month 2	Month 3
Beginning Balance	5,000	2,000	10,000
Cash Sales	5,000	6,000	5,000
Collections	2,500	2,500	
Loan Proceeds		5,000	
Investors			
Total Sources	7,500	13,500	5,000
Direct Costs	4,000	3,000	2,500
Office Expenses	2,000	2,000	2,000
Product Development	4,000		3,000
Debt Service	500	500	1,000
Total Uses	10,500	5,500	8,500
Cash at End of Month	2,000	10,000	6,500



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Nasty Surprises

- Deals that fall through
- Checks that bounce
- Customers that don't pay
- Employees leaving
- Supplier price increases
- Equipment needs repair or replacement
- Tax liabilities





Nasty Surprises

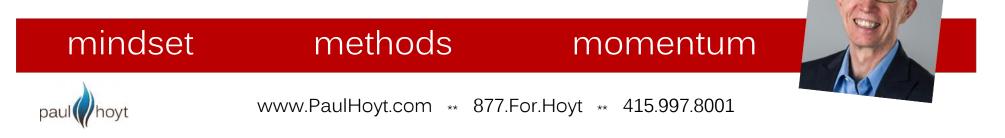
- Suppliers who don't deliver
- Unexpected travel
- Impulse purchases
- Marketing investments that don't work
- R & D setbacks
- Economic and competitive pressures
- Legislation





Tips

- Require down payments from customers
- Accept credit card payments
- Offer discounts for advanced purchases
- Make pre-collection calls
- Make collection calls
- Enter into leases instead of purchasing assets





The Bottom Line

- You have to be good at managing cash or you will be in big trouble
- You will have nasty surprises, and hopefully, an occasional windfall
- Make sure you have plenty and cash and credit available to weather the ups and downs of business





The Awakened CEO System

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Mindset

- Understand the importance of managing cash
- Embrace the opportunity to better manage cash
- Believe that you can learn to manage cash flow better over time

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• Get over any resistance you may have







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Methods

- Produce and study the cash flow statement every month
- Talk with your CFO or other financial advisors about how to do better
- Implement some of the tips we provided
- Build up a cash reserve

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- Uses of Cash
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- Tips to Increasing Cash
- The Bottom Line





Homework / Exercise

- Download the Cash Forecast Template and the Sample Financial Projections
- Create your own cash forecast for the next 90 days
- Check your accuracy by seeing how much cash you actually have at the end of each month

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Related Office Hours

- 4 What to Do When You Have No Money
- 19 Credit Cards Getting the Money
- 32 Credit and Collections
- 74 Pricing Strategies
- 107 How to Be Great at Financial Management
- 114 Growing with Limited Funds





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





Our Support Services

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



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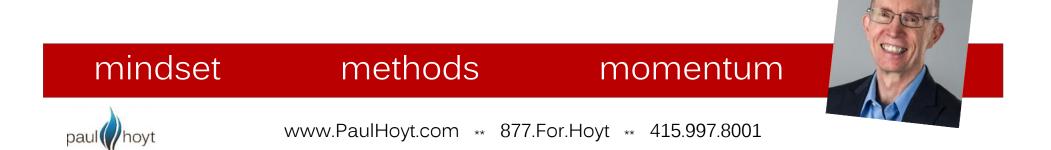
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Our Support Systems

- Business Growth
- Personal Growth
- The Awakened CEO System
 for Integrated Growth





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Join Me for An Awakened Conversation

- Starting monthly webinars / discussion sessions
- Group coaching and mastermind groups are coming too!
- Watch your emails for announcements!

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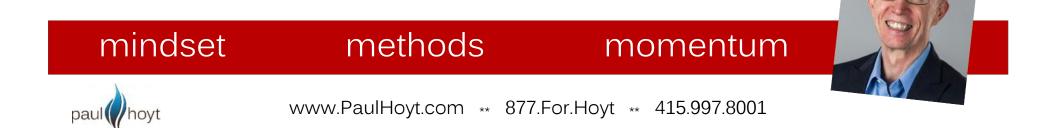
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Next Office Hours: Oct. 24th

- Topic is: <u>TBD</u>
- Let me know what topics you would like for me to address: <u>www.PaulsSurvey.com</u>
- Do your homework!





OpenQ&A and Coaching

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





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