

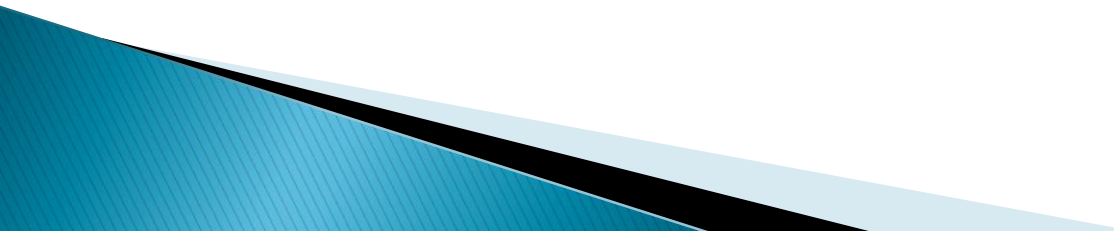


**Become a Profitable
Business NOW!**



What is Delta State University?

It is more than just another college or university:

- ▶ Best Regional University in the United States.....At least that's my opinion anyway
 - ▶ A great resource for the Mississippi Delta
 - ▶ Fiscal Agent for the DEBTS Program
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What is the DEBTS Program?

- ▶ Debt Education for Business Transformation and Sustainability
- ▶ A program funded in part by both the United States Department of Agriculture and Small Business Administration
- ▶ Looking for 12 formal clients and other informal clients.





Affordable Business Services specializes in providing small business owners with financial solutions, allowing them to focus on efficient operations and growth of their business.

Our processes involve analyzing business problems, offering quick results using proven methods to improve profitability.



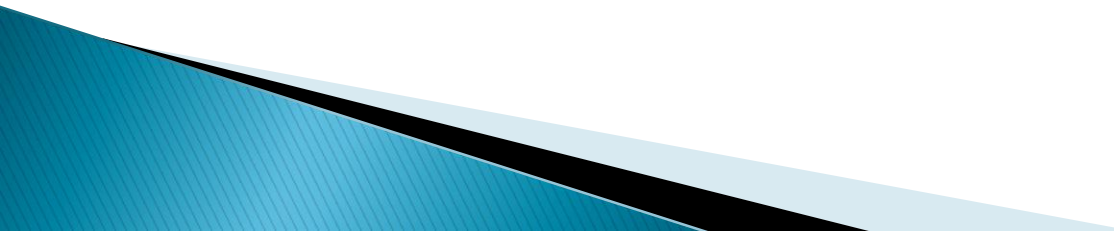
Become a Profitable Business NOW! is a program designed to provide financial training and advisory assistance to small business owners of the DEBTS program at Delta State University.

The set of practical, hands-on modules provided in this program are designed to help entrepreneurs at all levels understand the importance of small business financial management.

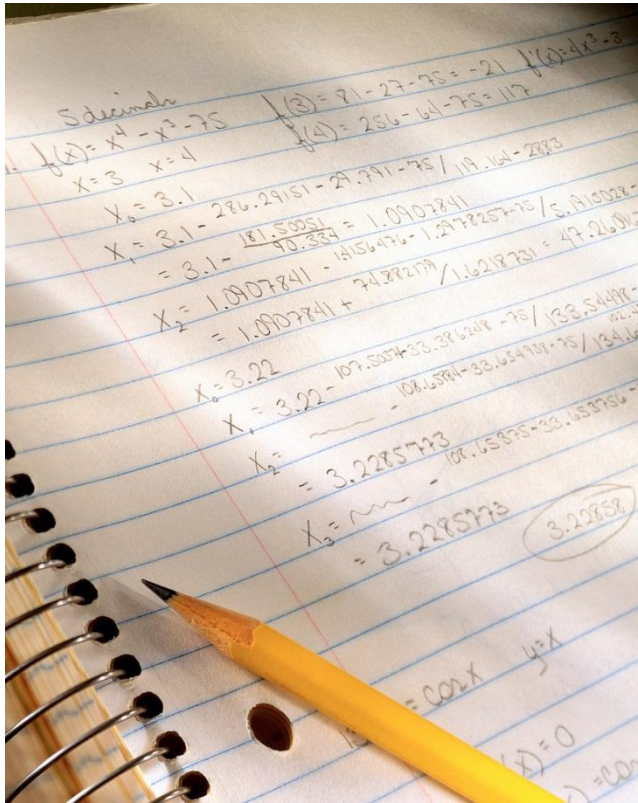
Through this program, participants are taken through a series of financial related topics affecting their businesses on a daily basis. It is expected that after completion, the entrepreneur will be able to apply the tools gained to enhance their businesses' financial standing.

Module 1 – The Profitable Business Owner’s Mind

This module is designed to define:

1. The importance of Profit
 2. The mind of a Profitable Business Owner
 3. The “Keys” to Profitability
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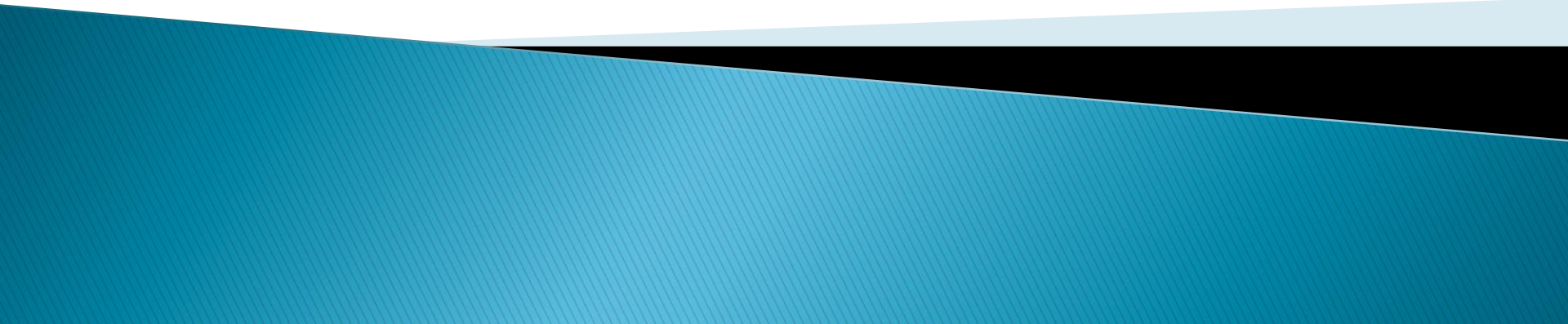
Quick Write...



As a business owner, what are you hoping to learn from this module?

Take 30 seconds and write a quick list describing your expectations.

The Profitable Business Owner



▶ Think on This

Knowledge is power. The most strategic factor in business today is knowledge.

--Anonymous

Do you agree or disagree with this statement? Explain why?



Group Discussion

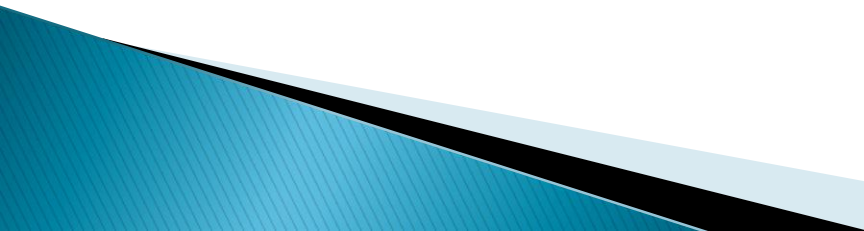
1. When you hear the word “**Profit**”, what comes to mind?
2. What separates a profitable business from one that is barely getting by?

➤ 3 Facts about Profit

Profit is:

1. ...the life-line of the business
2. ...the financial return or reward businesses aim to achieve to reflect the risk they've taken.
3. ...the money left over after all financial expenses have been paid that are associated with the operation of the business

Why is profit important?

- ▶ Compare to a human heart beat
 - No heart beat, no life
 - The same is with business – No profit – no business
 - ▶ No profit means bills can not be paid
 - If a business can not pay its bills, it will eventually close its doors
 - ▶ It shows a business is sustainable and is able to operate on its own
- 

When there is no profit...

- ▶ Increased debt
- ▶ Dissatisfied customers
- ▶ Unhappy employees
- ▶ No cash flow
- ▶ No investors
- ▶ No business
- ▶ No wealth



**Ultimately
FAILURE.**

▶ Think on This

“Failure is a profit eating lion, prowling the economic jungle to leap on the careless, foolish, and uninformed entrepreneur.”

–Anonymous



So what's the difference between Profit and “being” Profitable?

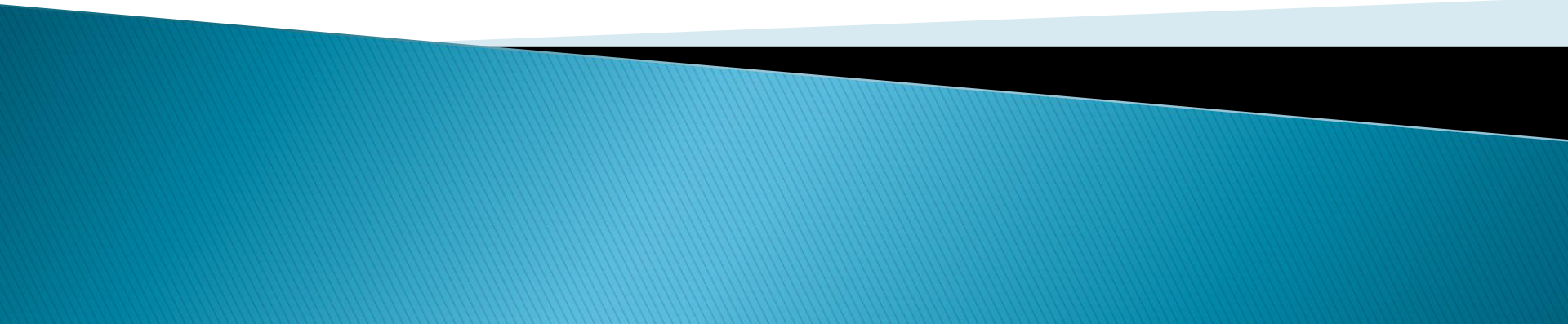
▶ Profit

- Money left over after expenses are paid
- Shows how effective the business is – YOU MET YOUR GOAL

▶ “Being” Profitable (Profitability)

- Shows how efficient the business is in making a profit – YOU ARE MAKING IT EASY
- Helps determine if the business will be able to grow

The Mind of a Profitable Business Owner



The Profitable Business Owner – Exercise

- ▶ *With group/partner—5 min*

If you could enter the mind of profitable business owner, what do you think their thoughts would be on:

Profit?

Debt?

Bookkeeping?

Business Growth?





*“My sales were solid.
How was I to know I was
operating at a loss?”*

—The former business owner

*In order to have a successful business,
you must view profit as more than
simply making sure bills are paid.*

Module Activity



Read “Where Did I Go Wrong?”

Be prepared to discuss.



The “Keys” to Profitability

“Keys” to Profitability



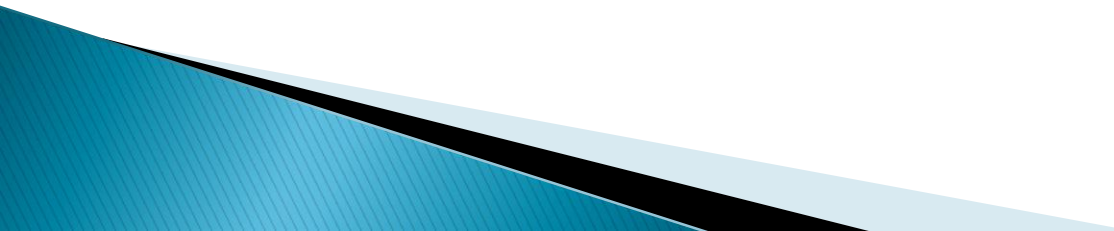
Profitable business owners are not born, they are made.

- ▶ They apply these principles to set the foundations of their businesses
- ▶ When the “keys” are used, they open the doors to profitability in your business

Keys to Profitability

- ▶ **P**lan
- ▶ **R**etain an Accounting System
- ▶ **O**riginate timely financial statements
- ▶ **F**ocus your budget
- ▶ **I**mprove your cash flow
- ▶ **T**ighten your debt/liabilities
- ▶ **S**teamline your process and improve

In order to be considered profitable, you must have continual P.R.O.F.I.T.S.



The Importance of Planning



If you don't know where you are going, how will you know when you get there?

"A goal without a plan is just a wish."
— Antoine de Saint-Exupéry

"If you fail to plan, you plan to fail."
— Harvey MacKay

The Importance of Accounting



Accurate records help provide information to keep score on your business performance.

You must have accurate records prepared regularly.

No more shoeboxes. No more dump drawers.

The Importance of Financial Reporting

Originate Timely
Financial
Statements



Timely financial reports can help you react quickly to mole hills before they become financial mountains.

The most important components to the financial statement are the balance sheet, income statement, and the statement of cash flow.

The Importance of Budgeting

Focus Your
Budget



Myth: “I don't have time to work on a budget”.

Truth: You don't have time NOT to make a budget!

“You will either learn to manage money or the lack of it will always manage you.” --Dave Ramsey

The Importance of Cash Flow

Improve Your
Cash Flow



**Cash is king.
Enough said.**

The moment you have no cash, is the exact moment your lender is running your business.

"A Cash Flow Plan is simply telling your money what to do instead of wondering where it went."

--John Maxwell

Importance of Controlling Debt



When it comes to profitability, reducing debt can be far more profitable than increasing sales.

"The only man who sticks closer to you in adversity than a friend is a bill collector". --Unknown

Importance of Improving

Streamline your
process and
improve



What you are doing right today is something someone got wrong yesterday and something someone else will do better tomorrow.

Do not be afraid of growing slowly; be afraid only of standing still. -Chinese Proverb

Module Activity

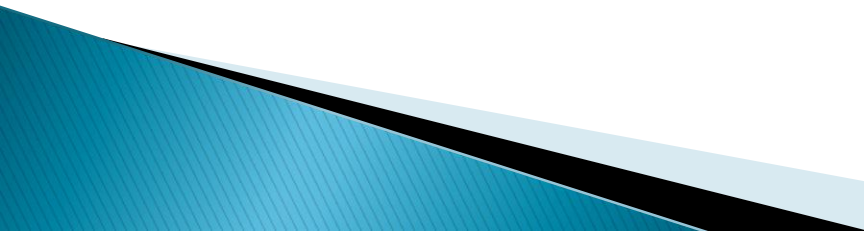


- ▶ Take 5–10 minutes
- ▶ Using the keys to profitability handout
 - Grade your business based upon your current usage of these keys
 - Grade from 1 to 5
 - 5 being best
 - 1 being worst
 - Which areas are you the strongest?
 - Which areas does your business need the most improvement?

Summary

- ▶ Profit is needed for business survival
 - Just like the heart beat to a human
 - No profit = No business
- ▶ Profit is important to make the business sustainable – it needs to operate on its own
- ▶ Using the “keys” will open the doors to profitability in your business

In order to be considered profitable, you must have continual P.R.O.F.I.T.S.




Post Module Activity



- ▶ Need each business owner to gather their financials (bank statements, receipts, etc.) from January 2012 to present and submit them to the DEBTS program by November 10th, 2012.
- ▶ Goal is to have each business owner be able to complete the monthly accounting, retrieve their own reports, and understand their numbers so they can make business decisions based off the training received in the modules.



Weekly Coaching Call

- ▶ Weekly, 30 minute call with each participant
 - ▶ Call is designed to:
 - Discuss how the most recent module can help improve/impact your business
 - Answer any questions from the client about their current/prospective business
 - ▶ Expectation from call
 - Business owner must generate an idea of how their business can be improved as a result of the module.
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Thank you!

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