

BUbusiness Management Bootcamp

Module 3: Money Management



This module is going to be much shorter than the last one, since we covered part of this topic while discussing systems to set up. Still, there are basic money management tips and strategies you need to know, in order to effectively run your business, keep track of your money and grow it into profits and a healthy income—the exact figure you desire as your financial goal.

STEP ONE: SETTING YOUR FINANCIAL GOALS

When you start out with your new coaching business—or begin to upgrade it and expand—it's important to sit down and set some definite financial goals.

Start-up Capital:

This is the amount of cash you have available to invest in your own business. It can consist of your personal money or you can add to it with loans from investors, government or small business association loans or business bank loans.

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If you have borrowed money, you also have to consider and make your repayment plan, and build that into your budget.

Financial Goal Setting:

Start by deciding much you want to make per month, annually and ultimately (in two, five, ten years— whatever time frame you set till you reach your dream financial peak).

How much do you *need* to make? Remember that this figure has to allow for:

- Regular business expenses (subscriptions)
- One-time-only expenses
- Office hardware and furniture (maintenance, upgrades and purchases)
- Contractor fees (regular and occasional)
- Business travel and accommodation
- Business entertainment/gifts/bonuses
- Upgrades (equipment, subscriptions, software and more)

- Income tax savings
- “Rainy day” savings
- Client attrition
- Business insurance
- Health insurance
- Office supplies
- Telephone fees
- Internet fees
- Annual fees (web hosting, domain registration, etc.)
- Home office portion of your utilities, mortgage and home/vehicle insurance
- Rent or mortgage
- Advertising and promotion
- Daycare and/or babysitting
- Whether or not you are claiming for a home office or external business premises

And other categories that may apply to your unique business.

You also need to ask yourself other questions specific to your situation, such as, “Have I allowed for ongoing education?” or, “How much savings do I actually need for when I need or want time off?”

And you need to allow for:

- **Active Money Making:** Define the hours spent and money to be made during active working hours, coaching or providing a service

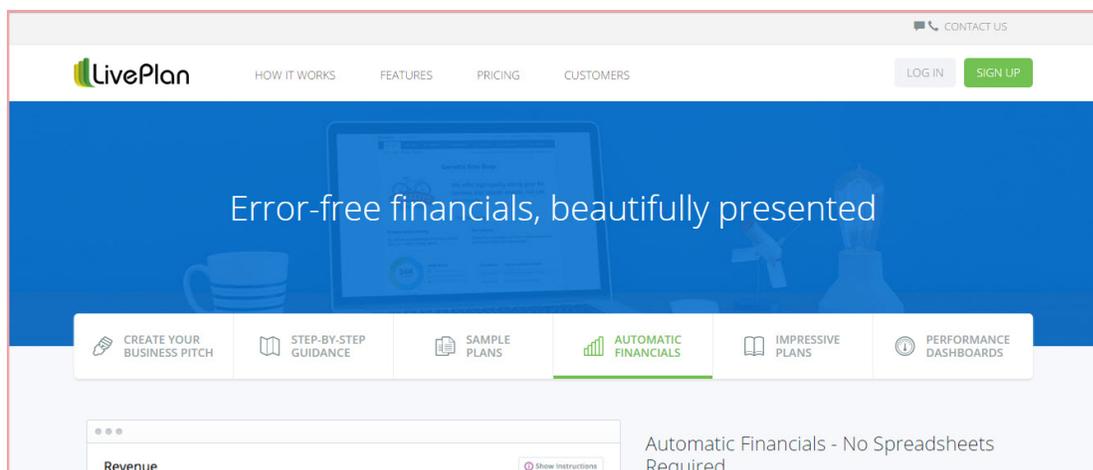
- **Active Money Making:** Define the hours spent and money to be made during active working hours, coaching or providing a service.
- **Passive Money Making:** Decide what proportion of your income will be from evergreen digital products or courses, or live ones.
- **Affiliate Money Making:** Making money from affiliate programs and sharing what you love as an affiliate for other experts... as well as how and if you will recruit affiliates to promote you and your products too (and if so, how you are going to do that!)

STEP TWO: FOOLPROOFING YOUR FINANCES

Managing your money can overwhelm some people, when they start trying to allow for ventures and tasks they've never done before... such as planning product launches or book promotion; or running their first VIP in-person retreats.

That's why it's so important to educate yourself properly. If you haven't taken a basic bookkeeping course (an excellent strategy, by the way, if your local community college happens to offer one), then you will need to consult an expert to help you set up a realistic, flexible but workable budget.

This is where [LivePlan](#) really comes into its own, with behind-the-scenes resources such as its Easy Financials.



Says LivePlan, “Answer a few questions about how you plan to make money - product sales, services, or recurring revenue - and we'll project your cash flow for as long as you want.” You can forecast your new products and services, while watching them integrate seamlessly into your updated plans. And it works for every business and industry.

LivePlan will help you track and plan your financials, doing all the math for you and presenting the results in easily readable, attractive and professional graphs, charts or reports.

This is one of those ‘must-have’ tools that really is easy to use, makes life easier for you and genuinely helps you plan and stay on top of all elements of your business.

If you want to plan for a launch and project whether or not your budget ideas are viable, using LivePlan is the easiest way.

And if you haven't already done so, do remember to pick up a copy of the two books recommended in Module One:

- [Easy Legal Steps that are also good for your soul](#) By Lisa Fraley, JD; Legal

- [Easy Legal Steps that are also good for your soul](#) By Lisa Fraley, JD; Legal Coach® and Attorney
- [Oh \\$@!*# I'm Making Money Now What?](#) by Chris Morris, CPA

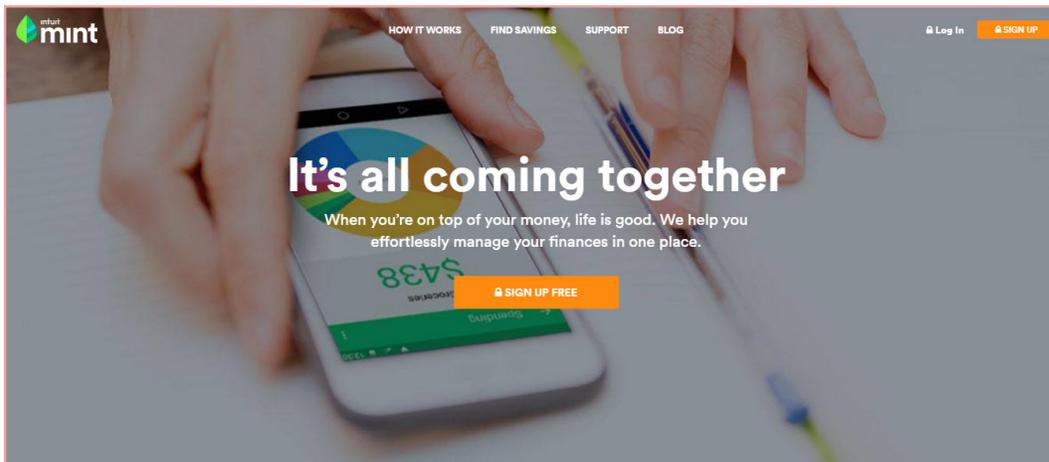
STEP THREE: TRACKING MONEY COMING IN AND OUT

We've already taken a look at LivePlan Easy Financials, but here is also where a good bookkeeper who can give you monthly or quarterly financial reports comes in handy too. However, the best way to track is to record your income and expenses yourself, so that you always know at any given moment:

- What you've spent in the way of expenses, that day (or week; or month)
- How much is in your business bank account, that day
- What you have to allow for that day, week or month

Pick a consistent, regular time of day to enter this data, so that it becomes a daily habit—something you soon don't think twice about doing, it's so automatic. Create "Receipts" or "Invoices" file in your email account, if you have trouble remembering or keeping track of things, and just access it when it's time to update your FreshBooks or other bookkeeping or tracking system.

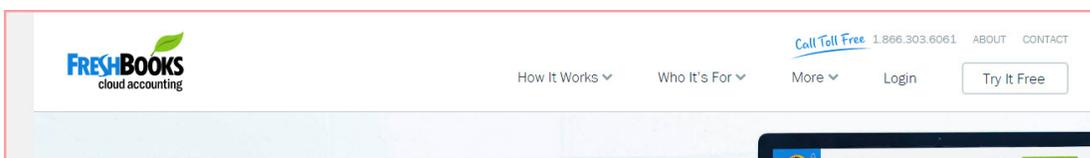
An even easier way to keep track of your money: Use an App on your mobile or iPad, such as [Mint](#).



This free App helps users create budgets with numerous spending categories. It adds handy functions such as warnings (with brightly colored graphics) when one is nearing limits. (It also offers credit score access.)

Even if you are planning to outsource all your bookkeeping, you will still need to keep track of all your expenses, subscriptions, contractor payments, client payments and other income and expenses.

If you have taken the advice given earlier in this module and consulted with a CPA (or at least a certified, experienced bookkeeper familiar with tax prep), they have probably helped you decide on which bookkeeping/invoicing program to use. Most likely, they have recommended [FreshBooks](#) or [QuickBooks](#).





Another reliable system to look at, if you are operating from Canada: [Xero](#)



Xero bills itself as especially suited to start-ups. It allows you to easily keep track of your daily cash flow, but you will also be able to pull together reports for investors or banks quickly, so you can get back to those parts of your business you are most passionate about.

If you are planning on selling through Amazon, Xero really comes into its own, providing “the ability to seamlessly integrate with best-in-class inventory management, sales tax and other key Amazon apps”.

With Xero, you get effective and simple cash flow, the ability to do bank reconciliations and easily implement the payments functionality. Xero understands new business owners and promises to “grow with your business”.

Whatever system you use—for bookkeeping, scheduling, website building or other areas of your business—make sure its templates and interfaces are **brandable with your own logos, fonts and colors**.

And remember that all-in-one coaching or business system such as [17 hats](#) also often include money tracking systems. It is just a question of which system seems most intuitive and easy to use for you and your business.

Whichever bookkeeping or accounting system you decide to use, don't waste time. Install it and set aside time every day to become familiar with it—and make it work for you and your business.

Other categories you need to allow for and track:

- **Overheads:** How much are your expenses? Tracking your outsourcing and overhead in your business, month to month.

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- **Profit vs. Loss:** How much does your business make, spend, and how much is left for your profit?
- **Summary and Review:** Look at your monthly summary of profit, set new goals, and stay focused.

Having an overview of your financial picture at all times becomes extremely empowering—even if it starts out, at first, with anxiety because you're stretching out of your comfort zone (and perhaps out of your previous experience).

As you begin to see results such as financial goals met, lucrative achievements and passive income sales, you will feel a very natural sense of pride. More to the point, money will no longer hold emotional baggage or negative power over you: It will become something that serves you; something you can manifest by making informed choices; something that may even become (dare I say it) *fun*.

1