FROM THE MAZE TO MASTERY

YOUR JOURNEY TO SUCCESS

FINANCIAL LITERACY ASSESSMENT

1% CLUB

WE RISE BY RAISING OTHERS

Congratulations on Your Progress!

We want to take a moment to acknowledge the dedication you've shown in reaching this stage of the process. This assessment will allow 1% Club selection panel to evaluate your potential for selection interviews. It will also give you deeper insights into your strengths and goals, bringing you one step closer to achieving your financial objectives.

Instructions:

- Answer all questions.
- The questions are multiple-choice for Parts A and B and paragraph-based/point form for Part C.
- Send your responses to your coordinator on WhatsApp as a single WhatsApp message in the following format:

ANSWER FORMAT

Candidate Name:
Part A (Multiple choice)

1. [Your response]
2. [Your response]

Part B (Multiple choice)

1. [Your response]
2. [Your response]

Part C (Paragraph response and point form)

Case Study No:

1. [Paragraph response]
2. [5 key takeaways in point form]

NOTE: ALL ANSWERS ARE TO BE SENT ON **WHATSAPP AS A SINGLE WHATSAPP MESSAGE** TO THE PERSON COORDINATING YOU WITHIN **24 HOURS** OF RECEIVING THIS DOCUMENT.

Once you've submitted your responses, your coordinator will submit them and recommend you to the selection panel. You will wait for feedback. Depending on the evaluation of your responses, you will be invited for a Pre-Selection Interview via Zoom to assess your eligibility for the Selection Interview. If you are successful, you will be invited for the Selection Interview.

Part A – Financial Literacy Assessment (5 Questions)

1. What do you believe is the most important step to take in response to technology potentially replacing jobs?

   a) Learn new skills that are harder for technology to replicate
   b) Wait for government policies to address job loss
   c) Shift my dependency from employment to other sources of income
   d) Move to a different industry that seems less likely to be automated
   e) Keep your current job and hope it remains unaffected

2. In the parable of Pablo and Bruno, what lesson do you think is most important for securing long-term financial stability?

   a) Focus on earning through active work, like carrying buckets
   b) Build a system that generates passive income, like a pipeline
   c) Spend more time working harder to increase short-term earnings
   d) Wait for opportunities to come without taking risks

3. Based on Robert Kiyosaki's Cashflow Quadrant, which quadrant do you think aligns best with your long-term financial goals?

   a) Employee (E) – I prefer job security and a stable paycheck
   b) Self-employed (S) – I want independence and control over my work
   c) Business Owner (B) – I want to create and manage a system that works without me
   d) Investor (I) – I want to make money through investments and grow wealth passively

4. How do you think building multiple sources of passive income can help you deal with economic uncertainty, such as losing a job?

   a) It provides a safety net when one source of income fails
   b) It's unnecessary; focusing on one job is enough
   c) It's too risky to rely on passive income streams
   d) It's not important as long as I save enough money

5. When considering the Cashflow Quadrant, what mindset shift is most crucial for moving from the Employee (E) quadrant to the Business Owner (B) quadrant?

   a) Focusing more on job security than risk-taking
   b) Building leadership skills and learning to delegate
   c) Staying in control of every part of the business
   d) Avoiding any financial risks at all costs

NOTE>
IF YOUR ANSWER TO "QUESTION 3" IN "SECTION A" WAS (C) OR (D), YOU CAN PROCEED TO SECTION B. IF YOUR ANSWER WAS (A) OR (B), YOU CAN CONSIDER HAVING A CONVERSATION WITH THE PERSON COORDINATING YOU TO FIND THE BEST COURSE OF ACTION.

Part B – Situation Analysis: Pathways to the B Quadrant

According to Robert Kiyosaki, there are three distinct paths to moving into the business owner quadrant in his Cashflow Quadrant framework. Each path emphasizes leveraging systems to generate income without relying on direct personal involvement. The three paths are:

1. Build a System:

This path involves creating a business or system from the ground up. It requires vision, creativity, and leadership, as you'll be responsible for developing processes, hiring employees, and setting up the necessary infrastructure to run the business. This option is ideal for those who have the time, resources, and patience to build a scalable business. It is, however, often the most demanding in terms of initial effort, time, and capital investment. Success here depends on your ability to create a system that runs independently of your direct involvement, allowing you to focus on growth rather than day-to-day operations.

Key Considerations:

- **Creative control**: You have the freedom to shape the business according to your vision.
- **Risk and reward**: This option requires significant investment and time but offers the potential for long-term, scalable success.
- **Time commitment**: Building a system can take years to establish before it generates passive income.

2. Buy a System:

This option involves purchasing an existing business or franchise. Instead of starting from scratch, you invest in a business with proven systems, products, and processes. This allows you to generate income more quickly compared to building a system. Buying a system can be an excellent option for those who have capital to invest but may not want to go through the complex process of starting a business. The key here is selecting a business or franchise with a strong, scalable system that can continue to generate income with minimal input from you.

Key Considerations:

- **Immediate operations**: You can start earning income immediately as the business is already set up.
- **Lower risk**: The business model has already been proven, lowering the risk compared to starting from scratch.
- **Higher capital requirement**: Acquiring an existing system typically requires significant upfront investment, though this varies depending on the type of business or franchise.

3. Partner with a System:

The third path to the B quadrant is partnering with an existing system which is what the 1% Club is offering. In this case, you join forces with an organization or individual who has already built a successful system. You contribute resources, skills, or capital while leveraging the established system to generate wealth. This option is ideal for those who may not have the time, capital, or desire to start or buy a business but want to participate in a system that is already functioning successfully. Partnerships offer the opportunity to build wealth by tapping into the expertise and infrastructure of others.

Key Considerations:

- **Leverage existing systems**: You benefit from a system that has already been tested and proven.
- **Lower financial and time investment**: Compared to building or buying, partnering with a system usually involves a lower upfront cost and time commitment.
- **Collaboration**: Success in this approach often depends on your ability to work with and complement the strengths of your partner or the existing system.

Core Insight:

All three paths share one common goal: transitioning from working *in* a business (employee or self-employed) to working *on* a business. The key is that in the B quadrant, you no longer rely on your personal efforts to generate income. Instead, systems—whether built, bought, or partnered with—do the heavy lifting for you, freeing you to focus on strategy, growth, and higher-level decision-making.

By understanding these three pathways, individuals can better assess their current resources, capabilities, and preferences to determine which approach aligns with their goals. Each option requires a different combination of financial investment, risk tolerance, time commitment, and entrepreneurial spirit. The right choice depends on how you want to achieve long-term financial independence and success.

Questions Based on the Above:

1). Which path to the B quadrant do you feel aligns best with your personal goals?
a) Build a system from the ground up
b) Buy an existing system or franchise
c) Partner with an existing system
d) I’m not sure yet

2). Why do you prefer the strategy you selected in the previous question?
a) It gives me creative control over my business
b) It offers a faster return on investment with less effort to start
c) It requires less capital and allows collaboration with experienced partners
d) I haven't thought about it much yet

3). Have you attempted to build, buy, or partner with a system to generate passive income in the past?
a) Yes, I’ve built a system
b) Yes, I’ve bought a system
c) Yes, I’ve partnered with a system
d) No, I haven’t tried any yet
e) I have tried more than one option

4). If you have tried one of the three strategies, how much did you invest (financially or in time) into the venture?
a) Less than $1,000
b) $1,000 - $5,000
c) $5,001 - $10,000
d) More than $10,000
e) $0

5). How much research have you done on the three options (building, buying, and partnering with a system) to enter the B quadrant?
a) I have done extensive research on all three options
b) I have researched two of the options thoroughly
c). I have researched one of the options thoroughly
d) I have done minimal research on the options
e) I haven’t done any research yet but plan to

6). What are your income expectations from pursuing a strategy to enter the B quadrant?
a) Under $50,000 per year
b) Between $50,000 and $100,000 per year
c) Between $100,000 and $250,000 per year
d) Over $250,000 per year
e) I have no specific income expectations. I want the learning experience.

7). What plan have you had in the past to achieve your income expectations?
a) I have planned to get a job, save money, and start a business when I retire
b) I have planned to start a business or side hustle while working full-time
c) I have planned to start a business when I have enough savings and retire early
d) I have not had a specific plan yet
e) I have been actively looking for business opportunities and I am willing to raise funds and put in the time to get started on a good opportunity

8). How long do you expect it will take for you to start seeing a significant income from the plan you have had above?
a) Less than 1 year
b) 1-2 years
c) 3-5 years
d) More than 5 years
e). I have no plan, therefore I have no income expectations

9). What are the main challenges you expect to face when pursuing your preferred path to the B quadrant?
a) Lack of time to focus on building a business
b) Not enough capital or resources to get started
c) Difficulty in understanding the business model or system
d) Finding the right opportunity to build, buy, or partner
e) I'm unsure of the challenges I might face

10). When partnering with an existing system, what do you think are the typical range of costs involved to get started?
a) $0
b) $70 to $500
c) $501 to $15,000
d) More than $15,000

Part C – Case Studies

Case Study 1: The Colonel Sanders Story – From Failure to Fried Chicken Empire

Colonel Harland Sanders' journey to creating KFC is a story of perseverance in the face of many challenges. Born in 1890, Sanders faced difficulties early on. After his father died when he was just six, he took on responsibilities like cooking for his siblings. His early life was marked by various jobs, including work as a farmhand, railroad labourer, and insurance salesman, none of which led to lasting success. By his mid-30s, Sanders had already switched careers multiple times.

At the age of 40, Sanders found some success running a service station in Corbin, Kentucky, where he began cooking fried chicken for travellers. His chicken became popular, earning him the title of Kentucky Colonel. However, in 1956, at age 65, disaster struck when a new interstate highway diverted traffic away from his business, forcing him to sell it at a loss. Faced with financial difficulty, Sanders received only $105 per month from Social Security.

At an age when many would retire, Sanders decided to pursue a new path. With only his fried chicken recipe, he travelled the country in search of restaurant owners willing to franchise his concept. After facing over 1,000 rejections, he finally found success and began franchising his chicken. This marked his transition from being self-employed in the S quadrant to becoming a business owner in the B quadrant.

By the early 1960s, KFC had over 600 franchises in the U.S. and Canada. Sanders's success came from franchising his recipe and allowing others to run the restaurants while he earned royalties. In 1964, at age 74, he sold KFC for $2 million, continuing as the company's brand ambassador while promoting the brand worldwide. His story is one of resilience, turning failure into a global fast-food empire.

Colonel Harland Sanders' story is one of resilience and reinvention. After facing multiple setbacks and rejections, Sanders succeeded by franchising his fried chicken recipe, transforming from a self-employed restaurant owner to the business owner of a global fast-food empire.

1. **Paragraph-based response**: Have you experienced a situation where persistence after multiple setbacks eventually led to success? Reflect on the challenges you faced and how you pushed through.

2. **Key Takeaways**: Identify 5 key lessons from Colonel Sanders' story that you believe are critical for long-term success.

Case Study 2: The Zoom Story – Fast Decisions, Big Rewards

Eric Yuan's success with Zoom is a story of quick decision-making and strategic foresight. Born in 1970 in China, Yuan faced numerous challenges before his big break. After nine failed attempts to secure a U.S. visa, he finally made it to Silicon Valley in 1997. He joined WebEx, a video conferencing company, and played a key role in its growth. However, Yuan was dissatisfied with WebEx's lack of user-friendliness and its inability to be mobile-first.

In 2011, at the age of 41, Yuan made a bold decision to leave his high-ranking position at Cisco, where he had worked after its acquisition of WebEx, to start his own company—Zoom. This was a bold move, given that giants like Cisco, Microsoft, and Google already dominated the market. Many colleagues thought he was making a mistake, but Yuan believed he could create a better product by focusing on ease of use and reliability.

Zoom launched in 2013, and by focusing on delivering smooth, user-friendly video calls, it gradually gained traction. However, it wasn't until the COVID-19 pandemic hit in 2020 that Zoom's growth truly skyrocketed. With millions of people suddenly confined to their homes, Zoom's user base exploded from 10 million daily users in December 2019 to 300 million by April 2020. Yuan had to act fast to keep the platform running smoothly.

Yuan quickly scaled Zoom's infrastructure by securing $1.75 billion in capital and forming partnerships with Amazon Web Services and Oracle to expand Zoom's server capacity. While larger competitors like Microsoft Teams and Google Meet struggled to adapt to the sudden surge in demand, Yuan's quick actions allowed Zoom to handle the traffic with minimal disruptions. This agility set Zoom apart from its competitors during the pandemic.

In addition to scaling the infrastructure, Yuan responded swiftly to security concerns. As Zoom's user base grew, issues like "Zoom-bombing" emerged, where uninvited individuals disrupted meetings. Yuan acted quickly, launching a 90-day security overhaul, hiring experts, and implementing end-to-end encryption and better privacy controls. While some critics called Zoom's rapid growth risky, Yuan's decisive actions helped maintain user trust and protect the brand's reputation.

Yuan also made Zoom free for schools and offered discounts to small businesses, further cementing Zoom's position as the go-to platform for remote work and education during the pandemic. His quick thinking allowed Zoom to expand into international markets by rolling out new language options and adapting to local regulations faster than competitors.

While Zoom thrived, larger companies like Microsoft Teams and Google Meet struggled to keep up. Microsoft Teams was slow to expand its capacity due to its integration with Microsoft's broader product suite, while Google Meet lagged behind in addressing user demand. Despite criticism from some peers who thought Yuan's approach was overly ambitious, his rapid decision-making paid off.

By the end of 2020, Zoom's revenue had grown by 326%, reaching $2.6 billion, and Yuan's net worth soared to over $16 billion. Zoom became a leader in the video conferencing market, outpacing competitors, thanks to Yuan's ability to act quickly and decisively during a time of crisis. His story is a testament to the power of swift decision-making in business, showing that agility and bold choices can triumph over size and established competition.

Today, Zoom remains a major player in the remote work and education space, and Yuan's leadership during the pandemic stands as a prime example of turning challenges into unprecedented success.

1. **Paragraph-based response**: Describe a time when quick decision-making helped you seize an opportunity. What were the risks, and how did you handle the pressure?

2. **Key Takeaways**: List 5 key lessons you learned from Eric Yuan's story about the importance of acting swiftly in business.

Case Study 3: Elon Musk – The Billionaire Who Risked It All

Elon Musk's post-PayPal journey is a remarkable example of audacity, vision, and extreme risk-taking. After selling PayPal in 2002 for $1.5 billion, Musk walked away with $180 million. For most, this would have been the end—a comfortable life with financial security. But for Musk, this was just the beginning. Rather than retire or invest conservatively, he decided to risk everything by investing his entire fortune into three ambitious ventures: Tesla, SpaceX, and SolarCity. Each of these industries—electric vehicles, space exploration, and renewable energy—was seen as highly risky and filled with failure, even by giants in those fields.

After the sale of PayPal, Musk had the financial freedom to do anything, but he chose the path that few would have dared to follow. Tesla, SpaceX, and SolarCity were industries where success was far from guaranteed, and many believed Musk was throwing his money away. His decision to focus on electric vehicles with Tesla, space exploration with SpaceX, and renewable energy with SolarCity defied the conventional wisdom of the time. Critics and even close friends advised him against it, saying the industries were too volatile, and the giants in these sectors had already failed.

When Musk invested in Tesla in 2004, the electric vehicle market was all but dead. Major automakers, such as General Motors, had given up on electric cars, believing them to be too impractical, expensive, and limited to niche markets. Musk believed otherwise. Joining Tesla as chairman, Musk helped secure crucial funding, but Tesla's early days were filled with challenges—production delays, technical issues, and near financial collapse. By 2008, Tesla was on the brink of bankruptcy. Musk had poured every cent he had from the PayPal sale into Tesla, leaving him with nothing. At one point, he was even sleeping in the Tesla factory, doing whatever he could to keep the company alive. No major investors were willing to back Tesla, but Musk's unshakable belief in the future of electric vehicles kept the company afloat.

In the same year he invested in Tesla, Musk founded SpaceX in 2002 with a vision that was even more audacious: to make space travel affordable and to colonize Mars. Space exploration had long been the domain of government agencies, with budgets in the billions. No private company had ever launched a spacecraft into orbit. Musk invested $100 million of his own money into SpaceX, and the early years were marked by failure. SpaceX's first three launches were disasters, each costing millions of dollars. By 2008, SpaceX was also on the verge of collapse. The company had enough funds for just one more launch, and if that failed, it would be the end of Musk's dream. With the entire company hanging by a thread, Musk continued to push forward, working day and night, often sleeping in his office.

Against all odds, on SpaceX's fourth and final attempt in September 2008, the Falcon 1 rocket successfully reached orbit. This monumental achievement was a turning point for SpaceX. Shortly after, NASA awarded SpaceX a $1.6 billion contract to service the International Space Station, saving the company from bankruptcy and paving the way for future success.

In 2006, Musk co-founded SolarCity, a company aimed at making solar power affordable and accessible for residential and commercial use. While less capital-intensive than Tesla or SpaceX, SolarCity was still a significant gamble, as the solar energy industry was seen as unprofitable and unscalable at the time. Musk believed that solar power was key to addressing the global energy crisis, but most people doubted it's potential. SolarCity eventually became the largest solar energy provider in the United States, and in 2016, it was acquired by Tesla, further integrating Musk's vision for sustainable energy.

By the end of 2008, Musk's situation was dire. He had used nearly all of the $180 million he earned from PayPal, splitting his personal wealth between Tesla, SpaceX, and SolarCity. Tesla was on the verge of bankruptcy, SpaceX had barely survived its third failed launch, and SolarCity was still trying to establish itself. Musk had $0 left in his personal account, to the point where he was borrowing money from friends to cover his living expenses. It was the most stressful time in his life. Many believed Musk was going to fail—critics called him reckless, friends warned him to stop throwing his money into ventures that seemed destined to fail.

Yet, at the last moment, things turned around. In December 2008, SpaceX's NASA contract saved the company, and Tesla secured $40 million in additional funding, narrowly avoiding bankruptcy. These critical lifelines allowed Musk's companies to survive and eventually thrive.

Once Tesla and SpaceX got through the worst, both companies began to rise. Tesla continued to develop its electric vehicle technology, eventually launching the Model S, which became a major success. By 2020, Tesla became the world's most valuable car manufacturer, surpassing $1 trillion in market capitalization. Musk's dream of making electric vehicles mainstream had finally come true.

SpaceX also continued to achieve milestones, becoming the first private company to send astronauts to the International Space Station in 2020. SpaceX's innovation with reusable rockets drastically reduced the cost of space travel, making it a major player in the industry.

SolarCity, now part of Tesla, continued to grow, becoming a key player in the solar energy market. Tesla's solar roof and Powerwall products helped push renewable energy solutions for homes and businesses, further aligning with Musk's vision of a sustainable future.

As of 2024, Musk's net worth is estimated to be around $250 billion, making him one of the richest people on the planet. His fortune is tied primarily to his stakes in Tesla and SpaceX, both of which continue to grow. With his ventures into new industries, such as Neuralink and The Boring Company, Musk shows no signs of slowing down. Analysts predict that his net worth could reach $500 billion or more in the next decade, especially as SpaceX continues its Mars missions and Tesla expands into new markets.

Musk's post-PayPal story is a testament to the power of risk-taking. Instead of taking the safe route after selling PayPal, he invested everything into companies that most people believed would fail. He went from having $180 million to almost nothing, risking his fortune, reputation, and future on his belief that Tesla, SpaceX, and SolarCity could change the world. His relentless dedication and willingness to bet it all on his vision have paid off, making him one of the most influential entrepreneurs of our time.

If Musk continues on his current trajectory, he could become the world's first trillionaire within the next decade, proving that sometimes, the biggest risks lead to the greatest rewards.

After selling PayPal, Elon Musk invested everything into Tesla, SpaceX, and SolarCity, risking his entire fortune and reputation. Despite near financial ruin, Musk's risks led to the massive success of these companies.

1. **Paragraph-based response**: Share an experience where you took a significant risk to pursue a dream or business goal. How did it impact you, and what were the outcomes?

2. **Key Takeaways**: Highlight 5 key lessons you can apply to your own business or career from Elon Musk's journey of taking massive risks.

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Case Study No:

3. [Paragraph response]
4. [5 key takeaways in point form]