

# DUTY — To — PROSPER

12 PRINCIPLES TO CREATE SUCCESS IN YOUR BUSINESS



# DUTY — To — PROSPER

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# A Message from the Founders

Each year as Bette and I read the Book of Mormon, we are impressed with the number of times the Lord or his prophets promise individuals that as they keep the commandments they “will prosper in the land.” That promise is made more than 63 times. We have therefore chosen the title *Duty to Prosper* for this booklet.



As we have reviewed our teaching of thousands of people these last fourteen years, we have found that there are a dozen principles, practices, and skills that, when put into practice, can dramatically speed up the process of prospering. You might think of them as business commandments with a promise that as you keep them your business will prosper more quickly.

These twelve concepts are carefully outlined in this *Duty to Prosper* booklet and when adopted will help you learn and acquire needed skills. Then as you change your behavior you will develop new habits and you will be able to provide a better income and a healthier lifestyle for your family.

In order to make these changes, you will need to do three things:

1. Decide to make the short-term changes necessary to develop these business skills into new habits for success. We ask you to sign a commitment card to do that, as outlined in the back of this *Duty to Prosper* booklet.

2. Learn and apply the twelve skills outlined in this booklet. As you apply these habits, they will become routines that, when repeated, will lead to business success.

3. Finally, you will need to join with others who have made similar commitments to adopting new habits that lead to building a successful business. We invite you to attend your monthly Alumni Chapter meetings and review your progress with your peers.

Now sign the commitment card in the back and get started today!

We know you can do this. You have done many hard things before. It is your duty to prosper.

*Sincerely,*

Stephen W. and Bette Gibson  
*Academy Founders*

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# Resource Boxes

Resource Boxes accompany each chapter to help you connect what you just read to real life. Reading the booklet and studying the resources are essential for a proper understanding of the material.

**Blue** boxes help draw connections between what you learned and gospel principles.

**Green** boxes show applications of the principle in real life.

**Yellow** boxes are academic examples.

Spiritual Application
Observe   Learn   Apply
Research Shows

The text contained in the resource boxes correspond to online material. The texts' colors will match the following type of links:

**Brown** - Online Texts

**Red** - Videos

**Light Blue** Scriptures

**Dark Blue** Talks given by General Authorities

# Income Statements

**“Business is about improving the bottom line; Income statements show you the bottom line!”**

**Anonymous**

The most powerful management tool that a business person can use from their business building toolbox is a monthly income statement. Yet its potential power is often wasted because it is not created, or if created, it is not used by the owner, as it should be.

Here are *five* reasons why you should make and carefully study a monthly income statement:

1. The information and format of the income statement can help you make critically important management decisions for your business based on real facts instead of how you “feel” things are going in your business.
2. Like no other tool, an income statement can help you see the relationship between sales and expenses, which will then define your business’s monthly profit or loss. Your profit or loss is a key indicator of your success as a business operator.
3. As you study your expenses recorded on the income

statement, you will easily see how the cost of items clearly affect your bottom line, or profit. For example, salaries, rent, cost of goods sold, utilities and a dozen or more other costs all affect your bottom line. You can then adjust these operational expenses during the next month.

4. Income statements will help you know if you are winning or losing in your business. Remember winners deal in specifics (found on your income statement) and losers deal in generalities. Your income statement will help you win in your business.

5. An income statement acts as an entrepreneur's score-card. It answers the question, "How is my business doing?"

In order for you to create a meaningful income statement you must (a) Record the amount of every sale and all other incoming amounts of money from whatever the specific source and (b) Record every amount of money you take out of the business, whether to purchase more inventory, pay wages, transportation or any other expense.

Then simply follow the profit formula:

$$\textbf{Profit} = \textbf{Sales} - \textbf{Expenses}$$

Now you have a simple income statement, which, if prepared and studied over time, will establish a base line of income, expenses, and profit from your operation.



***Simply stated***, preparing and analyzing an income statement every month, will help you to grow your business and to become a winner.

Below is an example of an income statement:

Income Statement	
Business ABC	
July 1, 2014 - July 31 2014	
Gross Revenue (Sales)	\$1,000.00
Costs of Goods Sold (COGS)	- \$ 400.00
<hr/>	
Gross Profit	\$ 600.00
Operating Expenses	- \$ 450.00
<hr/>	
Profit Before Taxes	\$ 150.00
Taxes (Country Specific)	\$ 0.00
*Talk with a local CPA to know what your tax obligations with the government are. For this example, we will use 0%, as many IGAs are non-registered entities.	
<hr/>	
Net Profit	\$ 150.00

## Spiritual Application

Record keeping found in the scriptures:

Alma 37:6

Alma 37:20

Alma 37:2

3 Nephi 1:3

4 Nephi 1:19

Helaman 3:13

Alma 3:12

Mosiah 24:6

2 Nephi 5:29

3 Nephi 23:7

Helaman 3:15

## Observe | Learn | Apply

Income Statements require a lot of work.

*Why are they worth it?*

**Introduction: Income Statements**

**Financial Statements Made Simple**

## Research Shows

A recent study conducted by a Brigham Young University professor evaluated 700 small businesses in Latin America. The primary purpose of the study was to discover what percentage of the small business owners kept regular income statements for their businesses. Of 700 small businesses in the study, approximately 14 (2%) were able to demonstrate that they were keeping regular income statements.

The professor's conclusion was:

**“Without question the income statement is the most underutilized business tool in developing countries.”**



# Net Profit

**“In all thy dealings place principles before profit and not profit before principles.”**

**-Anonymous**

Your primary responsibility as a business owner is to make a net profit. Net profit is the amount of money that remains after you have deducted the costs of goods and/or services sold to your customers, as well as deducting all of the operating expenses (where you deduct your personal salary). Net profit is also known as “the bottom line” and it is what you must hold yourself accountable to as the owner of the business.

Two specific ways that you can increase the profit in your company are: (1) purchasing your inventory in bulk and (2) selling your products and/or services at a higher price. First, if you purchase your inventory in bulk, you will be able to negotiate better prices. By reducing your price of purchase you will help increase your profits. Second, if you add more value to your products and/or services through superior customer service, dependable deliveries, consistency, and quality control, you will be able to charge more. By charging a little more, while also purchasing your inventory in bulk, you will increase your profitability *significantly*.

Having a profitable business provides you with several advantages. For example, you will be able to hire others to execute tasks in your place. Thus, you are employing others while also having more time for you to work on your business and not just in your business. You may also be able to increase your livable salary.

## Spiritual Application

*What kind of “profit” does the Lord want us to earn?*

Doctrine and Covenants 46:1  
2 Nephi 2:14 2 Nephi 4:15

## Observe | Learn | Apply

*What can you learn from this example?*

Investing Answers

## Research Shows

Nearly 3,000 Academy graduates have been surveyed in the past five years. Part of this survey compared the net profits of the businesses between Academy alumni and non-Academy alumni. Concerning net profits, Academy alumni are statistically proven to have significantly higher gross and net profits than non-Academy graduates.

*Why do you think this is the case?*



# GEM Model

**“Beware of little expenses; a small leak will sink a great ship.”**

**-Benjamin Franklin**

**H**ave you ever asked yourself this question: ‘When do I make money in my business?’ Remember, you are in business to make money and knowing the answer to this critical question is vital for your success.

The following sayings are from successful entrepreneurs who have taught business for many years. See if you can find which of the quotes best answers the question:

*When do I make money in my business?*

- a. A penny saved is a penny earned!
- b. You won’t sell anything unless you add value to your product and/or service!
- c. Nothing happens in business until something is sold!

The answer is simple: they are *all* right!

The **GEM Model** helps us understand why.

The GEM Model stands for Gathering, Enhancing, and Marketing. Thus, during the “gathering” process you can “save a penny,” and consequently, “earn a penny” by purchasing in bulk or negotiating better prices. This is important to remember when you are searching for your raw materials, or while you are providing services to people: if you spend less during the “gathering” stage, you end up earning more money.

Next, during the “enhancing” stage you will be able to make more money for your products or services by “adding value.” If you do not “enhance” (add value) to your goods or services then “you won’t sell anything,” and consequently, you won’t make any money. You can also save money by paying less to people helping you to enhance your product.

Finally, remember: *nothing happens in business until you sell something!* This means that if your goods and services are never sold, you will never make any money. If you do not leave your comfort zone and try to market your goods or services, then it will be a challenge for your potential customers to know about you and your business. You must strategize on how to best market your goods and services so that you can sell them quickly.

The GEM Model helps you remember that during each stage of the cycle of your business you can, and will, earn money. Understanding the GEM model is a real jewel for making a profit in all three stages.

## Spiritual Application

*How did the Lamanites change their attitudes?*

Helaman 6:6-16

Alma 23:18

## Observe | Learn | Apply

*What habits do you need to break to use a GEM model?*

Academy GEM

## Research Shows

Jia-Sheng Lee and Chia-Jung Hsieh studied 116 small businesses in Taiwan. The study focused on competitive advantage or what these businesses were good at when compared to larger companies; they found that these businesses excelled at marketing and innovation.

*How could a small business have a competitive advantage at marketing?*



# Setting Goals

**“Wishing will not make it so. The Lord expects our thinking. He expects our action. He expects our labors. He expects our testimonies. He expects our devotion.”**

**-Thomas S Monson**

Goal-setting involves establishing specific, measurable, attainable, realistic and time-bounded (S.M.A.R.T.) objectives. Setting goals is an effective tool that creates a clear awareness of what you must do to achieve an objective.

Goal setting is a powerful process for thinking about your ideal future. The process of setting goals helps you choose where you want to go in life. By knowing precisely what you want to achieve, you know where you have to concentrate your effort. A goal can be long-term or short-term. The primary difference is the time required to achieve them.

For example, a goal to talk to 10 new customers will measure your effort, a goal to sell 100 lbs of produce in a week will measure your results. Hoping to open a new store across town in a year will take many smaller goals.

Good goals will be realistic but still make you stretch and grow. The effectiveness of your goals will be measured by what you accomplish as you strive to reach them. Goals do not reduce your work, only improve your efficiency.



## Spiritual Application

*How often should we be using spiritual goals?*

Three Goals to Guide You  
To the Rescue

Preach My Gospel, pg 146, 150-151

## Observe | Learn | Apply

*Why do goals help us manage time?*

What is a S.M.A.R.T. Goal?

How do I reach really big goals?

How do I gain vision?

## Research Shows

Mark McCormack wondered why some Harvard MBA's were more successful than others. These are the findings from his book:

**84% had no specific goals at all.**

**13% had goals, but not written down.**

**3% had clear, written goals and a plan.**

The 3% that used goals effectively made ten times as much money as the other 97% combined.

*What do you learn about accountability?*

*Why is accountability vital for effective goal setting?*

Take the time to establish your S.M.A.R.T. goals with clarity, writing them down and sharing them with your peers.

# Customer Service

**“The goal as a company is to have customer service that is not just the best, but to have customer service that is legendary.”**

**-Sam Walton**

Customer service is the process by which the value of your goods or service reaches the customer before, during, and after the purchase; It is how your business looks and feels to your customers.

It is vital to remember that the perceptions and opinions your customers have of you and your company will largely be shaped by how they are able to connect with you, your employees, your products and services. When your product has value and is useful, the customer naturally appreciates it as well as your company.

Be sensitive to the time you require your customers to spend when purchasing products or services. Remember: the easier it is for them to purchase your products or services, the better their experience will be. Each person you meet will be slightly different and will need a unique approach. Learn the names of your customers and train your staff to always call them by their names.

Ask your customers the reasons for which they choose to purchase from you. Getting feedback from your customers will help you understand what good things you are doing and what you can improve upon. You will know how to better deliver the value of your product to them in a way that does not drain your resources.

## Spiritual Application

*What should motivate our business?*

Acts 20:35    Mosiah 2:19    3 Nephi 11:15

Making and Living a Life

## Observe | Learn | Apply

*What do you do differently in these examples?*

King Burger  
Movie Montage

*How does CS demonstrate value?*

Essentials of CS  
Taxi Cab Story  
The Fred Factor

## Research Shows

In his recent publications, Harvard Business School professor Michael Porter has explained how “globalization” has shifted the competition from “machines and physical goods” to customer service. According to Porter, the current small business owner must focus more on customer service than ever before because most small business owners have access to the same physical goods. Customer service will make or break your success.



# Practice Separate Entities

**“Mixing your personal money with your business money is like trying to mix oil and water into one single liquid: it simply will never work!”**

**-Anonymous**

Far too many small business owners operate in a cloud of confusion each and every day because they do not practice separate entities. Specifically, small business owners are not separating their personal money from the money generated by their business.

The first step in practicing separate entities is achieved by physically separating your personal money from your business money. If you have access to bank accounts, make sure you have a business bank account and a personal bank account. If banks are too far or impractical for you to use then you should have separate cash boxes where you can keep your personal money and the business's money.

The first rule of thumb that is most helpful for separating your business money from your personal money is: Pay Yourself a Livable Salary. In order to pay yourself a livable salary, you first must determine how much money you will need to cover your personal needs. By paying yourself a livable salary you will have more clarity on the amount of money you will need for your personal and family needs.

Another rule of thumb that is helpful for separating your business money from your personal money is: Be Nice Later. For example, if a family member or friend asks you to provide them with free food from your business, you cannot allow that to happen. That would be stealing from the business. Instead of stealing from your business, you might consider inviting them to your home where they can eat a meal for free.

## Spiritual Application

How separating your entities creates organization:

[Luke 10:25-37](#)

[Matthew 25:1-14](#)

## Observe | Learn | Apply

*Why do separate entities require records?*

Pinnacle Partners

[Entrepreneur.com](#)

## Research Shows

In 2013, a Brigham Young University professor and 15 undergraduate, MBA, and MPA students conducted a literature review of more than 300 finance and accounting articles. 100% of these articles agreed that personal money and business money should never be combined.

*What is lost when we clump things together?*



# Increasing Sales

**“If eighty percent of your sales come from twenty percent of all of your items, just carry those twenty percent.”**

**-Henry A. Kissinger**

You may have one of the best products in the world, or you may provide a superior service to the world, or you may have the greatest invention since the beginning of time, but, if you never sell anything, you will never make any money!

As the owner of your business, you must always focus on Making a Daily Profit. Your primary motivation should be to sell more today than you did yesterday. And, when you take the necessary time to Work On Your Business & Not Only In Your Business, you must focus on finding ways to sell more tomorrow than you did today. “Dollars Now” is a great way to remember this principle!

## **Leverage Existing Customers**

You currently have customers who buy your goods or services. Think of ways to Use Suggestive Selling with your current customers. If you could add a few more “Dollars Now” with your existing customers, you may find that increasing your sales was easier than you thought. More importantly, you did not have to spend more money to increase your sales!

Another way to leverage your existing customers is to ask them why they choose to buy from you. Remember, your customers have many choices of where to buy from, but they have chosen to buy from you for a reason (or maybe several reasons). Take a few minutes each day to thank your customers for buying from you and start asking them why they buy from you. This will help you understand what you can do to sell to more people as you try to increase sales.

**Don't forget** to use goals for short and long term sales. By using tools such as goals and referrals you can actively work to increase your sales.

### Spiritual Application

Finding people takes time and observation:

Mark 2:15-17

Mathew 11:28-30

### Observe | Learn | Apply

*What is the role of service in sales?*

**How to Increase Sales Volume**

**Answer Customer's Questions**

### Research Shows

Read this [article](#) by the Wall Street Journal about JC Penny.

*What is prompting the turnaround in sales?*

*How did the CEO do that?*

# Understanding Costs

**For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?**

**Luke 14:28**

There are many costs associated with starting, operating, and growing your business. If you take the time to “count the costs” (Luke 14:9) as you build your business, you will find many different techniques to save money.

## **“Sunk Costs”**

Start up costs are often times referred to as “sunk costs.”

Sunk costs are the expenses you have to cover (pay) even before you open your business. One way of saving money during the start-up phase is to do some of the “fixing-up” of your materials, storefront, or machines by yourself.

Another technique that will help you have lower sunk costs during the start-up phase is asking for a competitive bid from several different companies for the work needed or the people who can do the work. Finally, to help you lower your sunk costs, you may want to consider purchasing used furniture, vehicles, office machines, or other necessary items.



## **Recurring Costs**

Recurring costs are often referred to as operating costs.

In fact, on your income statement, you will find lines that are specifically devoted for you to record recurring costs. Remember, some of your recurring costs will be labeled as “fixed costs” and others as “variable costs.”

Fixed costs are the expenses that you must pay each week/month, and the amount that you pay each week/month remains the same, regardless of total sales. Your fixed costs do not depend on the amount of business you generate each week or month. So, whether you do a lot of business, or no business at all, your fixed costs remain the same. Some examples of your fixed costs might include: salaries, rent, Internet service, insurance, bank fees, advertising, security personnel, etc. One way to reduce your fixed costs is to always be aware of what other companies in your area are paying for the same services you are receiving and, when you find that someone else has a lower price, you can negotiate with your providers for better prices.

Variable costs are expenses that you must pay each week/month and this amount depends directly on how much you do in business. Some examples of your variable costs include: water, electricity, gasoline, raw material costs of goods sold, labor costs necessary to complete a certain project, etc. As your company grows, you must have a clear understanding of what your variable costs actually are so that you can find ways to reduce these costs. For example, regarding labor, you may find that creating systems of operations allows you to reduce the number of people

required to manufacture your products and/or goods. Also, when considering water and electricity, you may find that having a system to turn off the lights and/or turn off the water can help you save money each week/month.

### **Cost of Goods Sold (COGS)**

Costs of goods sold are the expenses you must pay to purchase materials for either resale or as part of the manufacturing of a product to sale. In this case, you will often hear people refer to these costs as “COGS.” As you seek ways to reduce your COGS, you must remember to use multiple suppliers and use multiple service providers. You will also want to buy in bulk, which will help you reduce the costs of purchasing raw materials. You can also drastically reduce your COGS by buying used furniture and/or machinery and by being an active and competitive purchaser.

**Remember** as you focus on reducing your “sunk costs,” recurring costs, and COGS, you can make a lot more money in your business.

## Spiritual Application

*Why is enduring to the end difficult at times?*

Luke 14:28-33

## Observe | Learn | Apply

*Where do I start?*

Mike Piper's Advice

Michigan State University

## Research Shows

Research indicates that approximately 90% of businesses fail within the five years of operation. But, why? According to leading scholars and research, most start-ups fail because the owner and/or operator fails to understand the necessary costs associated with starting their business, or the "Costs of Doing Business" (CODB). Most start-up business owners fail to sit down, count the costs, and project real numbers.

*Why is it sometimes hard to count costs?*



# Borrowing Money

**“Money is a terrible master but an excellent servant.”**

**-P.T. Barnum**

**T**he best tip about borrowing money is simple: if you do not absolutely have to, don't. Too many entrepreneurs believe that the lack of capital is stopping them from starting and/or growing their business. This is simply not true. Unfortunately, far too many entrepreneurs become convinced that, “if they were to get money” then “they would have a successful business.” Certainly, money is important, but it is not essential to starting and/or growing every business, especially in the beginning. Don't allow yourself to become paralyzed because you don't have the capital you think you need. Remember: Start Small and Think Big.

If you believe you need a certain amount of start-up capital (seed money), then be creative with how you find or earn that money. Remember, just because you live in a world where access to capital has become easier, it does not mean that you need that money to start your micro-enterprise.

There is a time and place for you to seek money. This is usually when you have had a stable business for many months. This is why it is important for you to take your

time and to evaluate the terms (interest rates, payment structures, collateral requirements, etc.) you agree to when you borrow money. Use multiple suppliers as you “shop around” for the best financial institution. By shopping around you should be able to negotiate better terms with the financial institution you choose. Take your time to evaluate the terms and conditions of each loan you are considering. Accepting a loan with bad interest rates or poor terms may take longer to repay.

### Spiritual Application

The love of money is the root of all evil according to the scriptures. *Why?*

The Times in Which We Live

Thou Shalt Not Covet

### Observe | Learn | Apply

*Why do we need self control to use money properly?*

Making Money Your Ally

How Not to Borrow Money

### Research Shows

The Financial Crisis of 2008 was caused by improper borrowing and lending of money.

**Understanding the Financial Crisis 11:10**

*How do you know when it is the right time to borrow?*



# Written Agreements

**“The duller pencil is better than the  
sharpest memory; write it down!”**

**-Anonymous**

**T**he following is an outline of the several key areas of business for which you should have written agreements:

## **Job Description**

Prior to hiring an individual to work for your company, you should have a written set of criteria for the individual to read and perform during his/her employment. In the Job Description, you (the employer) must clearly articulate the job that the new employee should expect to do. Additionally, you (the employer) will specify how much money you will pay for the job to be done. Job Descriptions can also specify other aspects of the employment relationship. For example, you can explain the expected duration of the job (one month, six months, one year, two years, etc.). You can also explain the information about the employee's responsibilities, what benefits (vacation leave, disability leave, amount of sick days, etc.) the employee will receive. Finally, in the Job Description, you (the employer) can clarify how an employee's actions (stealing, cheating, lying, being late, etc.) can lead to termination.

## **Partnerships**

Partnerships and/or growing a business with another individual is similar to getting married: things often start off smoothly. However, as time passes more and more challenges arise and you must be prepared to meet those challenges, together. This is why choosing a partner is such an important decision.

To protect one another, you will want to have a written Partnership Agreement. Some of the most common features of a Partnership Agreement include: (1) How the profits of the business will be used, (2) The duration of the partnership, (3) How, if things become too challenging in the business, the partnership will dissolve, (4) Who is in charge of what aspects of the business (i.e. day-to-day operations, banking/finance, growth of the business, etc.) (5) An explanation of the contributions of each partner, and (6) Time/hour commitment. In order for you to peacefully readjust duties, responsibilities and profit distribution with your business partners, it is essential to have a written Partnership Agreement.

## **Rental and/or Lease Agreements**

As your business grows, finding additional space to rent or lease may become a necessity. Make sure you carefully evaluate if renting or leasing will be best for your business. Be sure to search for several locations near the area you want to locate. As you search for appropriate prices, speak with other local business owners and ask them what they are paying for their rent. When you have found the ideal location, make sure you write the terms down into a simple agreement. Then, make sure that you and the landlord sign

## Spiritual Application

*How does the Lord use covenants to protect us?*

Jeremiah 31:31-34

Stay Within the Lines (Elder Holland)

## Observe | Learn | Apply

*Are contracts more trouble than they are worth?*

Basics of Written Agreements

Coen Brothers

## Research Shows

Deepak Malhotra observed that good contracts build trust because they foster good communication. Malhotra also noticed that contracts need to be adaptable by allowing for creative thinking and changing plans with new information that was not available when the document was written up.

*How can you use contracts to build trust?*





# Growing a Family Business

**“Other things may change us, but we start  
and end with our family”**

**-Anthony Brandt**

**I**n many countries throughout the world, starting and building a family business is the optimal way to achieve self-reliance. This is because most economies around the world do not provide enough good-paying, or stable jobs. Thus, many families should do all within their power to own and operate their micro-enterprise with their family members. Starting and/or growing a family business is one of the best ways to ensure generational prosperity for your family.

One of the most important parts of owning and growing a family business is ensuring that it becomes an income generating asset. Owning a family business provides you with ample opportunities to involve your spouse and your children. As the owner of the family business, you should do all you can to find ways to include your children. For example, if you have younger children you may want to assign them simple tasks such as sweeping or cleaning areas of the business each day. Or, if your children are older, you may consider having them run the cash register as clients

arrive and pay. The most important element to remember when involving your family members is that they are learning how to operate the business with each assignment they are given. They are also learning how to share the burden of the business, which helps them learn discipline and gratitude. While some individuals may choose to sell their business to another company or individual, you may feel more inclined to turn your family business into a family asset, an on going economical resource that supplies your children and grandchildren with the financial security needed to provide for their necessities.

## Spiritual Application

*How can family help each other in business?*

Alma 56:1-9

The End from the Beginning

## Observe | Learn | Apply

*How are family businesses strong?*

Where Good Ideas Come From  
Two Sisters

10 Questions to Ask

## Research Shows

Harvard researchers found that family businesses are more frugal during good and bad economic times. This makes them more resilient to challenges.

*Why do you think this is?*

# Flash Reports

**“If you can’t measure it, you can’t manage it!”  
-Peter Drucker**

A Flash Report is a report that provides the owner or manager of a business with a quick and precise snapshot of how the business is performing in “Key Areas”. Some of the common Key Areas used in a flash report are: (1) the amount of cash on hand, (2) the amount of money in the bank account, (3) the general cash flow of the business, (4) the general volume of sales, (5) any outstanding debts, and (6) inventory management. Remember, you know your business better than anyone else, and therefore, as the owner of the business, you can structure your own Flash Report in whatever way it will serve you best.

The preparation of a Flash Report can take anywhere from 10 minutes to 30 minutes. As such, you may decide to include the preparation of your Flash Report in the job responsibilities of trustworthy employees. Remember, the person preparing the report should always record the same Key Areas so that the transactions that occurred or changed between Flash Reports can be compared with the previous report.

The general purpose of the Flash Report is to help you immediately identify positive and negative trends in your business and then to make more informed decisions on how to move forward. Flash Reports can be generated daily, weekly or monthly, depending on what you prefer. The careful analysis of the information they hold will greatly improve your ability to make decisions.

### Spiritual Application

*How does God keep track of everything?*

Alma 57:26    Moses 1:37

### Observe | Learn | Apply

*Can you make a habit of using Flash Reports?*

The Strategic CFO

### Research Shows

Jim Wilkinson, past CFO, CPA, and current Adjunct Professor at the Wolff Center for Entrepreneurship at the University of Houston, demonstrates the value of using a flash report in your business. According to Mr. Wilkinson, using a Flash Report is vital for business owners to use because it allows them to see the overall health and strength of the business in a short amount of time, and therefore, make the necessary pivots if /when necessary.

*Why is pivoting essential for a small business?*



## *My Commitment*

I will dream big  
I will ask many questions  
I will remember to be realistic  
I will stop doing things that do no good  
I will start doing things I should be doing  
I will attend my monthly meetings  
I will push through adversity  
I will not give up

Your Signature:

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Date

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# 25 Rules of Thumb

1. Sell What the Market Will Buy - Solving a critical, recurring problem is the best way to create a business.
2. Practice Separate Entities - Keep personal and business money separate.
3. Start Small, Think Big - Learn basics when small and less costly. Then grow.
4. Be Nice Later - Don't give your product or business capital away to friends and relatives.
5. Keep Good Records - Success comes from beating yesterday's sales and profit records.
6. Pay Yourself A Salary - This eliminates taking cash out of the business for living expenses.
7. Buy Low, Sell High - The bigger the difference, the greater the potential profit.
8. Don't Eat Your Inventory - Consuming inventory or seed capital will kill your business fast.
9. Use Multiple Suppliers - Negotiating with several suppliers for the best price is critical to success.

10. Buy on Credit, Sell for Cash - Selling product before payment is due increases cash flow.

11. Purchase in Bulk - Suppliers usually sell products cheaper if purchased in volume.

12. Use Suggestive Selling - Suggest to each customer other items they might like or need.

13. Increase Sales, Decrease Costs - As the gap grows bigger, net profits also grow bigger.

14. Turn Your Inventory Often - Profit is made every time inventory is priced right and sold.

15. Value Your Customers - Keeping them coming back and buying more is a key to success.

16. Differentiate Your Business - Give customers a reason to return; better, cheaper, faster.

17. Hire Slow, Fire Fast - Screen potential employees carefully. Terminate bad hires quickly.

18. Inspect More, Expect Less - Consistent performance comes from inspecting not expecting.

19. Have Written Agreements with partners, suppliers, land lords and employees.

20. Work on your business 10 hours a day, five and a half days a week. Anything less is a hobby.

21. Practice Kaizen - Kaizen means continual improvement. This is vital to income growth.

22. Make Profit Every Day - If a work days goes by without profit, it's a loss.

23. Work on Your Business, Not Just in Your Business - Stand back and watch, then fix.

24. Write Daily/Weekly Business Goals - Stretching for more will move business forward faster.

25. Focus, Focus, Focus - A concentrated effort in one venture pays huge returns.







ACADEMY FOR  
CREATING ENTERPRISE

*The tragedy in life doesn't lie in not reaching your goal.  
The tragedy in life is having no goal to reach.  
-David Kirchhoff*

