

Money As A Scorecard

Money can be lots of different things, depending on who defines it. Money can create opportunities where none existed before. Money, in the form of cash, can leverage the outcome of a deal. Money, when effectively managed, can create a financially independent lifestyle. Money, in the form of credit, can also turn us into slaves of a kind, running to pay off our accumulated debts.

Money can be lots of different things. For the purpose of this report, Money is a Scorecard. Money, in this context, can help us determine a course of action, develop effective plans to reach our goals and act as a self-correcting process to put our plans back on track. Money can also help define our level of skill and understanding of the assets we can use to achieve and surpass our goals.

Suppose you need an extra \$1,000 a month. What do you do and in what order to create and sustain that cash flow? What kind of product or service do you sell? How effective is your marketing plan at reaching the customers who need what you are offering?

Once you start making \$1,000 a month, what do you need to do in what order to make and sustain \$2,000, \$3,000, \$4,000 a month or more

When sales slump, as sometimes happens, using money as a scorecard can help redefine the marketing and sales process to make it more effective.

As the money-making project gains momentum, how is the money managed? How much is needed for operations? How much is set aside as an operating reserve? How much is set aside for future investment in passive cash flows? How money is managed is a scorecard that defines the health of a business, its ability to pay for itself, its employees and, of course, its owners for years to come.

The measure in all these scenarios is answered with a series of simple, direct, black and white questions that are answered yes or no. No grey areas. The answers can provide clues to what has to happen next to make the company grow.

For example: Did you reach the goal of \$3,000 a month in gross revenue? Yes or no. If you did, keep the current processes in place and find ways to make them more efficient. If the answer is no, take a long, hard, honest look at what needs to

improve or change to get back on track.

Did the marketing plan reach its expected goal? Yes or no. If, for example, the starting seed for advertising was \$500, the expected return might be an increase of fifteen-hundred percent in three months, or \$7,500 in monthly cash flow. (Yes, its possible with the right product or service and a highly directed marketing plan).

Using money as a scorecard can define the health of a business with a high degree of accuracy. It can do the same for a lifestyle.

Can you pay all your bills free of stress and worry? Yes or no.

Do you have a lifestyle reserve in case of economic readjustments that can last for a year or more? Yes or no. (A six-month reserve is not enough, since economic readjustments can last for years).

Do you have the cash flow necessary to invest in passive cash flows that can create a financially independent lifestyle? Yes or no.

Money on a personal level is a scorecard that defines how well the business is doing for YOU in providing a long-term lifestyle solution (financial independence). With that in mind, here are a few guidelines:

***Create a business that is more than just another job that you happen to own. Design the business to support itself, its employees and you in that order.

***Invest in passive cash flows that you understand. If its real estate, do that. If its dividend stocks, focus in that area. Concentrate on what you understand that can produce consistent, measurable results.

***Keep your own council when it comes to managing money. Trust your gut. There are a lot of people who may want a piece of your pie, but if the opportunity smells funny, don't "eat it."

In conclusion, using money as a scorecard leverages personal and professional choices. The most powerful example is the concept of cash & carry. Go into a grocery store, choose what you want and pay for it at the check stand. In a fraction of a second, what was the stores inventory is now yours to do with as you wish.

The cash & carry concept is powerful because you don't have to apply for credit or ask permission. You make a choice and act!

A cash & carry, debt-free lifestyle combined with enough passive cash flows to create a financially independent lifestyle can be transforming. What would you do if you had all the time in the world to wake up with you please, travel where and when you want, have time for family and friends and, as much as is humanly possible, live life on your own terms.

Is this a "get rich quick" game? No. It takes time to build the skills, manage the money and build a lifestyle. Can the journey be financially and personally rewarding? Absolutely!

One last point. Keep your own council. What ever choices you make you have to live with. If something isn't working, do your homework to create a new, more effective plan. Act in your own best interest as much as life circumstances allow.

Money is nothing more than a scorecard that measures results. Results are the measure of truth. Did your plan work? Yes or no.

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