



# Module 1 Lesson 2

# A Business Cycle



## Learn and Apply New Principles

In order to have good business practices, you have to learn them first. This stage is head work AND THEN application of the principle. You need both to move to the next stage.



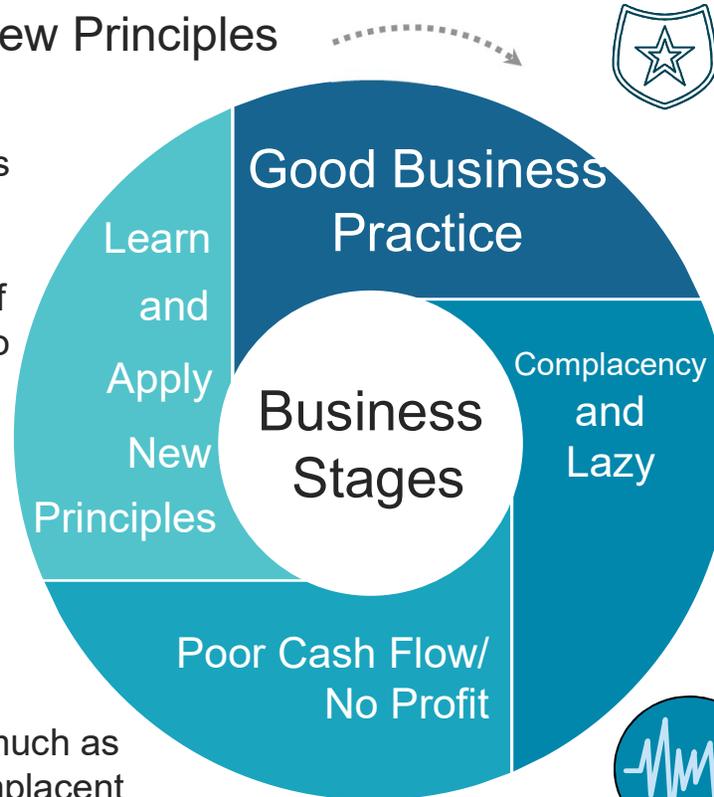
## Good Business Practice

This is the stage of Profitability. You have more good practices than bad practices. Things aren't always perfect, but your systems lead to freedom, flexibility, and profitability.



## Poor Cash Flow

No one will ever care as much as you do. So if you are complacent and lazy, your business will suffer. That being said, you can also have poor cash flow and be working really hard. You just may have never learned the right business practices yet.



## Complacency and Lazy

Having a comfortable lifestyle is not the problem. But that comfort is the great destroyer to drive, motivation, and progress. That's when complacency can set in. The owner abdicates responsibility here.

# A Better Business Cycle

Take the Short Cut and Avoid Poor Cash Flow



## Learn and Apply New Principles

In order to have good business practices, you have to learn them first. This stage is “thought” work AND THEN application of the principle. You need both to move to the next stage.



## Good Business Practice

This is the stage of Profitability. You have more good practices than bad practices. Things aren't always perfect, but your systems lead to freedom, flexibility, and profitability.



## A System of Review

You have to have a process where you review your systems and your numbers consistently and frequently. This still allows you to have the lifestyle and freedom you want while you still maintain your level of accountability to the business. Having a system of review in place makes sure you avoid complacency and helps you identify the areas you need to focus on for continuous improvement.

# Healthy Business Matrix

Who am I? Where do I come from? Why am I here?

	Not Living Within Means	Living Within Means
Unhealthy Business	<ul style="list-style-type: none"><li>• Lots of debt</li><li>• You can touch the desperation it's so thick</li></ul> <b>01</b>	<ul style="list-style-type: none"><li>• Lots of unpaid hours</li><li>• No profit to show for all the hard work</li><li>• Paycheck to paycheck</li></ul> <b>02</b>
Healthy Business	<ul style="list-style-type: none"><li>• Owner abdicates responsibility</li><li>• Bills can still often go unpaid</li><li>• Team members don't respect the owner</li></ul> <b>03</b>	<ul style="list-style-type: none"><li>• Only type of stress is good stress</li><li>• Only way to truly serve your community</li><li>• FREEDOM</li></ul> <b>04</b>

## Four Core Principles

**01**

**Smaller Plates – Multiple bank accounts with specific purposes**

**02**

**Eat Veggies First – Take care of the healthy good stuff first**

**03**

**Remove Temptation – Don't steal from yourself**

**04**

**Planned Meals – Knowing how you are prioritizing your cash flow and when you are going to do it**