

Jeff Miles The Business Doctor REPORT

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Welcome to Better Business Tip # 18 brought to you by The Business Doctor.

Get Your Money Out of Your Business...

I've been involved in business management for the past 20 or so years and more specifically in small business consulting and coaching for the past 8 years, and it still amazes me that up to 80% of all businesses fail.

From my perspective it is not because the business owner does not know what to do in the operations of their business but the problem is that they have seldom been trained in the management of their business.

I often ask new clients what savings they have put away in the past 12 months. Most are drawing their wages or salary of say \$50,000 pa and that is it. The profit for them is in their business.

Unfortunately this, in my view, is unwise. Because up to 80% of all small business fail. So the key is simple get your money out and invested somewhere that is safe.

Firstly build yourself a cashflow budget that focuses not so much on sales but on Net Profit because that after all is why you are in business. Net Profit not Sales.

If you want you can contact me by emailing Jeff@thebusinessdoctor.com.au and ask for a simple calculation sheet that identifies how much you need to save and as a consequence how much net profit you need each month and quarter to get as a dividend of net profit.

If your business is not giving you any more than a wage, you are not going to enjoy much of a retirement unless that is, you are contributing a bucket load to your super.

But even then, if you are only putting away say 9% or 10% of your income you need to ask yourself. Do I really want to live on just a piddly 9% of what I am earning now.

If you would like a hand calculating this send me an e-mail and I will send you some simple calculation sheets. Alternately if you want an accountant that can assist you in setting a Cashflow Budget and are not sure where to find one then again send me an e-mail and I will send you some contact details.

Now if you run a family business you need to be considering your exit strategy from the family business and this will include some form of Exit Strategy. This topic will be covered in a later Better Business Tip however in the short term please e-mail me and I will forward a Mindmap that highlights a couple of dozen points that need to be considered.

Until we meet again consider if your business is serving you or you are serving your business?

What is going to change unless you change?

For information about coaching for your business or to contact The Business Doctor on this subject, then visit www.GosfordBusinessCoach.com