

## Money Mastery–A Key to Business Success

### Money Mastery- Basic Level

- Your Bank Reconciliations are complete and up-to-date
- All your income, employee and property taxes are filed, paid and current
- All your bills are routinely paid on time
- Payroll is automated, accurate and effortless
- Inventory procedures are in effect that insure an accurate account of usable inventory at the end of each month
- Your Accounts Payable ledger is current and includes all bills and purchase orders
- Your business is current with loan repayments and is in conformance with all loan agreements
- Your accounting department is systemized
- Financial statements including P/L, BS, Aged Receivables and Payables Outstanding, are completed and reviewed monthly by 5-15<sup>th</sup> of each month
- Each department gets the relevant reports required and makes use of the information
- Your targets are being met for aged receivables
- Your targets are being met for days payables outstanding
- 6 month cash flow budget is set and reviewed monthly
- 6 month expense budget is set and reviewed monthly
- 6 month sales budget is set and reviewed weekly
- Your targets are being met for stock turns
- All appropriate T & M occurs systematically
- Your targets are being met for monthly profit (from budget).
- Customers have been categorized into ABCD and appropriate action taken
- Breakeven levels are established, conveyed to team and being met daily.
- Profit margins on each product or service category is known
- You get paid first on a regular basis
- Cash gap is understood and efforts are underway to reduce it

## **Money Mastery –Intermediate Level**

- Business owner gets paid what they are worth on first day of every month
- 10% of monthly revenue is held in a separate account for re-investment
- Debt to equity ratio is stable at a level that is consistent with owners risk profile
- Return on capital employed is understood and targets set
- Return on equity is understood and targets set
- Some % of profit is donated to meaningful charities on a monthly basis

## **Money Mastery –Advanced Level**

- All financial ratio targets have been met and are reviewed quarterly
- Your business is highly profitable and presents a great opportunity for an investor wanting to buy
- You are pursuing sophisticated investing in business, property and shares