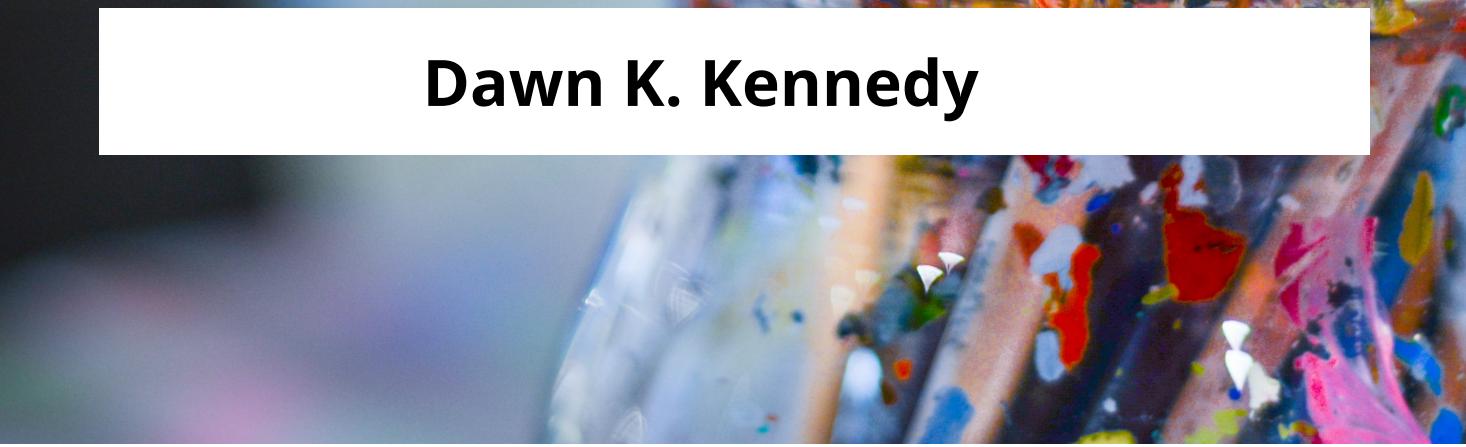




First Steps to Profit (Not Just Income)

Simple Money Strategies
for Creative Entrepreneurs



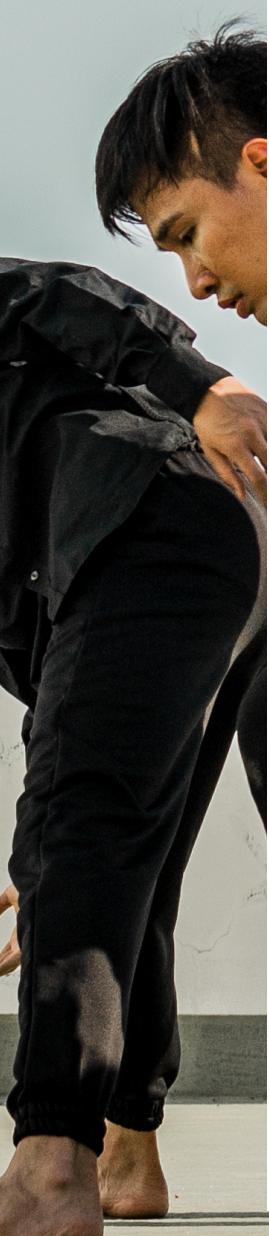
Dawn K. Kennedy

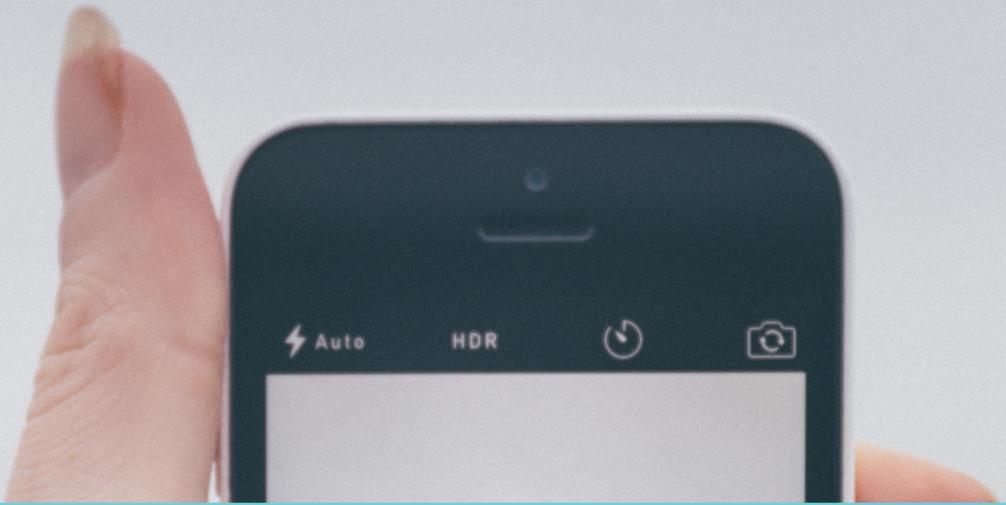
Welcome!

I am so excited to be here with you! As creatives, many times we don't love the business side of business, but that stops today!

This booklet is going to help you find a way to manage your money that works for you! This course is designed for you to take immediate action, so let's dive in.

Grab a cup of coffee (or your favorite beverage) and give yourself about an hour to go through the material.





Step 1: Get Organized
Step 2: Know Your Numbers
Step 3: Protect Your Business



Who: _____ for: _____ Acct #: _____

Login info: user _____ pw: _____

Address and phone: _____

Who: _____ for: _____ Acct #: _____

Login info: user _____ pw: _____

Address and phone: _____

Who: _____ for: _____ Acct #: _____

Login info: user _____ pw: _____

Address and phone: _____

Who: _____ for: _____ Acct #: _____

Login info: user _____ pw: _____

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Who: _____ for: _____ Acct #: _____

Login info: user _____ pw: _____

Address and phone: _____

Who: _____ for: _____ Acct #: _____

Login info: user _____ pw: _____

Address and phone: _____

Notes:

Your Numbers

Before anything else, you must prioritize your business income to ***pay the expenses that keep your business running.***

These expenses can be categorized into the “four walls.”

Each of the walls secures one area critical to your business to keep the doors open.

These walls are prioritized and paid before anything else is. Added together, these walls create the Breakthrough or B- number

We'll walk through each wall on the following pages!



Wall 1

Access to Buyers

Whether you are a product based, service based, or some other venture such as a vehicle-based business, you must FIRST pay the expenses that keep the doors open.

Next, you must have lights, heat (even in your own home), and in most cases a phone to operate. If you can keep the door open, but don't have electric, heat, or a way to communicate with your clients, you are not open.

Your Turn! How much is your:

Rent or mortgage
Internet
Utilities
Phone

Wall 1: Total: _____

Notes:

Wall 2

Critical Operating Expenses

I pay monthly amounts for my cloud-based software, payment system, and Zoom account. These are critical to my business operation.

I cannot operate without accessing files and having my client's access them, take payment for services, or the ability to videoconference with my clients. These expenses, if not paid, would shut me down very, very quickly.

These are the "critical" expenses, meaning that I cannot operate without them.

These expenses go, "next"

Think:

- Payment services
- Insurance
- Software on a monthly subscription
- Gas for your car if you travel to deliver goods or services

Your Turn! What are Your Critical Expenses?

Wall 2: Total: _____

Wall 3

Inventory and Products

Seems almost obvious, but if you don't have anything to sell- you can't make money. If you are in a business that sells or creates products, you probably need either to get inventory to sell, or raw materials to create what you sell.

The key here, when money is tight, (and it may be some months) is to
be reasonable in purchasing inventory.

Buy only what you need to sell, plus a little for new customers or clients. One mistake many business owners make is having overestimated their needs.

Having stock or product lying around that isn't being sold is *money sitting on a shelf* that could have been used for other things.

Think about your ***highest volume sellers, highest profit margin items , and long lead time items*** you want to keep on hand.

Your Turn! What inventory do you need?

Wall 3: Total: _____

Wall 4

Payroll and Payroll Expenses

If you do not have employees yet, but you pay yourself, you want to complete this estimate! **You get paid before debt.** Trust me, you do. You are a business expense.

If you have employees, **they get paid before you.** Period. We've all heard stories of paychecks bouncing... never let that be you. If you ever lay people off, even temporarily, your employees will appreciate that you paid them always, and on time.

Pay your payroll taxes as well.

If you are the only employee for your business, know the proper amount of self-employment taxes for the pay period.

As an employer you will have additional out of pocket costs above the hourly wage. You must contribute to your employee's Medicare and Social Security, as well as pay any state and federal employment insurance taxes.

Your Turn! How much is your payroll?

Wall 4: Total: _____

Calculate Your Unique Breakthrough Number

Transfer the totals from each of the four wall worksheets:

Wall 1: _____

Wall 2: _____

Wall 3: _____

Wall 4: _____

Now add the four totals to determine your monthly "B" Number: _____

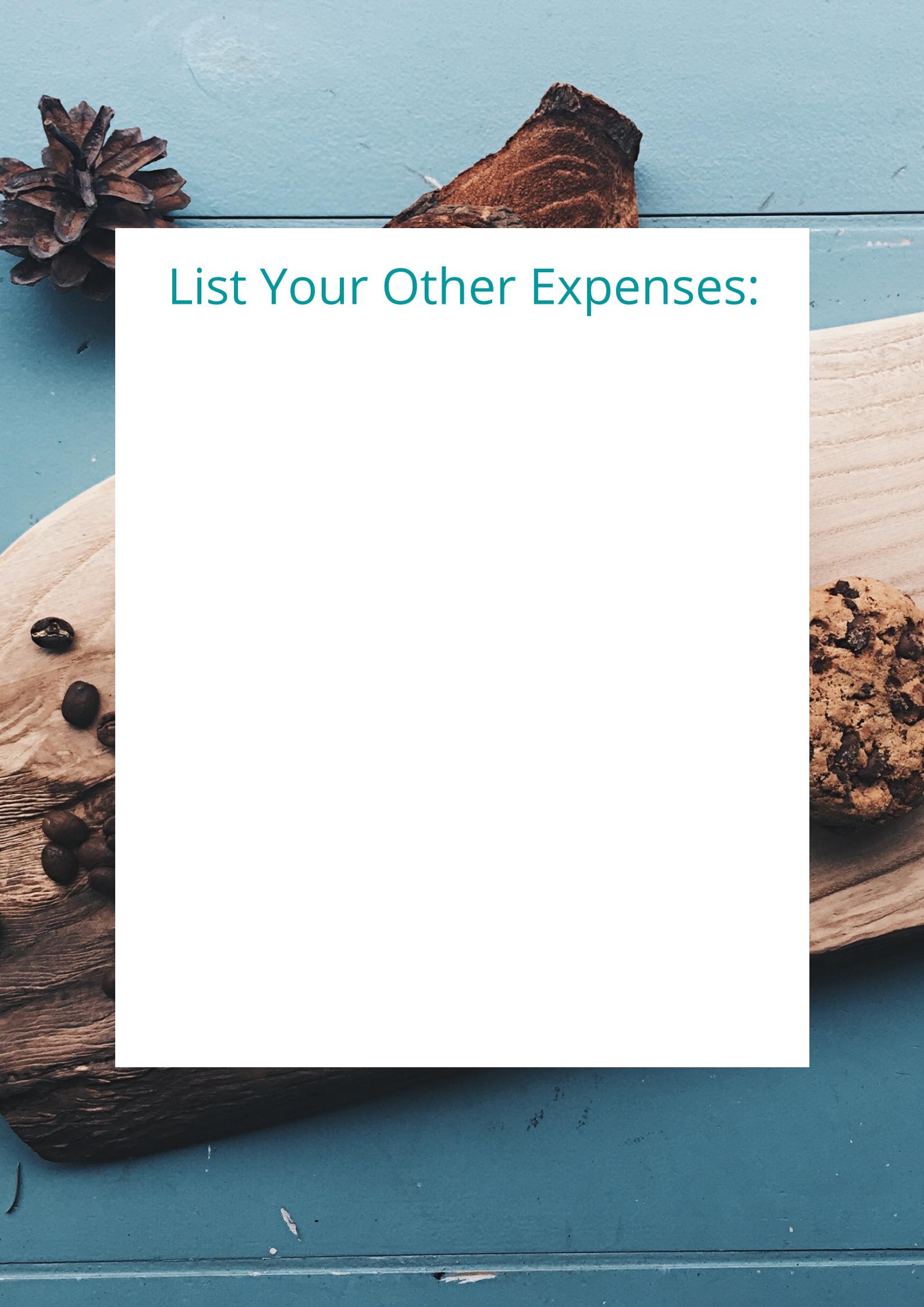
Congratulations! You now have your number!

This is the minimum amount your business must make for one month.

This number is what you need to be fully self-sustaining, including your own check!

Once you have this amount each month, all other income is yours to decide how to use.

Notes:



List Your Other Expenses:

Notes:

Notes:

Calculate Your Monthly Cyclical Fund Deposit

This worksheet is for the expenses you do not make monthly, perhaps your business license or insurance, dues for professional organizations, etc.

- List the expense,
- The month due
- How often it gets paid (every 3, 6, or 12 months)
- The amount,
- The month due,
- **and divide by 12 to determine your MONTHLY expense to save for your annual bill.**

Expense: _____ Month due: _____

Frequency: _____ Amount: _____ Monthly budget: _____

Expense: _____ Month due: _____

Frequency: _____ Amount: _____ Monthly budget: _____

Expense: _____ Month due: _____

Frequency: _____ Amount: _____ Monthly budget: _____

Expense: _____ Month due: _____

Frequency: _____ Amount: _____ Monthly budget: _____

Expense: _____ Month due: _____

Frequency: _____ Amount: _____ Monthly budget: _____

Sinking fund expense total: _____ divide by 12: _____

Total to deposit monthly: _____



Figure your total business "emergency fund":

You must aim for 3-6 months of expenses in a management reserve.

3-month reserve (3x your total) _____

6-month reserve (6x your total) _____

Notes:

Notes:

What's Next?

Knowing your breakthrough number will give you the goal each month for sales and help you make financial decisions in your business.

Three times your number is a great first goal for an emergency fund.

You should review it at least twice a year to look at any changes to your expenses.

Finally, have a strategy to reach your breakthrough number every month. And you don't have to build that strategy alone.

Put yourself on the calendar for a free 30 minute support session with Dawn, and create your customized checklist to reach your breakthrough number every month. Use the link below to grab your spot!

<https://dawnkennedy.as.me/support>



Who is Dawn K Kennedy?

Dawn K Kennedy is an author, attorney, business consultant, and the CEO of Convoy Road Coffee Roasters, LLC, the successful startup that grew from \$121 in sales in January 2021 to over \$17,000 a month ten months later.

Dawn has an extensive background in program management and has been in entrepreneurship since 2011. She has worked with both government and private sector businesses across industries for over 10 years.

Dawn hosts The Profit Accelerator Podcast, available on your favorite podcast platform, and is the author of The Profit Accelerator for Small Business, a number two best seller in Business Consulting on Amazon.

Learn more about Dawn by visiting the website:
<https://dawnkennedy.com>

