

00:00:05 Hi again, we are here today with the rhythms flows systems and structures of managing your money because the rhythms flow systems and structures of managing your money are designed to stop the incessant mind chatter of whether you have enough, whether you are making the right decisions and to give you the ability to take risks, experiment, try things, get feedback, track results,

00:00:31 learn from those results, and then make new decisions based on your knowledge and now, or new experience. This is the process of moving from reactivity to responsibility. Responsibility is simply your ability to respond in any given situation. Most of us haven't been taught decision-making based in responsibility, but instead we are in a constant state of reactivity, not able to respond to anything at all.

00:01:02 As a result, our decisions are actually completely irresponsible, and it's no wonder that we're stressed out, worried can't sleep and trying to medicate ourselves with food, drugs work, or any of the other things that just perpetuate our inability to respond. So your rhythms flows systems and structures are going to allow you to shift from reactivity to responsibility. And it's going to feel great now,

00:01:26 as you're doing the hard things of this lesson, remember this quote that has been attributed to Victor Frankl though may not have been by him. It's still deeply helpful between stimulus and response. There is a space and in that space is our power to choose our response in our response lies our growth and our freedom. Welcome to the first step toward true and real and impactful responsibility.

00:01:56 Your ability to respond, your ability to respond rather than react to what's happening for you and your business financially begins by being able to see what's actually going on and to create specific times of the day, week, month, and year to look then at all of the other times, you can focus on being creative, moving into action from a grounded place of good strategic decision-making and redirect any and all thoughts about what you can't do.

00:02:27 What's not working what you can't afford to the questions that will move you forward such as how can I, what will get me the result I'm now clear I need next and how can I build on what I have the rhythms flows systems and structures that we recommend to support you to do this are as follows first, a weekly financial review based on a financial report that I call a weekly financial analysis.

00:02:55 Now this includes an updated daily cashflow forecast. That's going to look out somewhere between two to three months into the future. And it's going to look at your daily financials every single day between now and that future reality to create this weekly financial report or weekly financial analysis. I asked my bookkeeping team to send me an email every Monday, letting me know how much I have in my bank account,

00:03:22 how much I'm expecting to come in, how much I'm expecting to go out, plus an

updated list of my used credit and my available credit and to attach a spreadsheet that would visually show me exactly what my next two months would look like. It's now become three months on a day-to-day basis with the income coming in and the expenses going out that we already knew to expect based on what I had already booked as income or booked as expenses booked income are amounts that are coming in because they are contractually owed to me,

00:03:57 meaning that a client has signed an agreement to pay either on payment terms or because they're on a recurring revenue plan, but expenses are amounts that I have contractually agreed to pay such as salaries, expected, invoices, office rent, and other expenses. By looking at my books, income and expenses for the following two or three months, I could easily see,

00:04:20 well in advance. If I'm going to run out of money at any point, and then strategically plan for that. Well in advance now, to be clear here, the goal is not to not run out of money. Let me say that again so that you're not confused because it could be counterintuitive. The goal is not to not run out of money.

00:04:42 The goal is to know if you're going to run out of money well enough in advance that you can come up with a plan for funding strategically, responsively and responsibly, rather than reactively. In our next lesson. I'll give you the template for the daily cash flow forecast and a video walkthrough that you can use to train your bookkeeper, to update it for you.

00:05:06 Plus a lesson on how to interpret what you see on your forecast. So that's your weekly review. Then each month you want to meet with your bookkeeper to review your profit and loss statement, categorized your income and expenses and determine whether you are on track to meet your goals. Or if you need to make some adjustments in this section, I'll give you a lesson on how to prepare for your monthly financial review with your bookkeeper and what to do during that review.

00:05:37 So, you know, because I used to cancel every monthly review I had, I would get sick or an appointment would come up or something more important, but it was really just that I didn't know what to do in my monthly review. So we're going to make sure that you do then each quarter, you are going to have a bigger picture, strategic planning session,

00:05:57 either with yourself, yourself, and a strategic financial advisor or your leadership team. If you have one could be with your Lyft business advisor or even your personal lawyer, this is when you set goals for the coming quarter, your weekly and monthly key performance indicators are going to come out of this quarterly strategic planning session. And key performance indicators are just your goals.

00:06:22 The metrics that you need to be hitting on a daily, weekly, and monthly basis to be able to reach those goals. So that's what you're going to do quarterly. And then finally, each year you're going to meet with your tax advisor strategically, not just reactively in order to do

effective tax planning, you need to have your business and your personal financials updated so that you can give your yearly financial projections of income and expenses to your tax advisor by late October or mid November at the very latest mid October,

00:06:57        could he be even better because you do want your tax advisor to have time to crunch the numbers through their systems, and then give you back an analysis of anticipated taxes due in the following year. If you do nothing and also to give you at least two alternative strategies to consider, to reduce your taxes, some of these strategies may require planning or the setup of structures before the end of the year.

00:07:22        So the sooner you can get this handled each year, the better, and in order to be prepared for that, you've got to have your financials updated your books, reconciled your P and L categorized every single month. So that by mid October, the end of October, you can give you our tax advisor a year to date profit and loss statement, plus projections for what's going to happen in November and December.

00:07:47        And then you're going to be able to get the best guidance possible on saving money on your taxes. These rhythms flows systems and structures do take some time to set up, but if you just keep taking one step at a time, time, keep moving forward, it will happen. Yeah. Do you find yourself getting frustrated, blocked, stuck, or upset about what you don't have in place begin by time-blocking for your weekly meeting with yourself and use that time to find,

00:08:16        hire, and train a bookkeeper who can begin preparing and updating your weekly report and reconciling your books monthly, schedule your monthly meeting with your bookkeeper and use that time to improve your profit and loss statement until it's in a place that allows you to make great strategic decisions and find, and hire a tax advisor that you feel confident with, who will take the time to understand you and your business and support offer support around helping you make good end of year tax planning choices.

00:08:51        Take it one step at a time. Use the support systems that we have here for you. And within three months, you'll be able to look back and see exactly how much progress you've made and celebrate. If you need more support with this talk to your personal lawyer that you have found through our training programs or talk to your lifted business advisor, you do not have to go this alone.