



Roadmap to Financial Success for Entrepreneurs

By
Alex Barrón
& Jorge Zavala





THE ROAD TO WEALTH & THE KEY TO LIVING YOUR IDEAL LIFE





What do You Want Most?

- A Vision: A description of your ideal future.



THE AMERICAN DREAM



Enjoy Financial Freedom & Success



Buy the House and Car of Your Dreams



Happy Relationship



Give Your Family a Better Life



Enjoy a Pleasant Retirement Without Worrying about \$\$

Be Successful in Life and
Be Financially Free!



What is Your Ideal Life?

“Life is not a dress rehearsal” – Peter J. Daniels

- We only live once.
- Think hard & get clear about your Ideal Life.
- WHAT Do You Really Want?
- What kind of lifestyle do you want for your self and your family?
- Where do you see yourself in 1 year? 5 years? 10 years?
- How will you get there?



Each Dream Requires a Goal

- Goals: Can be described in terms of Time and Money
- There are different types of Goals
- There are different ways to Finance your Goals
 - Savings
 - Loans
- Example: A Home
 - You can buy it today and pay it later
 - You can save several years and buy it later



Assets Describe What We Own

Liabilities Describe What We Owe

ASSETS

2023 2021 2025 2030 2050



There are 4 types of Assets and Liabilities

- 1.) Intangible
- 2.) Financial
- 3.) Purchases
- 4.) Life Insurance



How to Pay Yourself First

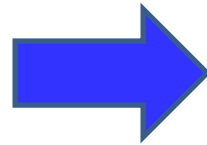
**The Rich Do NOT
Spend first**

Earn \$100

- Spend \$90

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Save = \$10



**The Rich PAY
Themselves First**

Earn \$100

- Pay Yourself First = \$10

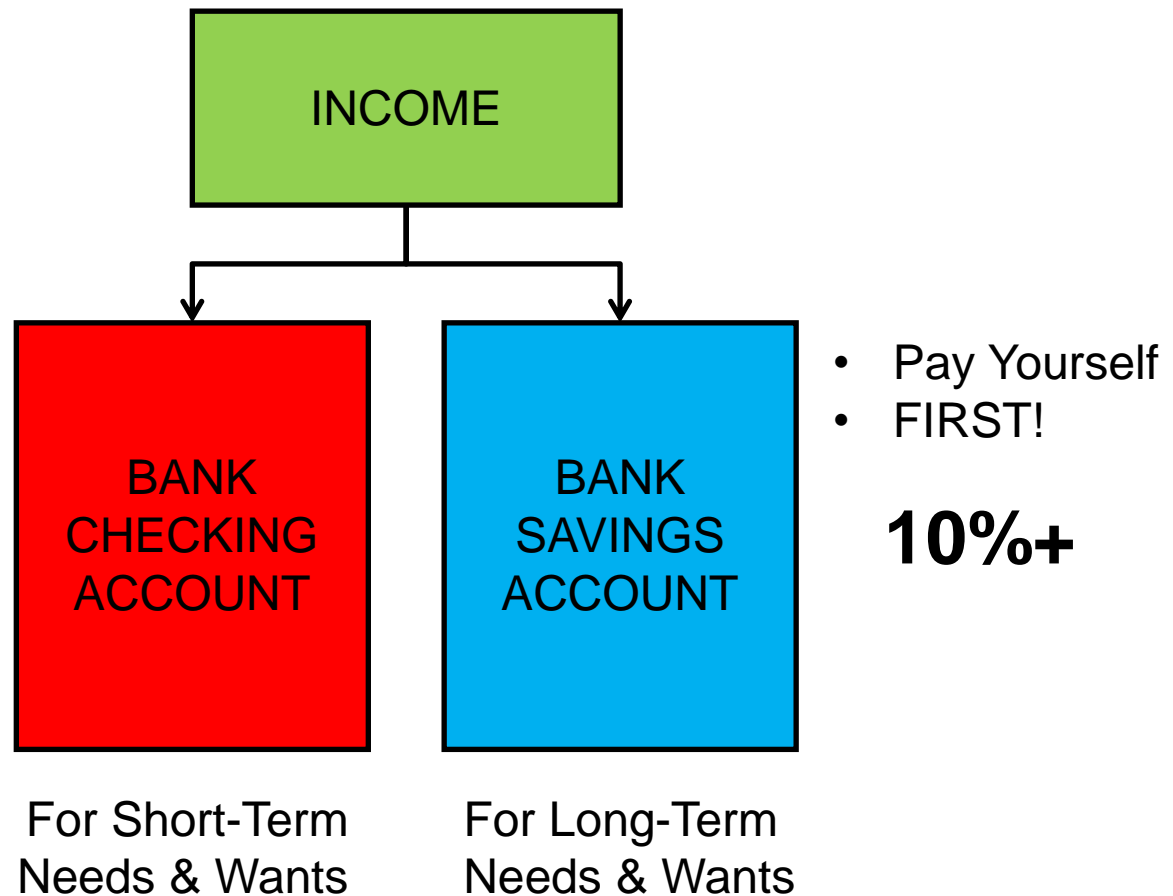
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= Spend \$90





The Key Lesson is to Save Before You Spend





WHY DO WE NEED MONEY?



SHORT TERM

- Pay Taxes – Sustain the Government
- To Live – Spend on Food, Clothes, Gas, Utilities
- To Pay Debts – Of what we already Consumed
- To Enjoy – Spend on Vacations, Entertainment, Fun
- To Protect – Insurance in case something bad happens

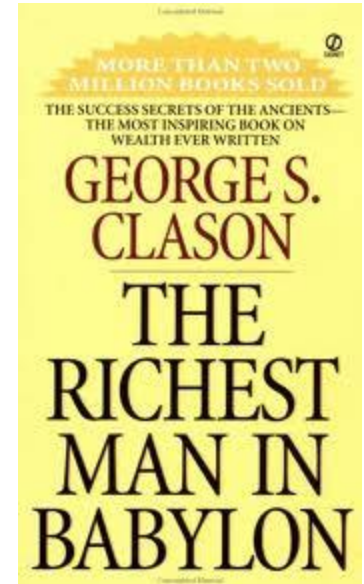
LONG TERM

- To Purchase – Cars & Home
- To Save – Children's Education
- For a Business – Save Capital and Grow a Business
- To Invest – Our Retirement



Read: Seven Cures for a Lean Purse

- 1 – Start thy purse to fattening.
- 2 – **Control thy expenditures.**
- 3 – Make thy gold multiply.
- 4 – Guard thy treasures from loss.
- 5 – Make of thy dwelling a profitable investment
- 6 – Insure a future income.
- 7 – Increase thy ability to earn.

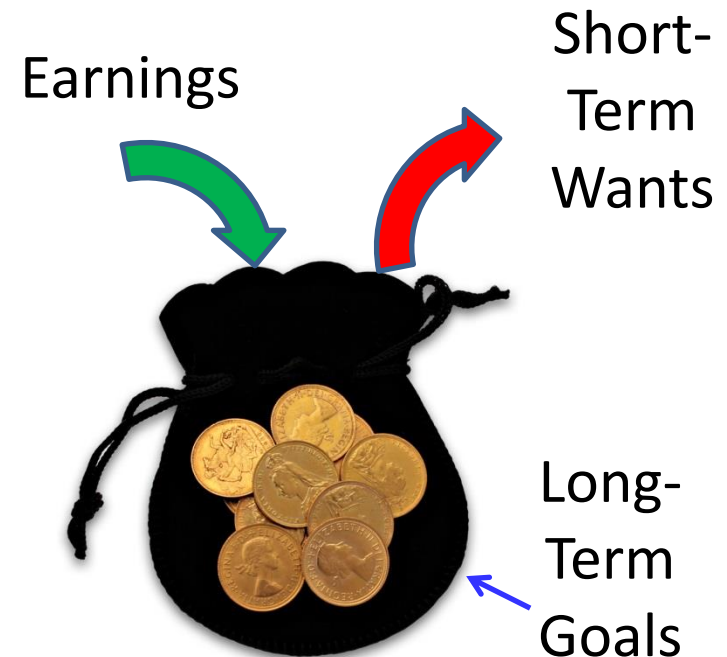




➤ Breakthrough Thought:

Financial Success Requires Thinking Long Term

“Which desirest thou the most? Is it the gratification of thy desires of each day, a jewel, a bit of finery, better raiment, more food; things quickly gone and forgotten? Or is it substantial belongings, gold, lands, herds, merchandise, income-bringing investments? The coins thou takest from thy purse bring the first. The coins thou leavest within it will bring the latter.” – Arkad, The Richest Man In Babylon



Short-Term Wants vs. Long-Term Goals

Short Term Wants

- Uncommitted Sex (unexpected children or unplanned marriage)
- Renting a fancy apartment.
- Entertainment each week (drinking, parties, movies, etc).
- Buying a new car as soon as you graduate and get a job.
- Buying with a credit card (clothing, shoes, eating out, gifts)
- Going to an expensive university with student loans.
- Trying to “save money” on insurance.

Long-Term Goals

- Planning Out Marriage and family
- Owning your dream home free and clear.
- Going on a vacation to an exotic destination.
- Purchasing a car with cash.
- Paying all debts off and Becoming debt free.
- Going to a university you can afford.
- Having adequate protection (life, home, auto, health) by planning ahead for the unexpected.





What Makes the Difference?

Short Term Wants

- Pleasure, meeting basic human needs – desire for love, sex, romance.
- Satisfying wants “Right NOW!”
- Buying on impulse without thinking long term.
- Trying to impress friends, family, neighbors, enemies.
- Being impatient or unwilling to wait to save.
- Ego, immaturity, lack of wisdom.
- Lack of financial understanding of how money works.

Long-Term Goals

- Feeling loved, secure, and knowing what you want from life.
- Thinking long-term. Having goals in life.
- Planning ahead.
- Developing patience and discipline.
- Being willing to work, save, and wait.
- A controlled ego, self-worth, security and developing wisdom.
- Investing the time to develop financial literacy.



You Must Generate Net Income

INCOME STATEMENT

INCOME



- + Earned Income
- + Business Income
- + Investment Income
- + Passive Income

EXPENSES



- Taxes
- Interest
- Insurance
- Consumption Expenses
- Purchases
- Tithes



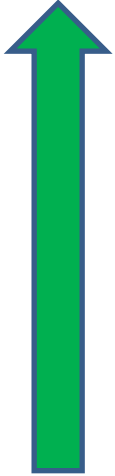
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NET INCOME





Increase Your INCOME

ACTIVE INCOME (You Work for Money)

- 
- **Invest in Yourself:** New Mindset, New Ideas, New Concepts, New Attitude, Motivation, Understanding, Commitment, Positive Environment
 - **Earned Income:** Hourly Wages, Salary, Bonus, Commission, Fee, Stock Options
 - **Business Income:** Business Profit Sharing, Distributions
 - **Investment Income:** Interest, Dividends, Capital Gains
 - **Real Estate Income:** Rental Income.

PASSIVE INCOME (Money Works for You)


- **Passive Income:** True Passive Income, Recurring Commissions, Royalties, Inheritance

“The opportunity to earn is more of a pursuit than a gift.”

– Peter J. Daniels



Lower Your EXPENSES

- 
- **Tithes:** *“Bring the whole tithe into the storehouse”.*
Malachi 3:10
 - **Taxes:** *“Render to Caesar the things that are Caesar's, and to God the things that are God's”*
Mark 12:17
 - **Interest:** *“Do not let interest work against you; if you do there is no chance for success in life so far as money is concerned.” – P.T. Barnum*
 - **Insurance:** *“Buy term and invest the difference” – Dave Ramsey*
 - **Consumption Expenses:** *“Any time money is used consumptively, it is gone forever and can never be used for anything in the future.” – Ron Blue*



➤ Breakthrough Thought: Do Not Confuse Your Needs With Your Wants!

“The road to wealth consists simply in expending less than we earn”. – P.T. Barnum

- Last lesson we learned that the key To financial success begins with Saving - Generating a Positive Net Income
- This lesson we will learn how to apply the key principle we learned in the last lesson!
- If you apply this principle, your life will never be the same. The decisions you make with your time and money will either put you on the Road to Wealth or on the Path to Poverty.





Controlling Consumption is Key

3 Key Steps:

- Live within your means
- Control your expenditures
- Make a budget and live by it





Live Within Your Means

- *"It becomes more difficult to dream while you are under financial stress unless you have unusual focus. My strong advice to you is to live within your means."*

— Peter J. Daniels

- *"He who spends more than he earns is sowing the winds of needless self-indulgence from which he is sure to reap the whirlwinds of trouble and humiliation."*

— George S. Clason - The Richest Man in Babylon

- *"To enjoy financial success, living within the limits of the resources you allocate to your personal or family use is essential, or to put this vital concept another way: you cannot grow financially — no matter how high your income — unless you take in more than you spend."*

— Paul J. Meyer - Building Financial Success



Create a Budget

- *"Budget then your necessary expenses. Touch not the one-tenth that is fattening your purse. Keep working with your budget, keep adjusting it to help you. Make it your first assistant in defending your fattening purse.*
- *The purpose of a budget is to help your purse to fatten. It is to enable you to realize your most cherished desires by defending them from your casual wishes. Your budget shows up the leaks from your purse and enables you to stop them and control your expenditures for definite and gratifying purposes.*
- *Budget your expenses that you may have coins to pay for your necessities, to pay for your enjoyments and to gratify your worthwhile desires without spending more than nine-tenths of your earnings."*

— Richest Man in Babylon

The Purpose of Budgeting: Control!

- *"Do not let yourself slip into the negative emotional trap that "this is some kind of super-restrictive BUDGET." This is not a budget - it's a spending plan or a resource allocation plan that simply guides you in how to best use your financial resources. It's not a restrictive approach to using money, but rather it's an aggressive approach to building a future of YOUR OWN design. Most importantly, it's making you "un-vulnerable," and eventually... financially independent.*
- *You're NOT giving things up. In fact, you are GAINING a few important things, like control and ownership of your own life — and freedom of choice about what you do with the rest of that life — not to mention what to do with the hundreds of thousands of dollars of interest you otherwise would have paid to creditors." — John Cummuta*

Key Breakthrough Thought: Don't Confuse Your Needs With Your Wants!

“What each of us calls our ‘necessary expenses’ will always grow until they equal our income unless we protest to the contrary. Don't confuse your needs with your wants. – George S. Clason

Why We Spend Money on Unnecessary Expenses

- Convenience
- Self-gratification
- Appearances

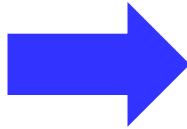




It's Good to Spend Less... But it's much better to Make More!

Rich

Earn \$100
- **Save = \$10**



Rich

Earn \$120
- **Save = \$30**

=====
Spend = \$90

=====
Spend = \$90

- Learn to Invest in Yourself First!
- And This Will Allow You to Make More!



The Income Statement

INCOME STATEMENT

INCOME



- + Earned Income
- + Business Income
- + Investment Income
- + Passive Income

EXPENSES



- Taxes
- Interest
- Insurance
- Consumption Expenses
- Tithes



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NET INCOME

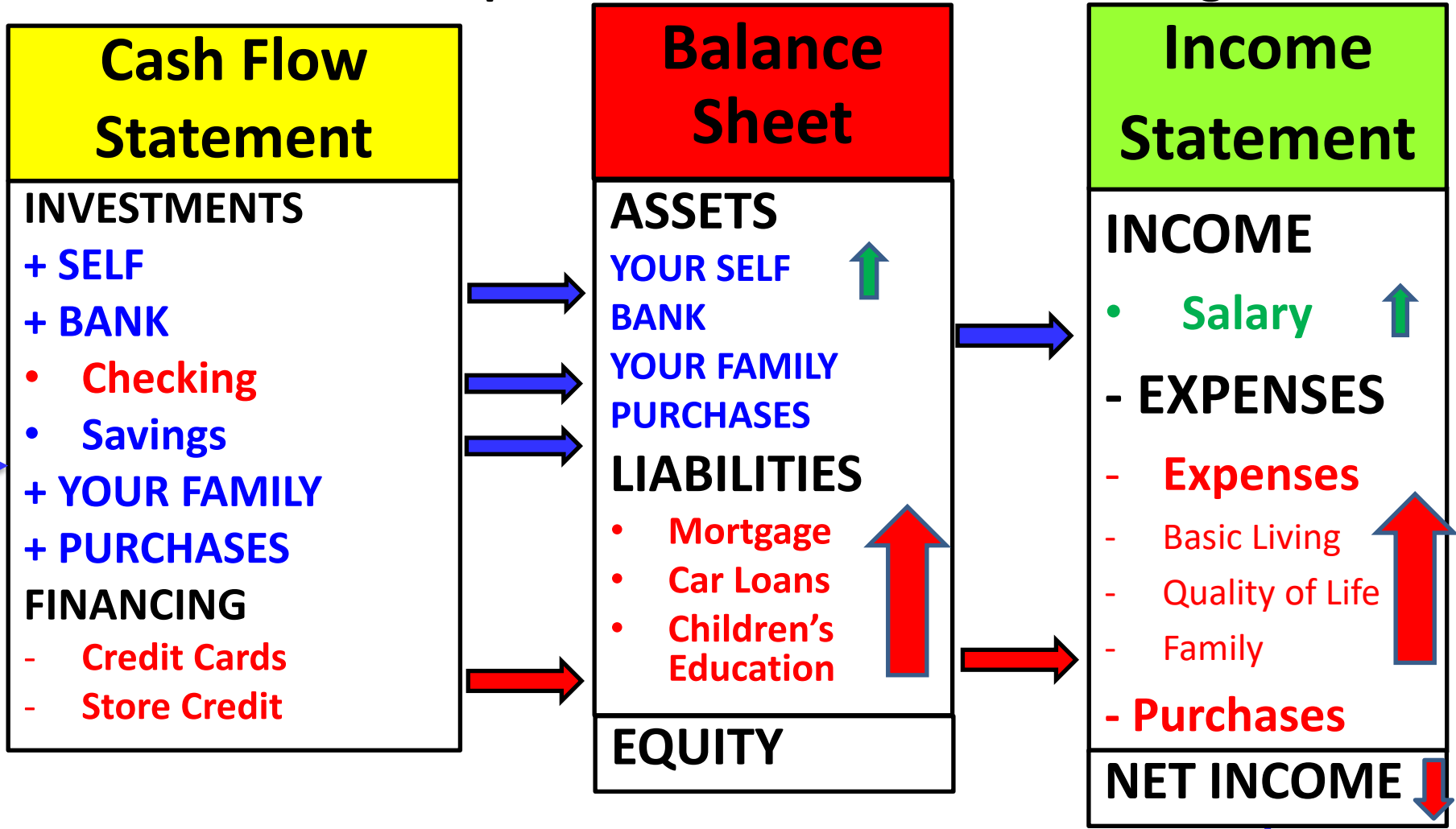




Why People Don't Succeed in \$

If we Increase our Liabilities our Expenses will Go up.

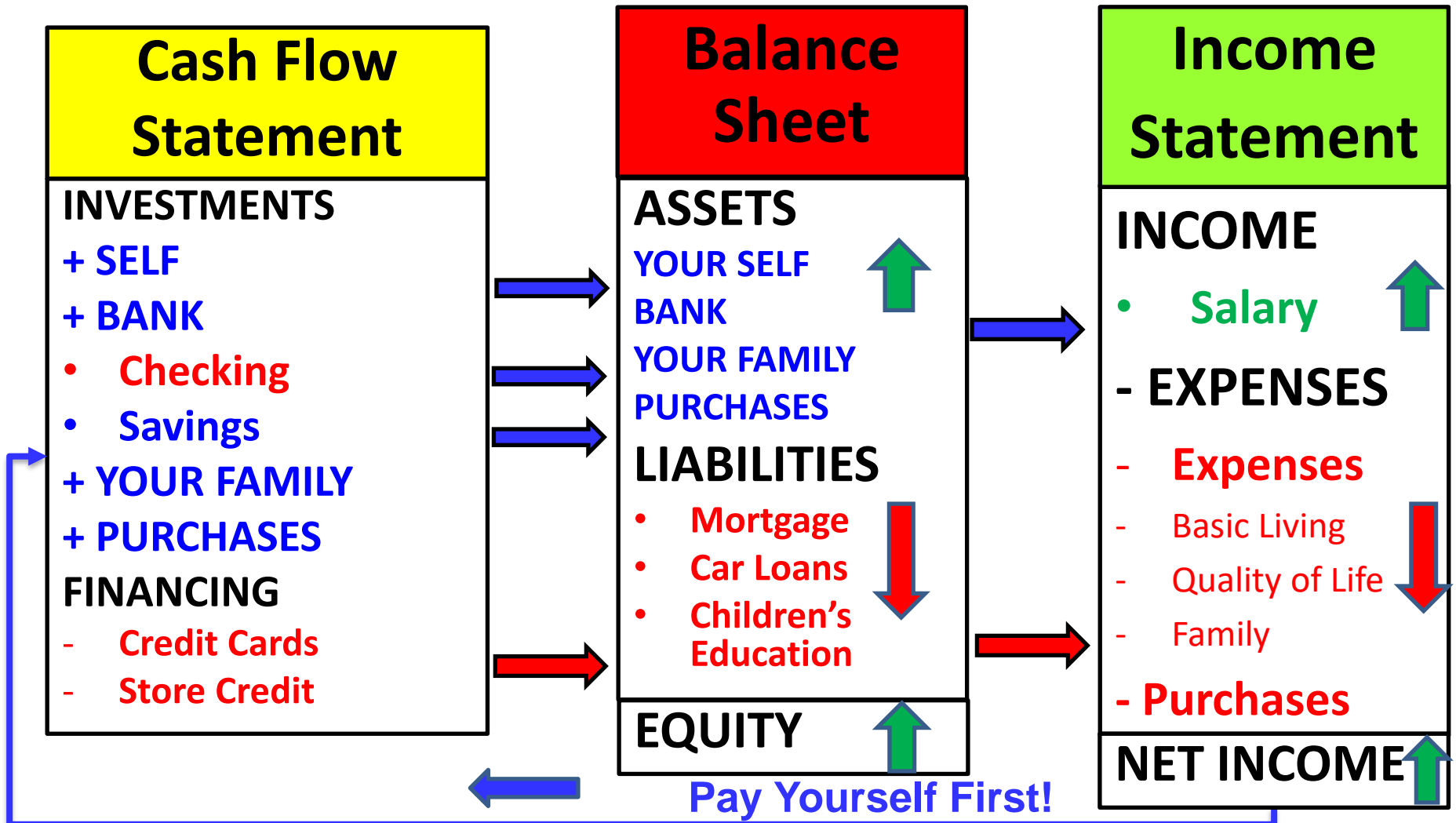
If we Increase our Expenses our Liabilities will Never go Down.





The Key to Financial Success

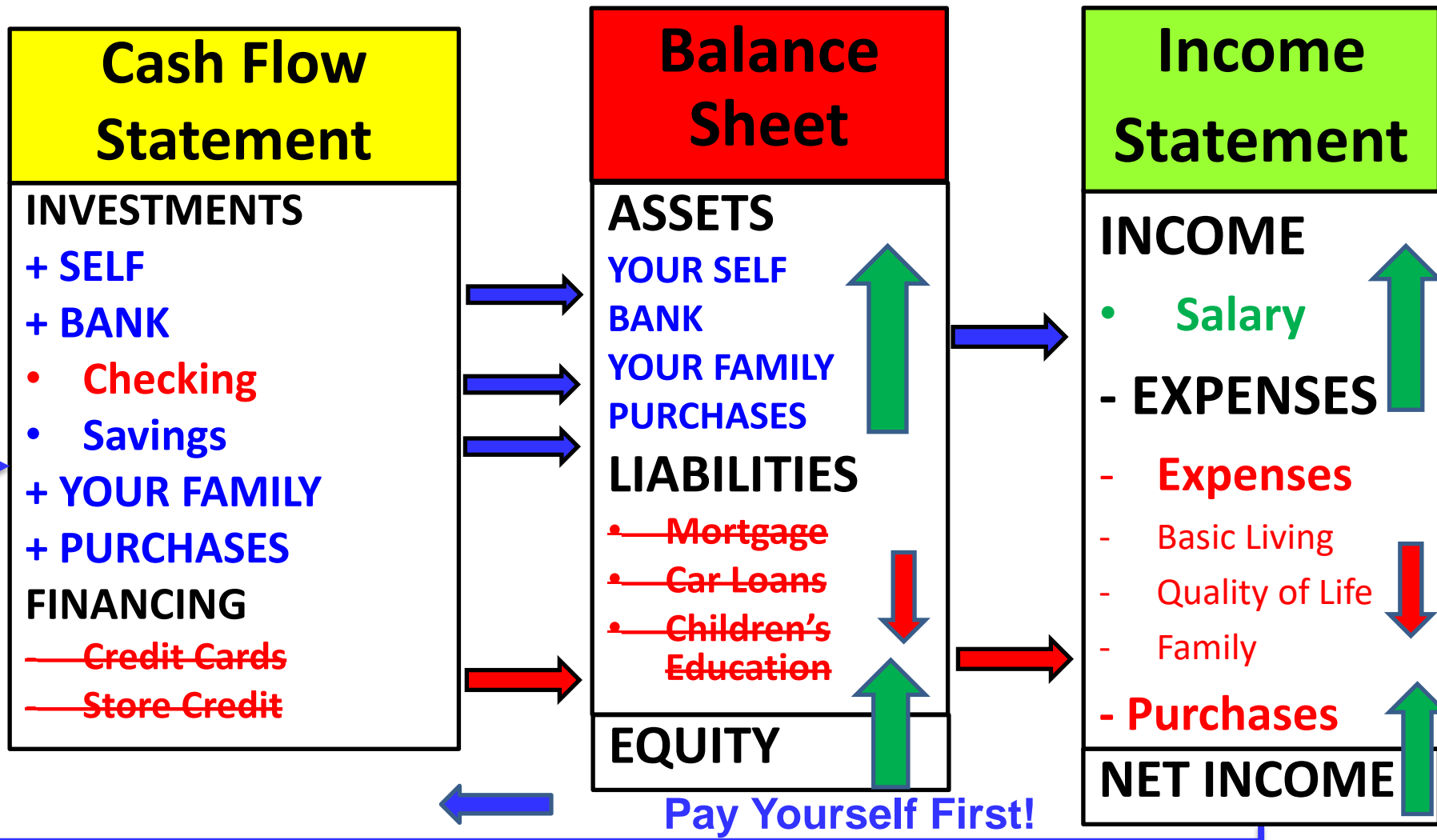
If we Decrease our Expenses our Net Income will Go up





The Ultimate Goal of Financial Freedom

Eliminate your Liabilities & Maximize Net Income





Control Your Expenses

Everybody wants your Money! Watch your Pocket Carefully!

- Unwise Giving (Churches, charities, non-profits that don't bear fruit)
- Taxes (Uncle Sam)
- Interest (Banks)
- Consumption Expenses (Merchants)
- Unwise "Investments", "Loans" to friends, business "opportunities"



Net Income is the Key to Financial Dreams

Save a Little

Earn \$100
- Spend \$99

=====

Save = \$1

Save More

Earn \$100
- Spend \$90

=====

Net Income = \$10

Save a Lot

Earn \$120
- Spend \$80

=====

Net Income = \$40





Good Cash Flow Management

- *“Plan ahead to meet all expenses of your investment so you will have money when you need it.*
- *Accurate cash flow management begins with predicting needs. Begin by making a separate cash flow projection for each investment.”*
- *Monitor your cash flow projections frequently and update them.”*

— Paul J. Meyer

- ✓ Have a cash reserve at all times.
- ✓ It gives you peace of mind – not worrying about bouncing checks.
- ✓ Make a list of all expected income and expenses for the next 30-90 days.
- ✓ Make sure you always have a positive balance!



Conclusion: Generate Margin!

- *"If you want the magic of compounding working for you instead of against you, that will only happen if you spend less than you earn. You must have a cash flow margin in order to achieve your long-term financial goals.*
- *In order to generate enough cash flow margin each year to meet your long-term goals, you need to make the long term a priority over the short term (delayed gratification).*
- *The only truly discretionary place to cut spending in order to generate this margin is in the area of lifestyle."* – Ron Blue
- *"True economy consists in always making the income exceed the out-go . . . so that, under all circumstances, unless some unforeseen accident occurs, there will be a margin in favor of the income."* – P.T. Barnum



ACTIONS

- *Focus More on Earning than on Spending*
- *Invest in Yourself First*
- *Invest in your Family*
- *What will you do to Multiply your Income starting Today?*
- *Think Long Term and Set Financial Goals*
- *Spend on Needs first and on Luxuries after much thought*
- *Focus on generating a Net Positive Margin!*



Time to Change Your Script Regarding your Expenses

Old Script

- Money is meant to be spent.
- Money burns a hole in my pocket.
- I don't have enough to make ends meet.
- We can't afford it.
- Money doesn't grow on trees.
- If I don't have enough money I'll just borrow and put it on a credit card.

New Script

- The purpose of my Budget is to give me Control over my money.
- I will always pay myself first at least 10% and live on the 90% that is left.
- God is my provider – He will supply all my needs.
- I think and plan Long Term and make financial decisions that support my goals.
- If I really want something I will ask myself “How can I afford it?”



Financial Goals and Priorities

- There will always be various Financial Goals and Needs and Desires fighting for your Money.
- You need to establish Priorities AHEAD of time so that when the money comes into your hands you can direct it according to your PLAN, not according to what “feels” good at the time.
- 1.) Quantify the Financial Goals.
- 2.) Establish the Time Frame required.
- 3.) Stick to the Plan!



Financial Goals and Priorities

EXAMPLE

GOALS

- 1.) Cash Reserve \$10,000
- 2.) Financial Protection \$500,000
- 3.) Invest in Myself \$1,000/yr
- 4.) Become Debt Free! \$500,000
- 5.) Children's College Fund \$200,000
- 6.) Start/Grow a Business \$100,000
- 7.) Invest for Retirement \$1M



What to Do First?

- The ultimate choice is yours.
- You now have the tools you need to direct your cash every month.
- If you become debt free, you will have more free cash flow to invest in the things you care about.
- It is not meant to simply increase your lifestyle – i.e. more expenses.
- Always Invest in Yourself First.
- Then as your Net Income grows invest in your Financial Freedom.



Questions?

Comments?

