



The 6 Steps of The Financial Operating System®

Step 1: Clarify Your WHY

- Why are you in business?
- What are you trying to accomplish with your business?
- What is your business model?

Step 2: Assess Current Finances

- How well capitalized is your business?
- Is revenue growing or shrinking, and at what rate?
- What percent of revenue is dropped to the bottom line as net profit or loss? Is that trending up or down?
- Is the business producing positive cash flow?

Step 3: Define Goals and Metrics

- Which metrics best indicate achievement of your company's financial objectives and successful execution of your strategy over the next 1 month to 5 years?

Step 4: Upgrade Accounting Operations

- Determine required Finance Stack functions and who will perform those functions
- Define accounting policies and procedures to produce required financial reporting

Step 5: Manage The Business

- Use a framework to track metrics
- Operationalize metrics
- Forecast future performance

Step 6: Learn, Iterate, and Improve

- Operate-Report-Manage loop with Agile mindset