

# How To Use The **MONEY** MEETINGS **SYSTEM**

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- **Increase Your Bottom Line**
- **Make Your Business Fun Again**
- **Reduce Your Stress**



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## **Special Report**

### **Take Control of Your Cash Flow Using Money Meetings:**

### **Increase Your Bottom Line, Reduce Your Stress, and Make Your Business Fun Again**

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## Introduction

*Are you struggling with fluctuating cash flow?*

*Do you have months where business is booming, then all of a sudden your income dries up?*

*Do you KNOW how much money you are going to make next month?*

The Money Meetings System is a simple, easy-to-implement part of the Grow Up! Strategies Toolbox that you can use to control your cash flow -- and grow your business.

The #1 requested question I get from my clients and customers is about managing cash flow. Unlike when we were employees with a fixed paycheck each month, as business owners our income only comes from our work and marketing efforts. If we slow down marketing and sales, even for a minute, income dries up.

But, this is very easy to do when you are busy with client work or making tons of sale to customers. Ironically, being successful precipitates a period when sales and income, dries up.

That's because your cash flow is based upon past behavior. The cash you make today is based upon promotion you did last week, last month, and last year ... and unless you go back in time (or prevent the problem from happening with Money Meetings), there's nothing you can do to fix today's cash flow problem.

Your one-time budget creation or tax planning with your accountant is only a quick fix. You may set out the year with the best of intentions, making wonderful New Year's Resolutions, sophisticated business plans, and complicated reports, but if you do not keep on top of your finances you set yourself up for struggle.

Unlike the many financial software, spreadsheets, and tools available, Money Meetings is a system to keep you on track even when you are busy, distracted, or just plain procrastinating. Face it, most of us don't keep track of our finances until a problem arises ... and then it is too late to do anything about it. Using Money Meetings, you can troubleshoot problems before they start.

If you were a larger company, you may not have these problems -- at least in this way. Why? You would be forced to regularly prepare spreadsheets and reports to present to investors, bankers, and supervisors. When you are accountable to someone else, reviewing & strategizing in your business has a chance to get done.

But, as a solo-entrepreneur or small business owner, you are on your own. No one is checking over your shoulder ...which means financial reporting only gets done if YOU make it happen.

Heck, if you were a big corporation you would have ENTIRE DEPARTMENTS doing these financial reporting and forecasts. But, you don't have departments ... you have yourself, your staff, and your advisors. Your bookkeeper, accountant, financial advisor and assistant are not going to track this for you and cannot make the necessarily decisions to create change and growth in your business. But, by using Money Meetings you will be able to easily and automatically keep on top of your finances and troubleshoot problems before they start.

## **I. What is a Money Meeting?**

A Money Meeting is simply a meeting or appointment you schedule with yourself. You schedule this appointment on your calendar just like a client or doctor's appointment. It's not just part of your to-do list for the week, and it's not just blocking time on your Outlook calendar ... a Money Meeting is about scheduling sacred time to meet with yourself about your finances.

During your Money Meeting the phone is turned off, the email program is closed, and you are concentrating on just one thing ... reviewing your reports and strategic financial planning (more about that below). No multi-tasking allowed.

You may choose to have Money Meetings only with yourself, or you may include staff, partners, spouse, or advisors for some or all of your meetings. You may have separate meetings for your personal and business life or may do everything at once. Exactly how it works for you depends upon your personality, your personal situation, and your business.

### **First Step #1**

Set aside 30 minutes on your calendar THIS WEEK for your first money meeting.

1. What is the day and time of your Money Meeting?

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2. Have you scheduled & blocked out your Money Meeting on your calendar?

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3. What will you do to prevent distractions? (i.e., turn off phone, turn off email, close door to your office ...)

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## **II. The Money Meeting Timetable**

There are three levels of Money Meetings to cover the immediate, short term, and long term strategic planning of your business.

Generally, you should have a short, 30-minute Money Meeting each week, a 60-90 minute Money Meeting each month, and a longer Money Meeting as part of your Quarterly and/or Annual business strategic planning.

### **A. Weekly Money Meeting**

The Weekly Money Meeting is a check-in with yourself to review the money issues that fluctuates the most in your particular business. For most of you, this Meeting will be reviewing and troubleshooting your marketing & sales -- in other words, the activities that will lead to income in the future.

Most businesses fall into a boom & bust trap. When times are lean, you step up your marketing, make more calls, and schedule more meetings ... which leads to increased sales and income. But, when you are busy (due to client projects, business administrative issues, or personal stuff) you stop promotion.

When you stop promotion, nothing happens right away ... so you don't notice. Why? Because for most businesses, prospecting takes weeks or months to lead to income. Since your checking account still has cash you don't notice that something is terribly wrong.

Here's the secret ... each week you must track the activities that will lead to income a few weeks or months down the road. These are the actions at the beginning of your sale process -- the first place people come into your business or website, and what takes them from prospect to sale. The specific activities depends upon the sales process for your business, but some examples include:

- Number of unique visitors on your website.
- Number of people who opted-in for your newsletter.
- Cold calls made.
- Free consultations scheduled.
- Proposals made.
- Conversion rates for new prospects (the percentage of people who buy or take action).
- Average sale price for new sales (are they all purchasing just the cheap package?).
- Time to payment (how long from prospect to sale to completion of project to payment?).

But, data is only the first step, and will not create change in your business. The next step is to review your data and decide what changes should be made in the following 7 days so you can reach your goals.

#### **Example: Consultant & Free Consultations**

A consultant needs to sign two new contracts a week to reach her income goals. She typically converts 50% of her free consultations to sign a contract, so she needs to have 4 free consultation each week.

At her Weekly Money Meeting she realizes that due to being busy at home, she only had 2 free consultations last week (signing 1 of them to a contract). To troubleshoot the potential income problem, she sets a goal to schedule an extra two free consultations in the following 7 days.

*If you want to save time, delegate the gathering and organization of these statistics to your staff, bookkeeper, or Virtual Assistant. \*\*But you cannot delegate the review & troubleshooting -- that's your job!\*\**

How will this make a huge difference in your business? Instead of waiting until your checking account starts to run low, you will see the problem WEEKS or MONTHS before it hits your

pocketbook. The income will not dry up, because you will be able to make small changes in your behavior and the behavior of your staff that will result in your income being consistent, instead of boom-bust.

**Example: Website & eZine**

A website owner sells information products (i.e., e-books, study at home courses) on a website. Typically, visitors come into the website and sign up for a free electronic newsletter (eZine). The subscribers buy from the eZine and other email promotions.

The owner checks his statistics and realizes that instead of his usual 20 new subscribers per week, he only got 2 new subscribers last week! He checks his website and determines that the pop-up he uses to offer the eZine to website visitors is not working. He contacts his website maintenance company to fix the pop-up so he continues to sign up new subscribers to his eZine.

## First Step #2

To get started, pick 4 data points to track (i.e., website visitors, phone calls made, free consultation appointments scheduled, conversion rates).

1. What are your first set of data points?

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2. Who will be preparing the data?

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3. When is your first Weekly Money Meeting?

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4. At your first Weekly Money Meeting, what troubleshooting action did you take for the following 7 days?

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## B. Monthly Money Meeting

The Monthly Money Meeting is a more comprehensive look at the financials of your business. You may want to set aside 30-90 minutes, or more, depending upon the complexity of your business, and the amount of change in your business. For instance, if you are expanding or adding new product lines, you may need additional time to review rapidly changing information.

At your Monthly Money Meeting you will review historical financial reports, historical marketing & sales reports, and edit your cash flow projections for the next month and/or quarter. Similarly to the Weekly Money Meeting, you will also be creating an Action Plan to troubleshoot any potential problems that may be arising, as seen by your review of reports & edits to your cash flow projections.

You may want to have this meeting with staff, advisors, or business partners -- both to keep your partners and advisors on the same page and, frankly, to hold you accountable for having this meeting each and every month.

### What Reports and Data Should You Review?

1. **Income & Expenses**, also called your Profit & Loss Statement. This report is a summary of all the income and expenses for your business last month. You should review both the high-level summary (each transaction organized by categories), and a detailed statement (including each transaction, line by line), to check for errors or "red-flag" issues.
2. **Month-to-Month Profit & Loss**. You may also want to track the month-to-month changes for your income and expenses, to detect trends. For example, is your income going up or down each month, is your income the same as this month last year, did you have unusual expenses last month?
3. **Assets & Liabilities**, also called your Balance Sheet. This report is a summary of all the assets of your business

(cash on hand, property, equipment, computers, accounts receivable) and your liabilities (credit card debt, accounts payable, bank loans). For many businesses, this will not dramatically change from month to month -- but if your credit card balance is increasing, you may need to make a change.

4. **Marketing & Sales.** Similar to the report you review at your Weekly Money Meeting, you should also review your marketing & sales data on a monthly basis. You may also want to review a month-to-month comparison report (i.e., how much your web traffic or incoming leads changes each month).
5. **Ratios.** Which ratios you will be watching depends upon your particular business. It may include your sales conversion ratios, the return on investment's (ROI) for your marketing campaigns and your investment in your business, your debt ratio (how much debt versus assets), and the cost of financing (interest, administrative costs). Here, the most important value comes from tracking the changes to these ratios, i.e., how much they change each month.

Your Profit & Loss Statement and Balance Sheet can come directly from your bookkeeping software, such as QuickBooks. Some of your other ratios and reports may also come from your software. However, your month-to-month tracking, some ratios, and Marketing & Sales Reports will likely need to be created outside of your bookkeeping software.

If possible, reduce your burden by having your bookkeeper and/or assistant create these reports. As I said before, it's still your job to do the analysis ... but it keeps you from being bogged down in these details.

### **What Do You Do With This Information?**

The next step is to create or edit your Cash Flow Projections for the next month. So based upon how many people came to your website, your free consultations, signed contracts, products

purchased, or meetings scheduled this past month, how much money will you receive next month?

Part of it is a guess. You don't know exactly how many of your web visitors will buy, how many free consultations will sign, or exactly when your clients will pay you. But, you should have an educated guess. Look at your conversion rates -- what % of web visitors historically buy? What % of free consults usually sign the contract? How much time does it usually take for your clients to pay on a project?

Do you have a new business with no historical information? Then take a guess, based upon other businesses in your industry, or, frankly, what you think might happen.

For the first month, you may be COMPLETELY wrong. That's okay. Because the second month, you now have something to measure against.

So you thought you would convert 80% of your free consults, but you only converted 50%? Fine. The second month project you will convert 50% in month three ... THEN make changes to your pitch to try to raise your percentage. Perhaps month three you will get your conversion rate to 60% or more!

How detailed should you be? I generally recommend making projections for each type of service or product, so you can track their individual profitability and return on investment. You may be doing well overall, but if you just drop one unprofitable service, you will be doing Fantastic.

Once you have your Cash Flow Projections, you use them to create your Action Plan, or to-do list, for the next month. Do you need to change your sales pitch to increase your conversion rate? Do you need to review your budget because expenses are going up? Do you need to drop a product line that is unprofitable?

**First Step #3**

Schedule your first Monthly Money Meeting.

1. When is your first Monthly Meeting?

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2. What reports will you be reviewing at this Meeting?

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3. Who will prepare these reports?

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4. At your first Monthly Money Meeting, what Action Steps did you decide to take to troubleshoot your future Cash Flow?

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### **C. Quarterly & Annual Money Meetings**

Your Quarterly and Annual Money Meetings are similar to your Monthly Money Meetings, except you are reviewing data and making plans on a more grand scale.

Your Money Meetings should take place as part of your Quarterly and Annual reviews of your business & marketing plans, so you can make changes to those plans using your financial and marketing reports & data. You will want to set aside a few days to 2 weeks for these reviews.

These meetings may be conducted with staff, advisors, business coach, business partners, or with your mastermind group.

### III. Next Steps

You are reading this report in late 2007 or early 2008, before the release date of the upcoming *Grow Up! Strategies for Small Business* Book and the Grow Up! Toolbox Implementation Program -- including actions guides, templates, forms, audio classes, membership website, and video tutorials.

As a member of the Grow Up! eZine, you will receive notification when the Book & Toolbox are available.

#### **We Need Your Help!**

As we prepare upcoming solutions for your business, we would like to know what issues you are facing in your business. We want to custom tailor solutions to the specific challenges faced by you as small business owners.

Please click on this link to give us your issues & questions.  
Thanks for your help!

<http://tinyurl.com/ytwkul>

## About the Author

Elizabeth Potts Weinstein, CFP® JD, is a Certified Financial Planner™ practitioner, attorney, and owner of Grow Up! Strategies for Small Business, a division of Potts Weinstein LLC. Elizabeth specializes in helping small business owners make more money, reduce their stress, and have more fun with their business, by getting their legal and financial situation in order.



Elizabeth authored *Grow Up! Strategies for Small Business* (2008) and co-authored *Power & Soul: 42 Successful Entrepreneurs Share their Secrets for Creating the Business and Life of Your Dreams* (2007). Elizabeth publishes the award-winning weekly financial planning eZine Prosper! ([www.prosperezine.com](http://www.prosperezine.com)), Chronicles of a Mompreneur Blog ([www.ElizabethPottsWeinstein.com](http://www.ElizabethPottsWeinstein.com)) and Grow Up! Strategies Blog ([www.GrowUpStrategies.com/blog](http://www.GrowUpStrategies.com/blog)). She is the host of The Wealth Spa Radio Show live on the Voice America Business Channel ([business.voiceamerica.com](http://business.voiceamerica.com)) at 11:00 AM Pacific each Wednesday & podcasted at [www.TheWealthSpaRadioShow.com](http://www.TheWealthSpaRadioShow.com).

She regularly speaks and is quoted by the media, including CRN Talk Radio, WPCV Radio, Efficio Radio Network, Kiplinger's Personal Finance, the Chicago Tribune, Copley News Service, San Jose Mercury News, San Jose Magazine, San Francisco Chronicle, and Reader's Digest.

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