

WAIL THE NUMBERS

PLAYBOOKS

FOR CANADIAN STARTUPS



NAILTHENUMBERS.COM

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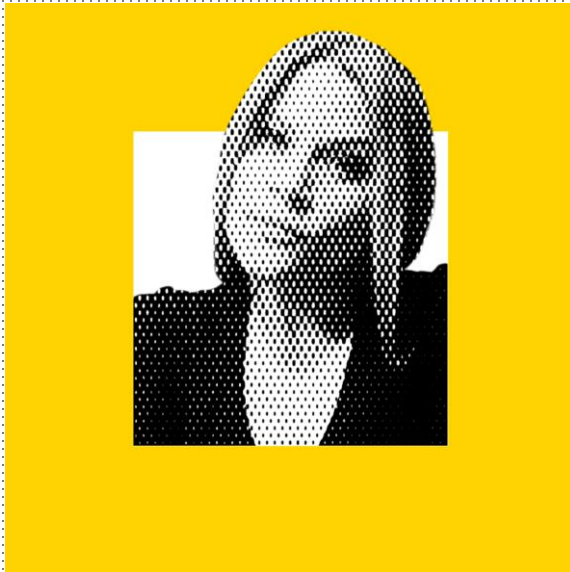
PROFIT POWERFULLY

CHAMPIONED BY //

WESK
WOMEN ENTREPRENEURS SASKATCHEWAN

the exchange
Rebound Edition

THE LEAGUE OF NTN PROS



Taunya Woods Richardson, CMC

TW @TTaunya // IG, FB, LI @TaunyaWoodsRichardson

- Nail the Numbers, Epifany Financial Group, and Champs of Change
- BDC, Affinity, SCN, Futurpreneur, FNU, Queens, UofS
- 30 years entrepreneurial experience
- 10 years entrepreneurial finance experience
- 5 years behavioural finance experience
- 9,700 entrepreneurs

MY INTENTIONS

- Help you get **COMFORTABLE** with numbers
- Offer a **HIGH-LEVEL** perspective
- You're **NOT** alone
- Choose **DISCOMFORT...** now
- **START** with the end in mind

THE MONEY MASTERY MATRIX METHODOLOGY

MONEYMASTERYMATRIX.COM

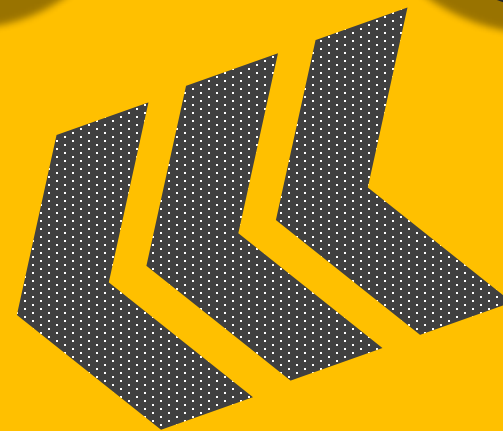
**MONEY
MANAGEMENT**

**MONEY
MINDSET**

**MONEY
MOTIVE**

IN LIFE

IN BIZ





COVID DIDN'T CAUSE OUR FINANCIAL FRAGILITY, IT EXPOSED IT

71%

Business closures due to poor financial management*

89%

Small businesses operating at a break-even or deficit**

<3%

Average net profit, exclusive of owner's salary**

CAUSE

- Limiting financial behaviours and beliefs
- Limited financial management knowledge
- Societal stigma and bias towards bottom-line profit



EFFECT

- Abdication vs. delegation of financial responsibilities
- Financially vulnerable businesses and owners
- Resistance and/or guilt towards profiting in business

*Failing Concerns: Business Bankruptcy in Canada, Statistics Canada

**Personal findings collected from eight years of working with over 192 small businesses (under \$20 million in revenue), across, ON, MB, SK, AB, BC.

THE IMPORTANCE OF BOTTOM-LINE PROFIT



Your Safety Net

- Pay yourself dividends
- A confidence booster
- Recruit and retain quality people
- Expand operations (space, geography, ideas)
- Acquire assets
- Increase the value of your business investment



8 STEPS TO PROFITING POWERFULLY!

#1

**PERSONAL
BUDGET**

#2

**INDIRECT
EXPENSES**

#3

**REVENUE
STREAMS**

#4

**PROFITABLE
PRICING**

#5

**DIRECT
EXPENSES**

#6

**PLAN FOR
PROFIT**

#7

**MARKETING
MAP**

#8

**MILESTONES
AND MEASUREMENT**

SIZING UP FINANCIAL STATEMENTS

THE BALANCE SHEET

Assets	Liabilities
~~~~~	~~~~~
~~~~~	~~~~~
~~~~~	~~~~~
~~~~~	~~~~~
~~~~~	~~~~~

## NET WORTH STATEMENT

## THE INCOME STATEMENT

	P1	P2
Income		
Direct Expenses		
Gross Profit		
Indirect Expenses		
Net Profit		

## T4 STATEMENT

## THE CASHFLOW FORECAST

	1	2	3	4	5	6	7	8	9	10	11	12
Income												
Direct Expenses												
Indirect Expenses												
Net Profit												

## HOUSEHOLD BUDGET



# STEP 1 // THE PERSONAL BUDGET

- Not saving
- Cashing in

**SAVE**

- Overspending
- Credit Cards
- Mixing biz w/ personal

**SPEND**

- Not investing
- Cashing In
- Oblivious
- No ROI on biz

**INVEST**

- Not sharing
- Not setting aside taxes
- Programs

**SHARE**

- Accepting what the biz can afford to pay you

**EARN**

# THE MAGIC NUMBER IN LIFE



## FINANCIAL SECURITY

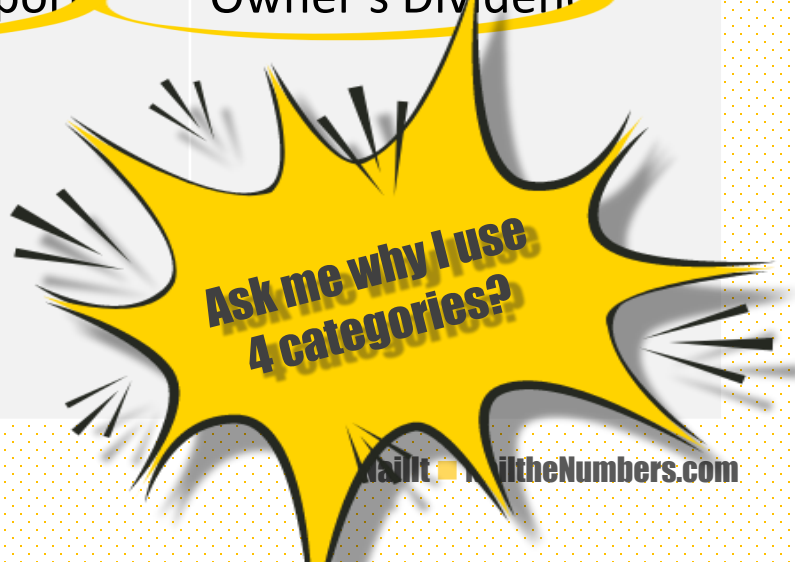
- Emergency fund (short-term security)
- Nest Egg (long-term security)
- Paydown debt (limit exposure, save interest)
- Invest in your child's future
- Invest in enriching experiences
- Take pride in your philanthropic impact
- Pay your taxes on time



# STEP 2 // INDIRECT COSTS [SPEND]

TEAM + PERSONNEL	SPACE + OPERATING	SALES + MARKETING	OTHER
Owner's Salary	Rent	Basic Materials	Loan Repayment
Wages	Utilities	Website	Personal CCs
Source Deductions	Telecommunications	Meals+Entertainment	Amortization
Benefits	Insurance	Travel / Mileage	Contingency
Pension Plans	Bank Fees	Subscriptions (CRM)	Inventory Surplus
Bonuses	Professional Fees	Marketing Support	Owner's Dividend
Recruiting + Training	Maintenance	SWAG	
Developers	Security	Donations	
Prof Development	Software/Hardware	Marketing Mix	
Org Development	Permits		
Consultants	Kitchen/Cleaning		

**PAYSCALE.CA**



# STEP 3 // CLARIFY REVENUE STREAMS

**Revenue**  
**AKA: Sales, Income**

- Revenue Stream 1
- Revenue Stream 2

**Direct Costs**  
**AKA: Cost of Goods or COGS**

- COGS Revenue Stream 1
- COGS Revenue Stream 2

**Gross Profit**

- Revenues - Direct Costs

**Indirect Costs**  
**AKA: Operating Expenses**

- Team+Personnel // Space+Operating // Sales + Marketing // Other

**Net Profit**  
**AKA: The Bottom Line**

- Gross Profit - Indirect Costs

# STEP 4 // VALUE-BASED PRICING [4 PROFIT]

1. Select your product
2. Research competitive offering and price
3. Determine consumer's top decision-making criteria
4. Score your product
5. See where you land

<u>CRITERIA</u>	<u>Scale: 1 to 5</u>
Soft Skills	Score 3
Hard Skills	Score 4
Industry Experience	Score 4
Brand Promise	Score 5
Unique Offering	Score 4
Pain Point	Score 3

Total Score = 23

Avg  $23/6 = 4$





# STEP 5 // DIRECT COSTS

Don't forget to account for each stage of engagement.

## EXAMPLE // WIDGET SOLD AT \$100

### MATERIAL

- Item one
- Item two
- Item three
- Item four
- Item five

Total = \$25

### INPUTS

- Merchant fees
- Shipping
- Duties
- Exchange
- Sub-contractors

Total = \$25

#### PART 1

Material + Inputs = \$50  
\$50/\$100 Selling Price  
= 50% COGS

#### PART 2

Material+Inputs+Labour = \$75  
\$75 / \$100 Selling Price  
= 75% COGS

### LABOUR

- Task 1
- Task 2
- Task 3
- Task 4
- Task 5

*Time x Rate*

Total = \$25

# STEP 6 // PLAN FOR PROFIT

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## HOW IT'S DONE

1. Add dollar value of all Indirect Costs [Step 2]
2. Average your combined Direct Costs % for each product [Step 5]
3. Determine what Net Profit % you'd like to achieve
4. Determine the % of your Indirect Costs by adding Direct Costs % and Net Profit % and subtract by Total Sales %
5. Determine Total Sales \$ needed by dividing Indirect Costs \$ by Indirect Costs %
6. Multiply Total Sales \$ by Direct Costs %
7. Subtract Indirect and Direct Costs \$ from Total Sales \$ to arrive at Net Profit \$

	DOLLAR VALUE	PERCENTAGE VALUE
Total Sales	5 \$250,000	100%
Direct Costs	6 \$125,000	2 50%
Indirect Costs	1 \$100,000	4 40%
Net Profit	7 \$25,000	3 10%

# THE MAGIC NUMBER IN BIZ



## FINANCIAL SECURITY

- For you, your employees, clients, investors
- You get paid equitably
- Grow an investment
- Rideout economic downturns
- Expand and acquire
- Give back, increase social impact
- Easily secure funding
- Recruit and retain qualified team members...



# STEP 7 // THE MARKETING MAP

How to bring your **Magic Number** to life  
Example // 2500 widgets @ \$100 each

MARKETING 101  
Know your audience  
Know their pain-points  
Know how you solve them,  
It's always about them,  
never about you.

	AWARE	INTERESTED	ENGAGED	SOLD
Conversion Rate	10%	10%	10%	
Size of Audience	2,500,000	250,000	25,000	2,500
Message + Ask				Repeat and Refer
Medium	B2C: Social Media B2B: Direct	Website Discovery	Discovery / Tour Proposals	Product or Service
Materials				
Cost				
Time Period				



**SNEAK A PEEK**





# TAKING OWNERSHIP// CHART THE DATA

## Statement of Earnings (Loss) and Retained Earnings (Deficit) (Unaudited - See Notice to Reader)

Year ended September 30, 2016, with comparative figures for 2015

	2016	2015
Sales	\$ 1,955,043	\$ 1,952,781
Cost of sales	2,156,302	1,838,819
Gross profit (-10.3%, 2015 5.8%)	(201,259)	113,962
Expenses:		
Professional fees	22,989	17,113
Accounting	12,000	1,000
Interest on long-term debt	8,933	12,448
Interest and bank charges	8,388	4,846
Advertising and promotion	8,297	7,884
Insurance	8,003	8,063
Office	6,120	2,817
Memberships & Licenses	3,765	8,742
Meals and entertainment	3,587	5,244
Travel	3,301	-
Telephone and utilities	2,476	1,143
Repairs and maintenance	-	969
Bad debts (recovered)	(5,453)	8,016
	82,406	78,285
(Loss) earnings from operations	(283,665)	35,677
Gain on sale of property and equipment	-	23,945
(Loss) earnings before income taxes	(283,665)	59,622
Income tax (recovery)	(10,475)	4,637
(Loss) Net earnings	(273,190)	54,985
Retained earnings, beginning of year	121,291	66,306
(Deficit) retained earnings, end of year	\$ (151,899)	\$ 121,291

**EARN**

**SPEND**

**SHARE**

**INVEST**

**SAVE**

**Convert your numbers into percentages and watch the runways light up.**



# CONVERT THE DATA // \$ INTO %

	2010	2011	2012	2013	2014	2015	2016	2017
Sales	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Framing, Renovations and General Construction	0.00%	0.00%	0.00%	62.75%	61.78%	56.54%	19.69%	25.85%
House Sales	0.00%	0.00%	0.00%	37.08%	37.74%	43.35%	11.36%	42.68%
Misc. Income	0.00%	0.00%	0.00%	0.16%	0.12%	0.09%	68.95%	31.46%
Interest Income	0.00%	0.00%	0.00%	.02%	0.36%	0.02%	0.00%	0.00%
<b>Total Revenue</b>	<b>218,521</b>	<b>529,028</b>	<b>485,867</b>	<b>1,062,031</b>	<b>1,563,918</b>	<b>1,952,781</b>	<b>1,955,043</b>	<b>4,100,000</b>
% Change / Previous Year	na	142%	-8%	119%	47%	25%	0%	110%
<b>Total Direct Costs</b>	<b>82.93%</b>	<b>65.98%</b>	<b>90.75%</b>	<b>85.36%</b>	<b>95.75%</b>	<b>94.16%</b>	<b>110.29%</b>	<b>0.00%</b>
Team / Personnel	0.55%	1.37%	1.35%	0.89%	0.22%	0.88%	1.79%	0.00%
Space and Operating	8.77%	8.45%	14.86%	6.61%	1.07%	1.38%	1.39%	0.00%
Sales and Marketing	0.26%	0.00%	1.18%	0.18%	0.47%	0.40%	0.00%	0.00%
Miscellaneous Expenses	8.59%	5.71%	6.62%	4.07%	1.36%	1.35%	0.61%	0.00%
<b>Total Indirect Costs</b>	<b>18.17%</b>	<b>15.53%</b>	<b>24.01%</b>	<b>11.76%</b>	<b>3.11%</b>	<b>4.01%</b>	<b>3.79%</b>	<b>0.00%</b>
<b>Net Profit</b>	<b>-1.10%</b>	<b>18.49%</b>	<b>-14.76%</b>	<b>2.89%</b>	<b>1.14%</b>	<b>1.83%</b>	<b>-14.09%</b>	<b>0.00%</b>



# FROM -14.09% TO +9.3% NET PROFIT

## BEFORE

	2018
<b>Total Sales</b>	<b>\$4,100,000</b>
Renovations (Med)	Not available
Renovations (Large)	Not available
Renovations (xLarge)	Not available
Custom Homes	Not available
<b>Direct Costs</b>	<b>110.3%</b>
Renovations (Med)	Not available
Renovations (Large)	Not available
Renovations (xLarge)	Not available
Custom Homes	Not available
<b>Indirect Costs</b>	<b>3.79%</b>
Team / Personnel	1.79%
Space and Operating	1.39%
Sales and Marketing	0.00%
Other Expenses	.61%
<b>Net Profit</b>	<b>-14.09%</b>

## AFTER

PLANNED \$	PLANNED %
<b>\$3,803,600</b>	<b>100%</b>
\$600,000	15.77%
\$450,000	11.83%
\$1,250,000	32.86%
\$1,500,000	39.44%
<b>\$3,040,000</b>	<b>79.92%</b>
\$425,000	70.83%
\$340,000	75.56%
\$1,000,000	80.00%
\$1,275,000	85.00%
<b>\$410,028</b>	<b>10.78%</b>
\$238,866	6.28%
\$95,090	2.50%
\$38,036	1.00%
\$38,036	1.00%
<b>\$353,572</b>	<b>9.30%</b>

- Revenues decreased
- Separated revenue streams
- Calculated COGS for each stream
- Added owners' salaries
- Increased indirect expenses
- Created a plan to sell the most profitable of products
- Increased profit by +23%



# RECAP // 8 STEPS TO PROFIT POWERFULLY

1. **Personal Budget**
2. **Indirect Costs**
3. **Revenue Streams**
4. **Price for Profit**
5. **Direct Costs (COGs)**
6. **Plan for Profit**
7. **Marketing Map**
8. **Milestones and Measurement**



Text me for the  
templates  
306.713.8321



# **MONEY MINDSET + MOTIVE**

**Take the Money Type Quiz**  
**[MONEYMASTERYMATRIX.COM](http://MONEYMASTERYMATRIX.COM)**

# IMPORTANT TAKE-AWAYS



## YOU'VE GOT THIS!

**Only you can do this work.  
It can't be delegated out.**

- PUT yourself first
- PAY yourself fairly
- PRICE based on value
- Plan for PROFIT
- Profiting is a proven PROCESS
- PROCEED with the first of 8 small projects



**THANK YOU!**

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the  
**exchange**  
*Rebound Edition*

**BE BOLD. BE BRAVE.  
BE UNABASHEDLY PROFITABLE!**



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