

Welcome to

A Millionaire in the Making

THE Biz Building Bootcamp for Teens

The fun brought to you by:

**Patti Handy**

Teens Cash Coach <sup>TM</sup>



This workbook belongs to:

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## Here's what we're up to!

- We're talking mindset! Overview of what it takes to stay on your path.
- Brainstorm your loves, talents and skills
- Discussion of different business models
- Decide on your first business!
  
- Who's your target market?
- Time to draft your simple business plan!
- The magic of marketing: where will you generate leads?
- Online vs. offline
- Creating the WOWZA experience for your clients
  
- Creation time! You design your business cards, flyers and website.
  
- Now that you've worked hard to make money, I'm going to show you how to KEEP that money!
- Killer money skills that will teach you how to be a millionaire!
- The best kept secrets of millionaires will be shared
- If you don't learn how to manage \$\$, you'll lose it!

Let's get rolling

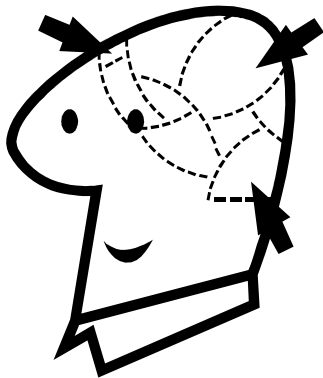


This is where you need to start  
(and other little lessons)

*What's the big deal about your mindset?*

Beliefs=Thoughts=Feelings=Actions=Results

Manage your thoughts to maximize your results!! Your beliefs are often in your subconscious mind, so being aware of what thoughts you have will help guide you towards better results.



What are some of your thoughts about money and having your own business?

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***A few tips for Life that will help you in business too!***

- 1) You gotta make it fun! If it's not fun for you, you won't be passionate about what you're doing.
- 2) The Three 'P's are a must! Passion, Perseverance and Persistence.
- 3) Every *little* thing you do MATTERS!
- 4) Don't let anyone steal your dreams!
- 5) Put yourself OUT-THERE... take risks.
- 6) Don't let fear stop you. Be afraid, but do it anyway. You only fail if you don't try.
- 7) DON'T JUDGE YOUR INSIDES BY SOMEBODY ELSE'S OUTSIDE!!!
- 8) Never, ever, ever give up!

## What do you LOVE to do?

Let's start thinking about what type of business you want to start. Ideally, you are doing something you love to do, while making money. Let's utilize your talents and skills too!



Here's what I love to do:

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Here are some talents and skills that I excel at: (what do people say you are good at?)

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Write down any business ideas that you think you would like to do. For now, just write everything that comes to your mind. Don't eliminate anything, you can do that later. Be open to crazy ideas! Let your imagination go!!

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What's your 'WHY'? Why do you want to start a business? Is it purely for financial gain? Want to buy a car? Do you want to make a difference in the world somehow? Do you want a peaceful financial future? Understanding your 'why' is important for several reasons. It will help you stay on track when you get frustrated (which you will at some point), it will help prioritize your 'to-do' list and it will keep you motivated and inspired.

So, what's your why?

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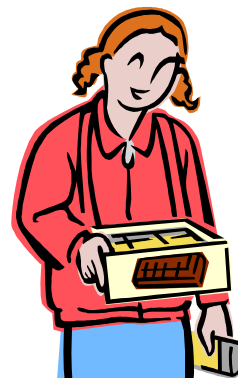


Let's cover the basic business models  
that work great for Teens

**Service:** You do some type of service work

**Sell product:** You sell a product that you have  
made or produced yourself.

**Sell other people's products:** You are selling  
a product that someone else has produced or  
made.



A Service based business is one of the best businesses to start out with.

Why?

It's usually doesn't cost you much money (if anything), yet it can be very financially rewarding.

With your service, you must **BENEFIT** your client somehow!

Either by:

- 1) Saving your client **money** by using your service
- 2) Saving your client their **valuable time** by using your service
- or
- 3) **Taking away** some type of **pain** they experience by using your service.

**Here are some business ideas if you are having a tough time thinking of one!**

**With all businesses, always ask for referrals and testimonials. Be sure to include these testimonials on your flyers and website!**

**As always, get permission from your parents to do any of these jobs!**

**Babysitting:** Don't just baby-sit! Take a CPR and first aid class. Bring books to read and toys to play with for the kids. Have testimonials (referrals) from other clients and give those to your prospects.

**Dog walking-**add dog brushing for added income. Take doggie bones as gift, which will WOWZA your client. Great help for the elderly or disabled individuals.



**Weeding/raking leaves-**eliminate the gardener and show your client how you can save them money. Offer to come in once a week to maintain their garden and earn extra income.

**Mowing lawn-** Again, you are saving gardener fees. You can charge the client for both services separately and earn extra \$\$\$. This is generally a higher liability, as it can be dangerous. Be sure you know how to use a lawnmower properly and are extra careful when doing this! Have your parents show you the correct and safe way to handle this machinery.

**Car washing and/or car detailing-** Save your client the cost and time of going to a car wash. When you do a good job, you will potentially be able to do this on regular basis (maybe weekly) for a steady income. Get referrals as the neighbors watch you every week!

**Washing windows-** With the economy as it is, this is one service that is oftentimes eliminated from the family budget. BUT, windows are dirty and for the right price, you will find work! You would need to do one story homes, but can offer to do inside and outside or just outside.



**Running errands if have car-** If you have a car and a good driving record, this can be a huge timesaver for many busy executives. You can charge by the hour, the mileage or both.

**Nanny for mom entrepreneur/executives who work at home-**

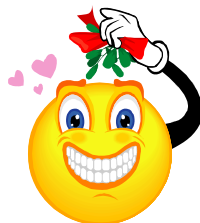
With many people working from home these days, juggling the kids and work can get tricky. Charge by the hour and get paid for watching their kids while these busy executives can get their job done.

**Office assistant for work at home parents.** Save your clients valuable time by doing some simple filing, answering phone or organizing their offices. This is a much needed service!



(Not quite the hairdo these days, but you get the idea)

**Mistletoe bags-** This is seasonal, but easy and fun money! Get some mistletoe, place in pretty plastic bags and throw a ribbon around it. Charge \$1.00 and sell away!!



**Cleaning homes-** A great cost saver for your clients. Housekeepers are expensive and you can save clients serious \$\$\$. You can do simple work, like vacuuming and dusting, or the full home, which does includes bathrooms. Sorry, but this will come in handy when you have your own place. 😊

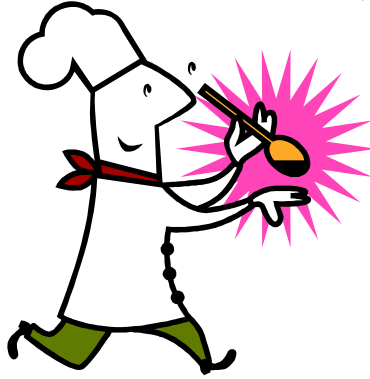
**Taking out/in trash cans-** Seems simple enough, but people are busy and forgetful. Charge a simple \$10/month fee to take out and bring in trash cans. It's takes less than 2 minutes to do, yet it helps your client tremendously. If you can get many clients on one street, this can be especially cool (and profitable)! This is especially good for the elderly or physically disabled.



**Selling other peoples products-** This is a bit trickier and better suited for the older teen. You may need to look into a resale license and collecting sales tax. A resale license enables you to purchase items without paying sales tax. (You'll need your parents help with this one, especially if you're under 18)

**Selling items on EBay-** You can sell items on eBay that you have made (produced) or items that you have purchased from somebody else. Many people buy at swap meets, flea markets or discount stores and then sell these items on eBay.

**Helping with preparing meals-** For those of you who love to cook, you can save your clients valuable time by cooking for them. This is another wonderful service for the elderly or disabled.



**Social media marketing consultant-** If you are savvy with the social media madness going these days, many small business owners will love hiring you! Facebook, twitter and LinkedIn are all valuable tools for businesses, but many business owners don't understand how to use these properly. Rescue them with your knowledge and get paid nicely for it!

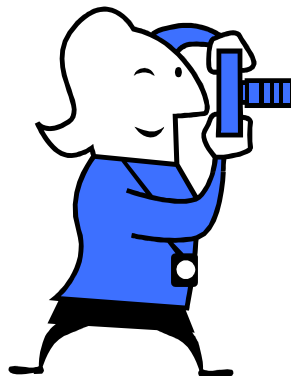
**Graphic designer for websites-** If your talent lies in creativity and you are good on the computer, helping a small business owner with graphic design might be a great choice. This is oftentimes a costly expense for a business, so you can save your client big \$\$.

**Help senior citizens understand the computer-** What is easy to you, is complete babble for many, especially senior citizens! Spend some time teaching simple internet strategies, such as surfing the net, getting and sending emails with attachments or showing them how to copy/paste a word document.

**Tutor your strongest subject-** Many students struggle with different subjects and oftentimes learn better from one of their 'peeps'. Share your strength in a particular subject and earn some nice \$\$\$. This is money saver for parents, as traditional tutors can be expensive.

**Garage sales-** like they say, one man's trash is another man's treasure. Find some goodies that you just won't use again and sell them. This is more of a one-time sale, but worth considering for quick cash.

**Love photography?-** Sell your digital photos! Many sites will pay you money for your pictures. Check out [shutterstock.com](http://shutterstock.com), [123RF.com](http://123RF.com), [dreamstime.com](http://dreamstime.com), [crestock.com](http://crestock.com) and [fotolia.com](http://fotolia.com).

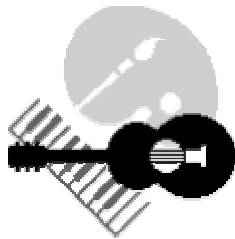


**Pet sitting-** When people travel, they oftentimes have to board their dogs or cats. Show them how you can save them money and give their dog individual attention by pet sitting. Teach them a new trick for added fun and customer satisfaction!



**Can you sing or play an instrument?**-Do what you do best and have fun, while earning \$\$! Sing or play music at weddings, birthdays or any other special occasion. Great for someone on a budget, who can't quite afford paying a professional performer.

**Teach music lessons-** Formal music lessons can be expensive, yet many parents want their child to know how to play an instrument. If you've got the musical bug, share your talents and earn some fun, easy money.



**Recycle cans or plastic bottles-** This super easy habit of recycling can help fill your pockets with cash quickly. Volunteer to help your neighbors recycle too.

**Blogging-** This online business venture is not quick cash, but can work over time. After you have built up your 'followers', you can begin to sell or refer products for commissions. You can also earn money by doing product reviews. Find something you love writing about and blog away!

**Enjoy writing?** If you have a talent for writing, consider writing for others. Check out [www.elance.com](http://www.elance.com) to learn how to get started. You can also write articles and submit to magazines, both offline and online.

**Sell your used books-** If you've got books that you aren't going to use again, consider selling them. It's not a regular income, but a source of quick cash if needed.

**Clean out refrigerators-** I may personally hire you for this one! You can offer this as an added service for those people you help house clean. Charge a flat fee, rather than hourly. You don't want to rush through it, yet you don't want to appear going slowly for more money.



**Bookkeeping-**

**Sports Coach-** Do you excel at a particular sport? Be a private coach for a fraction of the cost, while loving what you do!

**Remember:** One client can mean several sources of income. For example, once you prove your good work ethic and value in doing one service, clients will oftentimes hire you for another.

The same client that you do gardening for would be a good candidate for teaching computer skills and cleaning out their refrigerator!

**Time to decide what business you want to do!  
Fill in the details listed below. Have fun with it!**

Business name: \_\_\_\_\_

Objective: \_\_\_\_\_

Are you selling/marketing a product or service?

\_\_\_\_\_

Describe what that product or service is.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Who is your target market? (Describe your perfect client)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

You may think your target market is EVERYONE, but that is not true! The narrower you can make your target market, the more efficient your marketing efforts will be. Are they busy moms? Senior citizens? Physically disabled? Busy executives? Pet owners?

Remember the "Patti Handy" example!

How are you going to attract clients?

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(Mailing postcards, advertising in the newspaper, networking events, community events, internet marketing, flyers, and public speaking events are a few examples for what you can do for your bigger business later)

How are you going to advertise? Where? \_\_\_\_\_

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How much does your product or service cost the consumer?

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How much does the product or service cost you?

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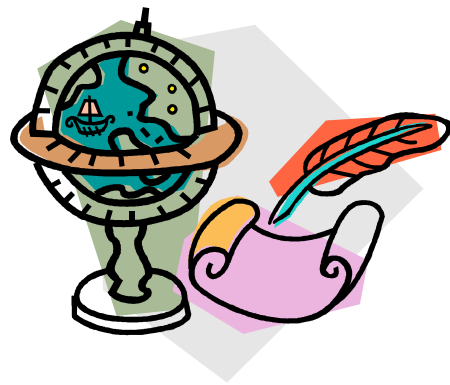
**Great job!**

**You've taken the first step  
towards building your very first  
business!!**

**Next, we move onto the business  
plan and how we plan on  
marketing you!**

# Business Plans

## Marketing



## For starters:

**Your list of to-do's for starting your biz!**

**Some of these may apply today, some may not.  
This is a great resource for you to refer back  
to in the future.**

**I've highlighted in yellow, those that will most  
likely apply to you today. We'll be covering  
these in the workshop as well.**

**Prepare a business plan**

**Prepare financial forecasts- How much \$\$?**

Find lawyer, accountant and insurance agent

Get a P.O. Box or 'mailbox' address (don't use home  
address)

Open bank account in business name

Decide on entity structure (LLC, Corporation etc)

Apply for DBA (Doing Business As)

Apply for business license (if applicable)

Design logo

Create marketing campaign/marketing material

**Design and purchase business cards**

Design and purchase stationary.

Develop introduction letter

Design flyers

Develop database of prospects (offline and online)

Find office location (if necessary)

Set up home office, if working from home.

Buy office supplies

Set up business phone line (if separate)

Build and develop website

Find a mentor or coach

Join networking group/mastermind

Build relationships

Have fun! 😊



## Why do we need a Business Plan?

When you are planning a vacation, what is the first thing you do? Probably decide on the destination! Once you know where you want to go (your vacation spot), and where you're starting from (your home), you would probably pull out a map, right? Are you going to drive or fly? Who's going with you? Got cash for gas and food?

I admit, it's the boring part, but it's got to be done!!

You need to do the same thing when putting a business together! You must know the:

**Who-** Who is involved in your business? Are you in business by yourself or do you have partners?

**When-** Timelines of goals... 1<sup>st</sup> year goals, 2<sup>nd</sup> year etc.

**What-** What are you selling- products, services?

**Where-** Where do you plan on marketing? Worldwide or your neighborhood?

**How-** How do you plan on marketing? How much money (capital) do you need?

**Why-** Why are you doing this business? What is your mission statement?

The following is the details of a business plan that was taken from the SCORE website, [www.score.org](http://www.score.org). SCORE is a great resource for information when starting a small business. This template is basic, although it looks complicated. This is more of a reference for you to use later, as it's a bit more advanced.

## **Business Plan for a Startup Business**

The business plan consists of a narrative and several financial worksheets. The narrative template is the body of the business plan. It contains more than 150 questions divided into several sections. Work through the sections in any order that you like, except for the *Executive Summary*, which should be done last. Skip any questions that do not apply to your type of business. When you are finished writing your first draft, you'll have a collection of small essays on the various topics of the business plan. Then you'll want to edit them into a smooth-flowing narrative.

The real value of creating a business plan is not in having the finished product in hand; rather, the value lies in the process of researching and thinking about your business in a systematic way. The act of planning helps you to think things through thoroughly, study and research if you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids costly, perhaps disastrous, mistakes later.

This business plan is a generic model suitable for all types of businesses. However, you should modify it to suit your particular circumstances. Before you begin, review the section titled *Refining the Plan*, found at the end. It suggests emphasizing certain areas depending upon your type of business (manufacturing, retail, service, etc.). It also has tips for fine-tuning your plan to make an effective presentation to investors or bankers. If this is why you're creating your plan, pay particular attention to your writing style. You will be judged by the quality and appearance of your work as well as by your ideas.

It typically takes several weeks to complete a good plan. Most of that time is spent in research and re-thinking your ideas and assumptions. But then, that's the value of the process. So make time to do the job properly. Those who do never regret the effort. And finally, be sure to keep detailed notes on your sources of information and on the assumptions underlying your financial data.

If you need assistance with your business plan, contact the SCORE office in your area to set up a business counseling appointment with a SCORE volunteer or send your plan for review to a SCORE counselor at [www.score.org](http://www.score.org). Call 1-800-634-0245 to get the contact information for the SCORE office closest to you.

# **Business Plan**

(Company name)

## **OWNERS**

Your Business Name

Address Line 1

Address Line 2

City, ST ZIP Code

Telephone

Fax

E-Mail

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## **II. Executive Summary**

Write this section last.

We suggest that you make it two pages or fewer.

Include everything that you would cover in a five-minute interview.

Explain the fundamentals of the proposed business: What will your product be? Who will your customers be? Who are the owners? What do you think the future holds for your business and your industry?

Make it enthusiastic, professional, complete, and concise.

If applying for a loan, state clearly how much you want, precisely how you are going to use it, and how the money will make your business more profitable, thereby ensuring repayment.

### III. General Company Description

What business will you be in? What will you do?

**Mission Statement:** Many companies have a brief mission statement, usually in 30 words or fewer, explaining their reason for being and their guiding principles. If you want to draft a mission statement, this is a good place to put it in the plan, followed by:

**Company Goals and Objectives:** Goals are destinations—where you want your business to be. Objectives are progress markers along the way to goal achievement. For example, a goal might be to have a healthy, successful company that is a leader in customer service and that has a loyal customer following. Objectives might be annual sales targets and some specific measures of customer satisfaction.

**Business Philosophy:** What is important to you in business?

To whom will you market your products? (State it briefly here—you will do a more thorough explanation in the *Marketing Plan* section).

Describe your industry. Is it a growth industry? What changes do you foresee in the industry, short term and long term? How will your company be poised to take advantage of them?

Describe your most important company strengths and core competencies. What factors will make the company succeed? What do you think your major competitive strengths will be? What background experience, skills, and strengths do you personally bring to this new venture?

**Legal form of ownership:** Sole proprietor, Partnership, Corporation, Limited liability corporation (LLC)? Why have you selected this form?

#### **IV. Products and Services**

Describe in depth your products or services (technical specifications, drawings, photos, sales brochures, and other bulky items belong in *Appendices*).

What factors will give you competitive advantages or disadvantages? Examples include level of quality or unique or proprietary features.

What are the pricing, fee, or leasing structures of your products or services?

## V. Marketing Plan

### Market research - Why?

No matter how good your product and your service, the venture cannot succeed without effective marketing. And this begins with careful, systematic research. It is very dangerous to assume that you already know about your intended market. You need to do market research to make sure you're on track. Use the business planning process as your opportunity to uncover data and to question your marketing efforts. Your time will be well spent.

### Market research - How?

There are two kinds of market research: primary and secondary.

Secondary research means using published information such as industry profiles, trade journals, newspapers, magazines, census data, and demographic profiles. This type of information is available in public libraries, industry associations, chambers of commerce, from vendors who sell to your industry, and from government agencies.

Start with your local library. Most librarians are pleased to guide you through their business data collection. You will be amazed at what is there. There are more online sources than you could possibly use. Your chamber of commerce has good information on the local area. Trade associations and trade publications often have excellent industry-specific data.

Primary research means gathering your own data. For example, you could do your own traffic count at a proposed location, use the yellow pages to identify competitors, and do surveys or focus-group interviews to learn about consumer preferences. Professional market research can be very costly, but there are many books that show small business owners how to do effective research themselves.

In your marketing plan, be as specific as possible; give statistics, numbers, and sources. The marketing plan will be the basis, later on, of the all-important sales projection.

### Economics

Facts about your industry:

- What is the total size of your market?
- What percent share of the market will you have? (This is important only if you think you will be a major factor in the market.)
- Current demand in target market.
- Trends in target market—growth trends, trends in consumer preferences, and trends in product development.
- Growth potential and opportunity for a business of your size.



- What barriers to entry do you face in entering this market with your new company? Some typical barriers are:
  - High capital costs
  - High production costs
  - High marketing costs
  - Consumer acceptance and brand recognition
  - Training and skills
  - Unique technology and patents
  - Unions
  - Shipping costs
  - Tariff barriers and quotas
- And of course, how will you overcome the barriers?
- How could the following affect your company?
  - Change in technology
  - Change in government regulations
  - Change in the economy
  - Change in your industry

## **Product**

In the *Products and Services* section, you described your products and services as you see them. Now describe them from your customers' point of view.

### **Features and Benefits**

List all of your major products or services.

For each product or service:

- Describe the most important features. What is special about it?
- Describe the benefits. That is, what will the product do for the customer?

Note the difference between features and benefits, and think about them. For example, a house that gives shelter and lasts a long time is made with certain materials and to a certain design; those are its features. Its benefits include pride of ownership, financial security, providing for the family, and inclusion in a neighborhood. You build features into your product so that you can sell the benefits.

What after-sale services will you give? Some examples are delivery, warranty, service contracts, support, follow-up, and refund policy.

## Customers

Identify your targeted customers, their characteristics, and their geographic locations, otherwise known as their demographics.

The description will be completely different depending on whether you plan to sell to other businesses or directly to consumers. If you sell a consumer product, but sell it through a channel of distributors, wholesalers, and retailers, you must carefully analyze both the end consumer and the middleman businesses to which you sell.

You may have more than one customer group. Identify the most important groups. Then, for each customer group, construct what is called a demographic profile:

- Age
  
- Gender
  
- Location
  
- Income level
  
- Social class and occupation
  
- Education
  
- Other (specific to your industry)
  
- Other (specific to your industry)

For business customers, the demographic factors might be:

- Industry (or portion of an industry)
  
- Location
  
- Size of firm
  
- Quality, technology, and price preferences
  
- Other (specific to your industry)
  
- Other (specific to your industry)

## Competition

What products and companies will compete with you?

List your major competitors:

(Names and addresses)

Will they compete with you across the board, or just for certain products, certain customers, or in certain locations?

Will you have important indirect competitors? (For example, video rental stores compete with theaters, although they are different types of businesses.)

How will your products or services compare with the competition?

Use the Competitive Analysis table below to compare your company with your two most important competitors. In the first column are key competitive factors. Since these vary from one industry to another, you may want to customize the list of factors.

In the column labeled **Me**, state how you honestly think you will stack up in customers' minds. Then check whether you think this factor will be a strength or a weakness for you. Sometimes it is hard to analyze our own weaknesses. Try to be very honest here. Better yet, get some disinterested strangers to assess you. This can be a real eye-opener. And remember that you cannot be all things to all people. In fact, trying to be causes many business failures because efforts become scattered and diluted. You want an honest assessment of your firm's strong and weak points.

Now analyze each major competitor. In a few words, state how you think they compare.

In the final column, estimate the importance of each competitive factor to the customer.

1 = critical; 5 = not very important.

**Table 1: Competitive Analysis**

Factor	Me	Strength	Weakness	Competitor A	Competitor B	Importance to Customer
Products						
Price						
Quality						
Selection						
Service						
Reliability						
Stability						
Expertise						

Factor	Me	Strength	Weakness	Competitor A	Competitor B	Importance to Customer
Company Reputation						
Location						
Appearance						
Sales Method						
Credit Policies						
Advertising						
Image						

Now, write a short paragraph stating your competitive advantages and disadvantages.

## Niche

Now that you have systematically analyzed your industry, your product, your customers, and the competition, you should have a clear picture of where your company fits into the world.

In one short paragraph, define your niche, your unique corner of the market.

## Strategy

Now outline a marketing strategy that is consistent with your niche.

### Promotion

How will you get the word out to customers?

Advertising: What media, why, and how often? Why this mix and not some other? Have you identified low-cost methods to get the most out of your promotional budget? Will you use methods other than paid advertising, such as trade shows, catalogs, dealer incentives, word of mouth (how will you stimulate it?), and network of friends or professionals?

What image do you want to project? How do you want customers to see you?

In addition to advertising, what plans do you have for graphic image support? This includes things like logo design, cards and letterhead, brochures, signage, and interior design (if customers come to your place of business).

Should you have a system to identify repeat customers and then systematically contact them?

## **Promotional Budget**

How much will you spend on the items listed above?

Before startup? (These numbers will go into your startup budget.)

Ongoing? (These numbers will go into your operating plan budget.)

## **Pricing**

Explain your method or methods of setting prices. For most small businesses, having the lowest price is not a good policy. It robs you of needed profit margin; customers may not care as much about price as you think; and large competitors can under price you anyway. Usually you will do better to have average prices and compete on quality and service.

Does your pricing strategy fit with what was revealed in your competitive analysis?

Compare your prices with those of the competition. Are they higher, lower, the same?

Why?

How important is price as a competitive factor? Do your intended customers really make their purchase decisions mostly on price?

What will be your customer service and credit policies?

## **Proposed Location**

Probably you do not have a precise location picked out yet. This is the time to think about what you want and need in a location. Many startups run successfully from home for a while.

You will describe your physical needs later, in the *Operational Plan* section. Here, analyze your location criteria as they will affect your customers.

Is your location important to your customers? If yes, how?

If customers come to your place of business:

Is it convenient? Parking? Interior spaces? Not out of the way?

Is it consistent with your image?

Is it what customers want and expect?

Where is the competition located? Is it better for you to be near them (like car dealers or fast food restaurants) or distant (like convenience food stores)?

## **Distribution Channels**

How do you sell your products or services?

Retail

Direct (mail order, Web, catalog)

Wholesale

Your own sales force

Agents

Independent representatives

Bid on contracts

## **Sales Forecast**

Now that you have described your products, services, customers, markets, and marketing plans in detail, it's time to attach some numbers to your plan. Use a [sales forecast spreadsheet](#) to prepare a month-by-month projection. The forecast should be based on your historical sales, the marketing strategies that you have just described, your market research, and industry data, if available.

You may want to do two forecasts: 1) a "best guess", which is what you really expect, and 2) a "worst case" low estimate that you are confident you can reach no matter what happens.

Remember to keep notes on your research and your assumptions as you build this sales forecast and all subsequent spreadsheets in the plan. This is critical if you are going to present it to funding sources.

## VI. Operational Plan

Explain the daily operation of the business, its location, equipment, people, processes, and surrounding environment.

### Production

How and where are your products or services produced?

Explain your methods of:

- Production techniques and costs
- Quality control
- Customer service
- Inventory control
- Product development

### Location

What qualities do you need in a location? Describe the type of location you'll have.

Physical requirements:

- Amount of space
- Type of building
- Zoning
- Power and other utilities

Access:

Is it important that your location be convenient to transportation or to suppliers?

Do you need easy walk-in access?

What are your requirements for parking and proximity to freeway, airports, railroads, and shipping centers?

Include a drawing or layout of your proposed facility if it is important, as it might be for a manufacturer.

Construction? Most new companies should not sink capital into construction, but if you are planning to build, costs and specifications will be a big part of your plan.

Cost: Estimate your occupation expenses, including rent, but also including maintenance, utilities, insurance, and initial remodeling costs to make the space suit your needs. These numbers will become part of your financial plan.

What will be your business hours?

## **Legal Environment**

Describe the following:

- Licensing and bonding requirements
- Permits
- Health, workplace, or environmental regulations
- Special regulations covering your industry or profession
- Zoning or building code requirements
- Insurance coverage
- Trademarks, copyrights, or patents (pending, existing, or purchased)

## **Personnel**

- Number of employees
- Type of labor (skilled, unskilled, and professional)
- Where and how will you find the right employees?
- Quality of existing staff
- Pay structure
- Training methods and requirements
- Who does which tasks?
- Do you have schedules and written procedures prepared?
- Have you drafted job descriptions for employees? If not, take time to write some. They really help internal communications with employees.
- For certain functions, will you use contract workers in addition to employees?



## **Inventory**

- What kind of inventory will you keep: raw materials, supplies, finished goods?
- Average value in stock (i.e., what is your inventory investment)?
- Rate of turnover and how this compares to the industry averages?
- Seasonal buildups?
- Lead-time for ordering?

## **Suppliers**

Identify key suppliers:

- Names and addresses
- Type and amount of inventory furnished
- Credit and delivery policies
- History and reliability

Should you have more than one supplier for critical items (as a backup)?

Do you expect shortages or short-term delivery problems?

Are supply costs steady or fluctuating? If fluctuating, how would you deal with changing costs?

## **Credit Policies**

- Do you plan to sell on credit?
- Do you really need to sell on credit? Is it customary in your industry and expected by your clientele?
- If yes, what policies will you have about who gets credit and how much?
- How will you check the creditworthiness of new applicants?
- What terms will you offer your customers; that is, how much credit and when is payment due?
- Will you offer prompt payment discounts? (Hint: Do this only if it is usual and customary in your industry.)

- Do you know what it will cost you to extend credit? Have you built the costs into your prices?

### Managing Your Accounts Receivable

If you do extend credit, you should do an aging at least monthly to track how much of your money is tied up in credit given to customers and to alert you to slow payment problems. A receivables aging looks like the following table:

	Total	Current	30 Days	60 Days	90 Days	Over 90 Days
Accounts Receivable Aging						

You will need a policy for dealing with slow-paying customers:

- When do you make a phone call?
- When do you send a letter?
- When do you get your attorney to threaten?

### Managing Your Accounts Payable

You should also age your accounts payable, what you owe to your suppliers. This helps you plan whom to pay and when. Paying too early depletes your cash, but paying late can cost you valuable discounts and can damage your credit. (Hint: If you know you will be late making a payment, call the creditor before the due date.)

Do your proposed vendors offer prompt payment discounts?

A payables aging looks like the following table.

	Total	Current	30 Days	60 Days	90 Days	Over 90 Days
Accounts Payable Aging						

## **VII. Management and Organization**

Who will manage the business on a day-to-day basis? What experience does that person bring to the business? What special or distinctive competencies? Is there a plan for continuation of the business if this person is lost or incapacitated?

If you'll have more than 10 employees, create an organizational chart showing the management hierarchy and who is responsible for key functions.

Include position descriptions for key employees. If you are seeking loans or investors, include resumes of owners and key employees.

### **Professional and Advisory Support**

List the following:

- Board of directors
- Management advisory board
- Attorney
- Accountant
- Insurance agent
- Banker
- Consultant or consultants
- Mentors and key advisors

## VIII. Personal Financial Statement

Include [personal financial statements](#) for each owner and major stockholder, showing assets and liabilities held outside the business and personal net worth. Owners will often have to draw on personal assets to finance the business, and these statements will show what is available. Bankers and investors usually want this information as well.

## IX. Startup Expenses and Capitalization

You will have many [startup expenses](#) before you even begin operating your business. It's important to estimate these expenses accurately and then to plan where you will get sufficient capital. This is a research project, and the more thorough your research efforts, the less chance that you will leave out important expenses or underestimate them.

Even with the best of research, however, opening a new business has a way of costing more than you anticipate. There are two ways to make allowances for surprise expenses. The first is to add a little "padding" to each item in the budget. The problem with that approach, however, is that it destroys the accuracy of your carefully wrought plan. The second approach is to add a separate line item, called contingencies, to account for the unforeseeable. This is the approach we recommend.

Talk to others who have started similar businesses to get a good idea of how much to allow for contingencies. If you cannot get good information, we recommend a rule of thumb that contingencies should equal at least 20 percent of the total of all other start-up expenses.

Explain your research and how you arrived at your forecasts of expenses. Give sources, amounts, and terms of proposed loans. Also explain in detail how much will be contributed by each investor and what percent ownership each will have.

## X. Financial Plan

The financial plan consists of a 12-month profit and loss projection, a four-year profit and loss projection (optional), a cash-flow projection, a projected balance sheet, and a break-even calculation. Together they constitute a reasonable estimate of your company's financial future. More important, the process of thinking through the financial plan will improve your insight into the inner financial workings of your company.

### 12-Month Profit and Loss Projection

Many business owners think of the [12-month profit and loss projection](#) as the centerpiece of their plan. This is where you put it all together in numbers and get an idea of what it will take to make a profit and be successful.

Your sales projections will come from a sales forecast in which you forecast sales, cost of goods sold, expenses, and profit month-by-month for one year.

Profit projections should be accompanied by a narrative explaining the major assumptions used to estimate company income and expenses.

Research Notes: Keep careful notes on your research and assumptions, so that you can explain them later if necessary, and also so that you can go back to your sources when it's time to revise your plan.

### Four-Year Profit Projection (Optional)

The 12-month projection is the heart of your financial plan. [The Four-Year Profit projection](#) is for those who want to carry their forecasts beyond the first year.

Of course, keep notes of your key assumptions, especially about things that you expect will change dramatically after the first year.

### Projected Cash Flow

If the profit projection is the heart of your business plan, cash flow is the blood.

Businesses fail because they cannot pay their bills. Every part of your business plan is important, but none of it means a thing if you run out of cash.

The point of this worksheet is to plan how much you need before startup, for preliminary expenses, operating expenses, and reserves. You should keep updating it and using it afterward. It will enable you to foresee shortages in time to do something about them—perhaps cut expenses, or perhaps negotiate a loan. But foremost, you shouldn't be taken by surprise.

There is no great trick to preparing it: The [cash-flow projection](#) is just a forward look at your checking account.

For each item, determine when you actually expect to receive cash (for sales) or when you will actually have to write a check (for expense items).

You should track essential operating data, which is not necessarily part of cash flow but allows you to track items that have a heavy impact on cash flow, such as sales and inventory purchases.

You should also track cash outlays prior to opening in a pre-startup column. You should have already researched those for your startup expenses plan.

Your cash flow will show you whether your working capital is adequate. Clearly, if your projected cash balance ever goes negative, you will need more start-up capital. This plan will also predict just when and how much you will need to borrow.

Explain your major assumptions, especially those that make the cash flow differ from the *Profit and Loss Projection*. For example, if you make a sale in month one, when do you actually collect the cash? When you buy inventory or materials, do you pay in advance, upon delivery, or much later? How will this affect cash flow?

Are some expenses payable in advance? When?

Are there irregular expenses, such as quarterly tax payments, maintenance and repairs, or seasonal inventory buildup that should be budgeted?

Loan payments, equipment purchases, and owner's draws usually do not show on profit and loss statements but definitely do take cash out. Be sure to include them.

And of course, depreciation does not appear in the cash flow at all because you never write a check for it.

## Opening Day Balance Sheet

A balance sheet is one of the fundamental financial reports that any business needs for reporting and financial management. A balance sheet shows what items of value are held by the company (assets), and what its debts are (liabilities). When liabilities are subtracted from assets, the remainder is owners' equity.

Use a startup expenses and capitalization spreadsheet as a guide to preparing a balance sheet as of opening day. Then detail how you calculated the account balances on your [opening day balance sheet](#).

Optional: Some people want to add a [projected balance sheet](#) showing the estimated financial position of the company at the end of the first year. This is especially useful when selling your proposal to investors.

## Break-Even Analysis

A [break-even analysis](#) predicts the sales volume, at a given price, required to recover total costs. In other words, it's the sales level that is the dividing line between operating at a loss and operating at a profit.

Expressed as a formula, break-even is:

$$\text{Break-Even Sales} = \frac{\text{Fixed Costs}}{1 - \text{Variable Costs}}$$

(Where fixed costs are expressed in dollars, but variable costs are expressed as a percent of total sales.)

Include all assumptions upon which your break-even calculation is based.

## **XI. Appendices**

Include details and studies used in your business plan; for example:

- Brochures and advertising materials
- Industry studies
- Blueprints and plans
- Maps and photos of location
- Magazine or other articles
- Detailed lists of equipment owned or to be purchased
- Copies of leases and contracts
- Letters of support from future customers
- Any other materials needed to support the assumptions in this plan
- Market research studies
- List of assets available as collateral for a loan



## **XII. Refining the Plan**

The generic business plan presented above should be modified to suit your specific type of business and the audience for which the plan is written.

### **For Raising Capital**

#### **For Bankers**

- Bankers want assurance of orderly repayment. If you intend using this plan to present to lenders, include:
  - Amount of loan
  - How the funds will be used
  - What this will accomplish—how will it make the business stronger?
  - Requested repayment terms (number of years to repay). You will probably not have much negotiating room on interest rate but may be able to negotiate a longer repayment term, which will help cash flow.
  - Collateral offered, and a list of all existing liens against collateral

#### **For Investors**

- Investors have a different perspective. They are looking for dramatic growth, and they expect to share in the rewards:
  - Funds needed short-term
  - Funds needed in two to five years
  - How the company will use the funds, and what this will accomplish for growth.
  - Estimated return on investment
  - Exit strategy for investors (buyback, sale, or IPO)
  - Percent of ownership that you will give up to investors
  - Milestones or conditions that you will accept

- Financial reporting to be provided
- Involvement of investors on the board or in management

## **For Type of Business**

### **Manufacturing**

- Planned production levels
- Anticipated levels of direct production costs and indirect (overhead) costs—how do these compare to industry averages (if available)?
- Prices per product line
- Gross profit margin, overall and for each product line
- Production/capacity limits of planned physical plant
- Production/capacity limits of equipment
- Purchasing and inventory management procedures
- New products under development or anticipated to come online after startup

### **Service Businesses**

- Service businesses sell intangible products. They are usually more flexible than other types of businesses, but they also have higher labor costs and generally very little in fixed assets.
- What are the key competitive factors in this industry?
- Your prices
- Methods used to set prices
- System of production management
- Quality control procedures. Standard or accepted industry quality standards.
- How will you measure labor productivity?

- Percent of work subcontracted to other firms. Will you make a profit on subcontracting?
- Credit, payment, and collections policies and procedures
- Strategy for keeping client base

### **High Technology Companies**

- Economic outlook for the industry
- Will the company have information systems in place to manage rapidly changing prices, costs, and markets?
- Will you be on the cutting edge with your products and services?
- What is the status of research and development? And what is required to:
  - Bring product/service to market?
  - Keep the company competitive?
- How does the company:
  - Protect intellectual property?
  - Avoid technological obsolescence?
  - Supply necessary capital?
  - Retain key personnel?

High-tech companies sometimes have to operate for a long time without profits and sometimes even without sales. If this fits your situation, a banker probably will not want to lend to you. Venture capitalists may invest, but your story must be very good. You must do longer-term financial forecasts to show when profit take-off is expected to occur. And your assumptions must be well documented and well argued.

### **Retail Business**

- Company image
- Pricing:
  - Explain markup policies.

- Prices should be profitable, competitive, and in accordance with company image.
- Inventory:
  - Selection and price should be consistent with company image.
  - Inventory level: Find industry average numbers for annual inventory turnover rate (available in RMA book). Multiply your initial inventory investment by the average turnover rate. The result should be at least equal to your projected first year's cost of goods sold. If it is not, you may not have enough budgeted for startup inventory.
- Customer service policies: These should be competitive and in accord with company image.
- Location: Does it give the exposure that you need? Is it convenient for customers? Is it consistent with company image?
- Promotion: Methods used, cost. Does it project a consistent company image?
- Credit: Do you extend credit to customers? If yes, do you really need to, and do you factor the cost into prices?

Some business plans can be as little as a few pages, and some up to several hundred pages for larger organizations. Don't let this intimidate you. It's simply your plan, put on paper. It helps organize your product or service launch.

## **If you fail to plan, you plan to fail!**



(You're going to look like this if you don't have a plan in place!)

There are many websites that have free business plan templates. Just google 'business plans' and a ton of sites come up. You don't need to follow them exactly, but it gives you a general direction to start. Again, you may not need this initially, depending upon your business.

For purposes of our workshop, I am going to simplify this even further. I have this advanced information in the workbook so that you may refer back to it at a later date, if necessary.

## Time for YOUR business plan!

Name of business\_\_\_\_\_

**First section:** Explain your business. Pretend you are writing a cover letter to your ideal client. (This is usually done last)

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**Second section:** What are your goals for your company? In bullet format, describe your objectives and goals for the next few years. How much money do you plan to make?

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**Third section:** What is your mission statement? Tell others what *benefits* they will experience by doing business with you. (This mission statement should be on every piece of marketing material...flyers, website, business cards etc.)

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**Fourth section:** Company summary- how will your business operate? How will your product or service be rendered? What specifically is your product or service? Describe the features and benefits of your product or service.

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**Fifth section:** Market analysis- who is your competition? How do you differ from them? What makes you better? How much does your product or service cost the client?

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**Sixth Section: Marketing-** Describe your ideal client (your target market) in detail. Age, gender, income level, education, what car drive, what type of neighborhood do they live in. Be specific. How do you plan on marketing to them? Offline or online? I suggest both. (We'll cover this later)

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**Seventh Section: Capital!** How much money do you need to get started? Where are you planning on getting that money? Borrow from parents? Chores? Another job? You need to show others (someday, possibly, a bank) how you plan on repaying them. Example: You borrow \$200 from parents to print flyers, biz cards, website, and purchase items to get started. You charge \$15 per hour for your services.  $\$200/\$15 = 13.3$  hours- So you need 13 hours of work to break even and pay your parents back. If you work only 3 hours per week, you can pay them back in approximately 4-5 weeks. Sweet!

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# Marketing!!

Marketing is crucial to your success.

You can be the absolute BEST at what you do,  
But if nobody knows about you,  
You won't have a successful business!



You must share your product and service with your target market in a way that touches them. As we mentioned at the first session, you need to fill a need, save them money, make them money or take away a pain.

Quick recap:

Who is your target market?  
(Remember, you don't want to market to  
everyone. Narrow your niche)

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Where will you find them?

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Now we have some direction on how and where  
to market (promote)!



## **Let's start online:**

People will do business with people **they know, like and trust**. These online marketing techniques will do just that! Be authentic and genuine. Nobody likes a fake!

**Website-** we'll cover next week

### **Social media is huge and FREE!**

Join Facebook, MySpace, twitter, linkedin. Go where your target market hangs out. (Be sure to get the okay from your parents to join these sites.) Do posts and updates regularly to meet people.

**Go to online forums or blogs that your target market would visit.** Post comments and refer back to your website. (Also a FREE way to reach your market)

**Video is huge!** Post videos on youtube of you sharing your gifts (products and services). If you're a musician giving lessons, strut your stuff and post it! Post this video on your website as well. (Another FREEBIE...can you tell I love free☺)

**Find people that market to same target audience, but aren't competitors, and cross promote each other.** If you are a tutor, find a person that markets to parents of teens and promote each other's services. (Partner with a company that sells sport products. Maybe their teens do sports and need certain grades to stay on the team!) Guess what? It's free!

**Offer a FREEBIE on your website-** This strategy is awesome and used by some of the best marketers. On your website, offer something for free. In order for people to have access to this free item, they will need to put in their name and email address. You now can start an email campaign and email them on a regular basis. Don't do this and email them junk or sales pitches every week! You have to deliver value and good content. You then sprinkle in information about your products or services. This will cost you a little, as the program to do mass email blasts will charge you a monthly fee. A few great resources are [www.constantcontact.com](http://www.constantcontact.com), [www.aweber.com](http://www.aweber.com) and [www.1shoppingcart.com](http://www.1shoppingcart.com).

Look at my website as an example, [www.teenscashcoach.com](http://www.teenscashcoach.com).

Be sure to protect your intellectual property by obtaining a copyright, trademark or patent. If you write something, use the © symbol and date. A great resource for this is [www.legalzoom.com](http://www.legalzoom.com). Be sure to explore your options. Example:  
Teens Cash Coach Copyright © 2010 All Rights Reserved

I have actually trademarked "Teens Cash Coach", so if you have a company name you want to protect, be sure to do this.

## Let's go Offline

There are many ways to promote offline, but most cost money. A few examples are:

Flyers/brochures: place where your target market hangs out.

(We'll be designing flyers next week)

Advertising- local paper or trade magazine

Writing articles for exposure, not payment

Direct mailings (cost of brochure or postcard plus postage can be expensive)

### **Here are some that cost little, or no, money:**

Press releases- submit to newspapers, local and/or statewide.

Networking groups- meet people!

Mastermind groups- Great minds think alike!

Speaking engagements (You're the speaker for exposure)

Chamber of Commerce meetings

**Let's get creative!**

**Time to design your business  
cards, flyers and talk  
Websites!**

**My business name**

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**What I offer**

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**How do I save people money, save them time or help them make money? What is the benefit?**

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**What contact information do I want on my business cards and flyers? (Please be sure to check with parents on this one, especially if you plan on using your cell phone as contact number. I would recommend home number.)**

**Name:** \_\_\_\_\_

**Business name:** \_\_\_\_\_

**Service:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

**Phone number:** \_\_\_\_\_

**Website (if applicable):** \_\_\_\_\_

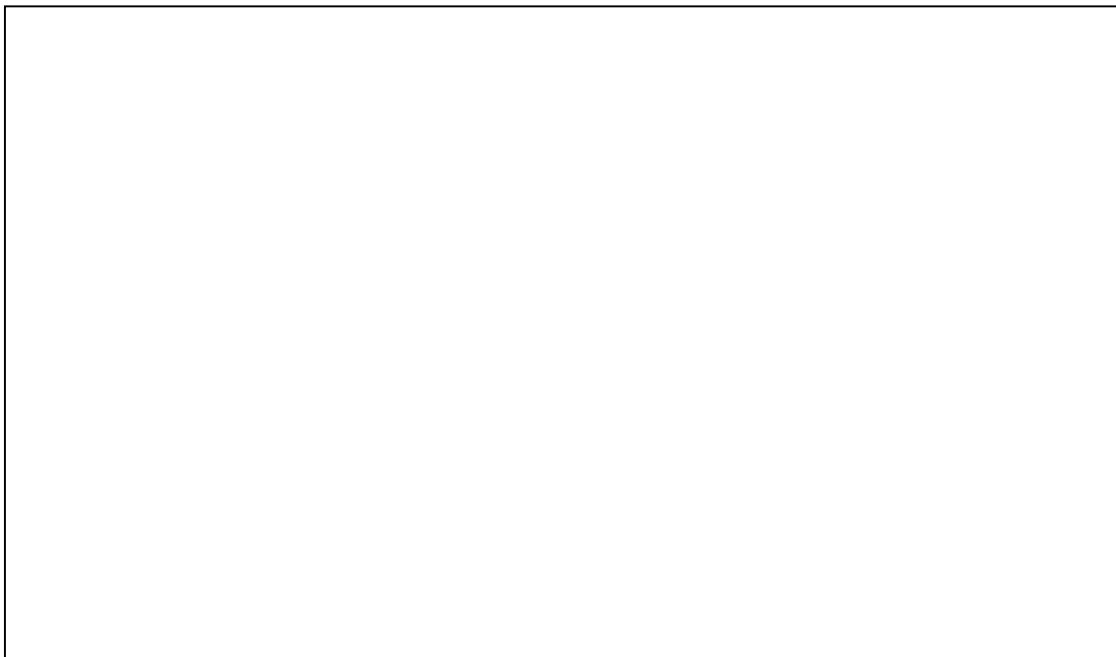
**I wouldn't recommend using your home address on any business cards or flyers. Again, please check with your parents when deciding what information to advertise with!!**

## **Business cards:**

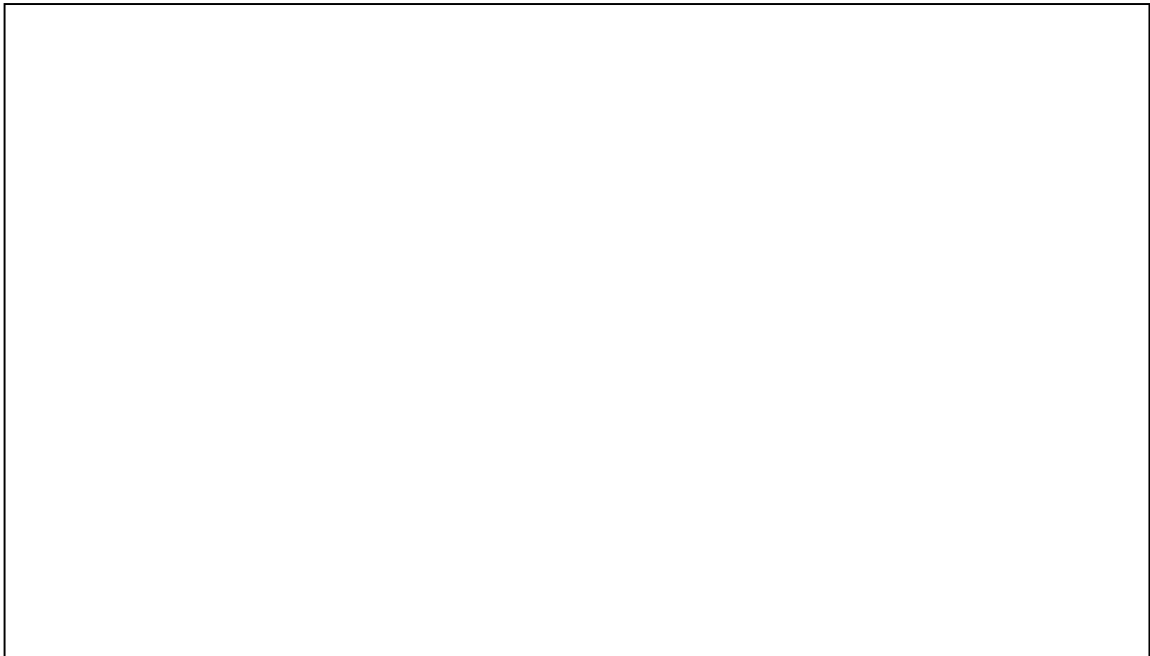
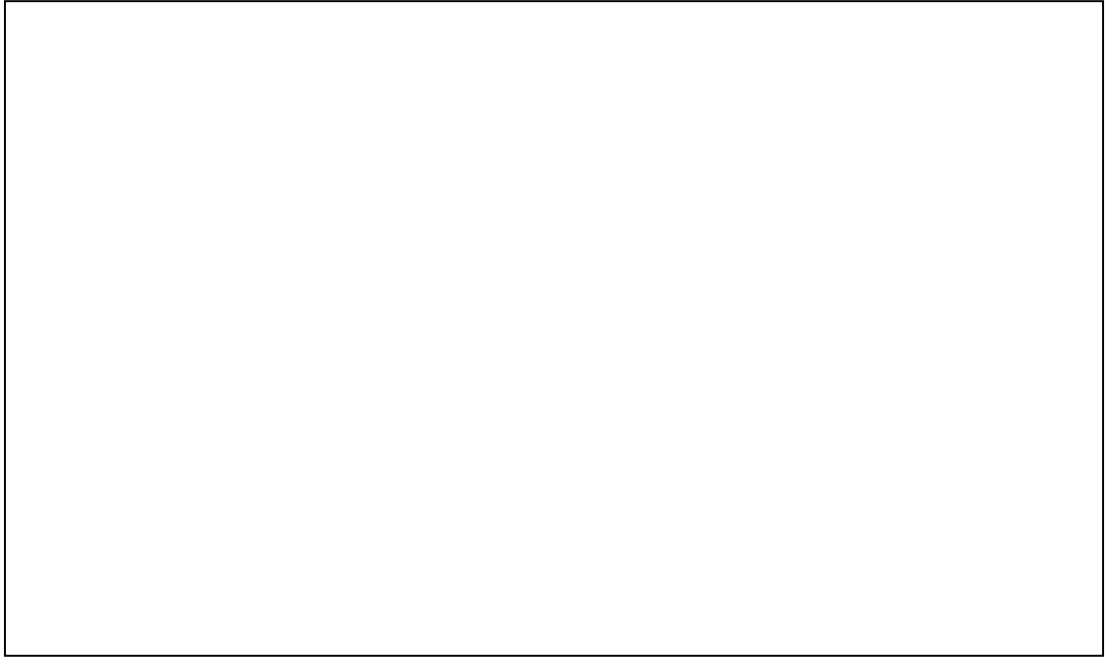
You can order business cards at [www.vistaprint.com](http://www.vistaprint.com) for free. They will charge you a nominal fee for shipping and handling. This should be considered part of your 'start up' costs that was discussed with the business plan.

There are many styles and colors to choose from. If you want to import your own pictures or art, they will charge you an additional fee, but this isn't necessary to start. They have many themes to choose from. I'm sure you can find one that will work for you.

Use the space below to design different versions of your card:

A large, empty rectangular box with a thin black border, intended for the student to design different versions of a business card.

**Have fun with it!**



# Now let's work on your flyer!

Your flyer should be eye catching, but simple. Keep the information in 'bullet' type format. People would rather scan bullet points than read paragraphs.

## **Example:**

Let me help you save money and save time!

I will:

- \* Weed your yard
- \* Rake your leaves
- \* Clean planters of all trash

All for a fraction of what you pay your gardener!

## **Versus:**

Let me help you save money and save time. I will weed your yard, rake your leaves and clean planters of all trash. All for a fraction of what you pay your gardener.

Here's a sample of my flyer for this bootcamp:

The bullet format is much easier to scan and you will keep the attention of the reader.

Include artwork of some type. Either import clip art or import your own pictures to liven the material up. Keep it simple and clean, as too much can be distracting.

The artwork should relate to your product or service, not be a random picture.

Include your 'mission statement' that we discussed last week in your business plan.

The flyer can be designed within a simple Word document or you can be super creative with other software such as Publisher. You don't need to pay for this service!

You can also print copies at home to keep the costs down. If you plan on copying many copies, check with your parents first. You may need to have copied at an office supply store. Black and white copies are generally around 10 cents a piece.

Use the following blank pages to draft some initial design ideas for your flyer. Have fun with it!









# Websites!

Having a website is optional, and not necessary for many businesses. It does lend itself as a 'billboard' for yourself, but you can certainly start earning money without one.

If you have an online business, this of course, is a different story. Most of what we discussed here relates to service type businesses that are not online. As your business grows, having an online presence is recommended.

You can have a very simple, free website on various locations online. 'Hosting' of website normally costs extra, but not terribly expensive. You can get it as low as \$4 per month, but I found one site that is super easy and there are no hosting fees. The website is [www.wix.com](http://www.wix.com).

You can also set up a blog, which is a great way to keep your site constantly changing. A typical website is 'static' meaning that the information doesn't change very often. With a blog, you can update easily, whenever you want. You can add pictures, verbiage or video very easily. A great site for setting up a blog is [www.blogger.com](http://www.blogger.com).

## Creating a Website Instructions

1. Go to [www.wix.com](http://www.wix.com)
2. Click "make a website"
3. Scroll down to the 1-4 steps
4. Click "1. Start"
5. Enter: email address, password and a username
6. Once you've created your account, you now have access to create your own website!
7. Click "Create"
8. It will give you many design options-choose one you like or if you prefer, you can start from scratch by scrolling to the bottom of the page. But for now we are going to choose a design.
9. After you choose a template that fits you best, click "Edit" in the top right corner.
10. Now you may start where ever you may like.
11. If you want to change the background: right click and choose "change photo".
12. If you want to put title there is a "Text" box on the left hand side of the screen
13. You can add pictures, by checking out the menu on the left hand side of the screen. But every template is differently set up, depending on what business you choose. For example, a yoga website is going to be presented differently than a restaurant website.

14. If you become completely lost, there is a help icon in the bottom, left hand corner that tells you everything you need to know.
15. Here is an example of a website my assistant made: (she's a teen, and yes, I pay her)  
[www.wix.com/rebeccadione/heidis-baking](http://www.wix.com/rebeccadione/heidis-baking)

If you want a personal domain name without the wix.com, you may purchase that for an additional fee.

My new website address is:

---

If you prefer to purchase your own domain and host separately, you may do that. I have found that [www.godaddy.com](http://www.godaddy.com) is a great place to purchase a domain and [www.bluehost.com](http://www.bluehost.com) is a great place for hosting. You should shop and compare yourself, but these are two sites I personally use. Bluehost will have specials, so talk to someone live and negotiate the price down.

**Congratulations on your  
accomplishments this far!**

**Next, we will cover some key  
money topics that will jumpstart  
you to wealth!**

**Be money savvy and be  
empowered!!**

Let's talk Money!



Spending habits are HABITS!

We oftentimes *eat* for emotional reasons.  
We also *spend money* for emotional reasons.

Peer pressure is tough!

Create an awareness of your spending habits  
by using a spending tracker. Don't worry, you  
only need to use this for a few weeks! 😊

## Daily spending tracker...

Date	What bought	How much \$\$	Why did I buy

There are many topics to discuss when it comes to money, but I've decided to focus on some meaty ones for this workshop.

## **Credit Cards!**



### **Bottom Line:**

**Don't use them unless you can pay the balance in full every month!**

**You need to have credit to gain a 'credit history', but be careful!!**

**Let's see what happens if you don't pay your credit card in full.**

Here's a scenario:

Let's say you decide to buy a laptop. You find a killer sale and it's the perfect laptop. You don't have the money to buy it, but you decide to put it on credit and deal with it later. This deal is just too good to pass up....or is it?

You now have \$1000 balance on your credit card. The lovely bill arrives and you still don't have the cash. Dang.

The interest rate on your card is 19% and your minimum payment is \$20. You decide to pay the minimum. Bad idea.

How long does it take you to pay off that credit card, assuming you don't make additional payments?



Drum roll please....

**It will take 97 months, or just over 8 years, to pay that off!! Do you think you will have that same laptop in 8 years??**

**Any idea of how much interest you would have paid?**

**\$924!**

**That means you paid \$1,924 for that laptop.**

**So much for the killer sale!  
Let's do one more scenario:**

You're out shopping with your friends and you happen upon a great deal at your favorite clothing store. The jacket you've wanted for a month is finally on sale. And the jeans! You've always wanted these! In the end, you rack up \$500 in clothes and decide to whip out the credit card. Ouch.

The bill arrives...

You don't have the cash to pay it off in full. Yikes. You pay the minimum of \$15.

In the end, it would take you *47 months*, or just under 4 years, to pay that off. You would have *paid \$200 in interest*, or a total of \$700 for those clothes!!

My guess is those clothes are long gone in 4 years too!

Some things to keep in mind:

- 1) This doesn't account for additional purchases
- 2) This doesn't include late fees, should you pay the credit card late.
- 3) If you pay more than the minimum, you will definitely benefit. If you positively can't pay the card off, pay as much as possible. Don't make any additional purchases until you pay that down.

There is much more to cover on this topic, but this is a great start for you!

## Let's talk about the ATM and Debit cards.

### ATM- Automatic teller machine

Using your ATM card is one way you may withdraw or deposit money into your savings or checking account. Whether you go into the bank, write a check or use your ATM card, you **MUST** document every single withdrawal and deposit you make. Failure to do so can be very costly!!! Write every transaction in your checkbook register, even if you spent \$1.00!

Debit cards are linked to checking accounts, but you can also have an ATM card that links to savings accounts.

If you overdraw (spend money that isn't in your account) the bank fees are very high, usually around \$35. Your transaction will go through, so you may think you have the money, but your bank will charge you.

If you overdraft several times in one day, you will get hit with a fee for every time! OUCH.

You can protect yourself in several ways:

- 1) Always watch your balances and never overdraft! **BEST WAY!!** 😊
- 2) Sign up for 'Overdraft Protection'. This is a savings account that is linked to your checking account. The bank will transfer money from your savings account for you (which you must have in there), if you overdraft. Banks

will charge you for this service, but it's usually less, around \$10.

- 3) Have a credit card linked to your checking account as overdraft protection. The charge will get billed to your credit card instead. The bank will typically charge you for this service as well.

Time to turn it around!

Here's the golden secret to  
becoming a millionaire...

What do you have that Donald  
Trump, Oprah, and Warren Buffett  
do not?



(Big hint)

Let's explore:  
The power of compounding interest

Compounding interest is 'interest earning interest'. It's like free money!

Here's an example:

You invest \$40 per month  
At 10% interest rate  
(average for stock market since inception)

How much money do you think you would have  
after 10 years?

Remember, you've only put in \$4,800  
( $\$40 \times 12 \text{ months} \times 10 \text{ years}$ )

You would have \$8,196!  
(compounded monthly)

**Let's step it up...**

After 20 years you would have...

**\$30,382!**

How about 40 years from now?

**\$253,016!**

Imagine what you could have if you saved  
more than \$40 per month!

**Millionaires understand this and utilize this  
tool to gain wealth!**



## Two different investors- Two very different outcomes!!

**Both opened a Tax deferred retirement account with an average return of 10%**

### Sassy Susie

Age	Payment	End of Yr
19	\$3,000	3,300
20	\$3,000	6,930
21	\$3,000	10,923
22	\$3,000	15,315
23	\$3,000	20,147
24	\$3,000	25,462
25	\$3,000	31,308
26	\$3,000	37,738
27	\$0	41,512
28	\$0	45,663
29	\$0	50,230
30	\$0	55,253
31	\$0	60,778
32	\$0	66,856
33	\$0	73,542
34	\$0	80,896
35	\$0	88,985
36	\$0	97,883
37	\$0	107,672
38	\$0	118,439
39	\$0	130,283
40	\$0	143,312
41	\$0	157,643
42	\$0	173,407
43	\$0	190,748
44	\$0	209,823
45	\$0	230,805
46	\$0	253,885
47	\$0	279,274
48	\$0	307,201
49	\$0	337,921
50	\$0	371,712
51	\$0	408,885
52	\$0	449,773
53	\$0	494,751
54	\$0	544,227
55	\$0	598,648
56	\$0	658,513
57	\$0	724,364
58	\$0	796,801
59	\$0	876,480
60	\$0	964,129

**Total Invested = \$24,000**

**Total at 60 = \$964,129!!!!**

### Little Joe

Age	Payment	End of Yr
19	0	0
20	0	0
21	0	0
22	0	0
23	0	0
24	0	0
25	0	0
26	0	0
27	\$3,000	3,300
28	\$3,000	6,930
29	\$3,000	10,923
30	\$3,000	15,315
31	\$3,000	20,147
32	\$3,000	25,462
33	\$3,000	31,308
34	\$3,000	37,738
35	\$3,000	44,812
36	\$3,000	52,593
37	\$3,000	61,153
38	\$3,000	70,568
39	\$3,000	80,924
40	\$3,000	92,317
41	\$3,000	104,849
42	\$3,000	118,634
43	\$3,000	133,798
44	\$3,000	150,477
45	\$3,000	168,825
46	\$3,000	189,008
47	\$3,000	211,208
48	\$3,000	235,629
49	\$3,000	262,492
50	\$3,000	292,041
51	\$3,000	324,545
52	\$3,000	360,300
53	\$3,000	399,630
54	\$3,000	442,893
55	\$3,000	490,482
56	\$3,000	542,830
57	\$3,000	600,413
58	\$3,000	663,755
59	\$3,000	733,430
60	\$3,000	810,073

**Total invested = \$102,000**

**Total at 60 = \$810,073**

**Let's see how \$100 a month will grow!**

**If you invest \$100 per month  
at 10%**

**after 5 years, you will have...**

**\$8,058**

**After 10 years...\$21,037**

**After 20 years...\$75,603**

**After 40 years...\$584,222!!**



## Here's another common habit that many millionaires share!

They will tell you this...

### **Pay Yourself First!**

Before you pay any bills, pay yourself first every month. Get in the habit, every single month, of paying yourself first, preferably automatically.

I don't care if it's \$10 to start, but get in this habit! This will create an 'automatic payment plan' that will create amazing wealth over time.

Set up a separate savings account (or later, a mutual fund) that you have linked to your checking account. At the first of every month, have an automatic transfer set up, of a particular amount. You will be amazed at how this account will grow over time. Remember the compounding interest example! Increase that monthly amount as much as you can, as soon as you can.

Here are a few great calculator websites to play with. Enter different scenarios for both compounding interest and paying off credit cards.

[www.moneychimp.com](http://www.moneychimp.com)

<http://www.econedlink.org/interactives/interest.html>

**In the End...**

**Make a Difference!!**

**Teaching you about money is not about  
hoarding cash to buy toys.**

**It's about creating a life of financial peace  
and financial freedom.**

**It's also about sharing those gifts with the  
world. Give back to your community, your  
place of worship or any organization that  
you resonate with.**

**Giving back feeds your soul and the soul of  
the person you are helping!**

Want to continue being coached by Patti Handy?

Join the



Enjoy weekly video lessons, taught by Patti online, to be watched in **your home**, at **your convenience**!

**Try it for only \$1.00 for the first month!**

**There are no contracts or long term commitments.**

Here's some of what we cover:

**In the first twenty weeks, you will learn...**

- Spending habits
- Saving habits
- Compounding Interest
- Spending Tracker - emotional purchases
- Peer pressure purchases
- Needs vs. Wants
- Charts of Compounding Interest
- Debit/Credit Cards
  - Differences between them
  - How they work
  - Cost of item if bill is not paid in full
- Introduction to Credit Scores from credit card use
- Checking Accounts
  - How to write out a check
  - How to balance a checkbook
- Introduction to entrepreneurship
  - Mindset of the wealthy
  - Organization of papers
  - Importance of giving back

**In the final twenty weeks, you will learn...**

- Entrepreneurship in detail
- 3 Paths to financial freedom
- Real Estate/Business Ownership/Stocks
- How cash flow works in Real Estate
- Designing business
- Marketing plan basics
- Business plan basic components
- Pay yourself first philosophy
- Credit scores in great detail, including ways to improve scores and what factors make up your score
- Time to buy your first home? Learn about mortgages, closing costs, points and more!
- Financial market introduction
  - Stocks, Bonds, Mutual Funds
  - Dollar Cost Averaging
  - Introduction to stock charts
  - Technical analysis basics

Join for as little as \$27 per month!  
To learn more and sign up, visit:  
[www.teenscashcoach.com](http://www.teenscashcoach.com) and click on  
"Online learning"

Thank you for coming!

Feel free to contact me with any  
questions!

Patti Handy  
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Email: [Patti@teenscashcoach.com](mailto:Patti@teenscashcoach.com)

# Survey

I would love for you to share your experience with  
The Biz Building Bootcamp and Patti Handy

Do you feel like you walked away with valuable information?

Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What was your favorite part?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What would you change if you could change anything?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Would you recommend this program to your friends?

\_\_\_\_\_

If you feel comfortable doing so, we would love a testimonial  
from you that we can put on the website.

\_\_\_\_\_  
\_\_\_\_\_  
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