

## **MAKING YOUR MONEY MODEL**

### **STEP 1: ESTABLISH ORDER**

Draw a line and divide it into six sections. Number each section, 1-6. Label these sections from Left to right: 1) Generate Traffic 2) Process Calls 3) Process Leads 4) Process Jobs 5) Process Customers 6) Process Actual Money (or use the timeline provided with this kit)

### **STEP 2: DETERMINE SCALE OF ACTUAL MONEY**

Consult your income statement. Find your revenue for the time period you're interested in. Represent it with a gear. Place this gear under the section of your timeline labeled "Actual Money." Look at your income statement again. Each line item on it is a percentage of your revenue. Therefore, your revenue gear will establish the scale for every other gear. Calculate what percentage of your revenue each item on your income statement represents. Still working under the section of your timeline labeled "Actual Money," place your expense gears around your revenue gear. Place your profit gear all the way to the right.

### **STEP 3: DETERMINE SCALE OF POTENTIAL MONEY**

Just like the income statement items, each component of the sales funnel (your potential money) is a ratio of the revenue gear. Calculate the scale of each sales funnel gear by multiplying the number of people by the average ticket size. When determining the scale of each of the sales funnel gears, work from right to left, starting with customers. Calculate and insert gears for customers, job, leads, calls, and traffic under their respective numbers on the timeline.

### **STEP 4: ACCOUNT FOR CONVERSION COSTS**

As you move left to right through your sales funnel, you losing actual money on the resources—the staff, services, and materials—that are required to carry out the processes of conversion. Represent these costs with small gears in between each of the larger gears in the potential money side of your timeline.

### **STEP 5: COLOR CODE THEORETICAL MONEY**

Consulting your budget, color code each of your gears. If the gear number is below budget, make the gear green. If it is on budget, make the gear yellow. If it is over budget, make it red.

### **STEP 6: TRACK THE FLOW OF MONEY**

Determine a speed for your revenue gear. Set the speed of the other gears proportionally. Where money is entering the system, turn gears counter-clockwise. Where money is leaving the system, turn gears clockwise. Place a dollar sign directly under your timeline. Set it at a speed to represent your chosen sales cycle.

# MONEY

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1  
Generate  
Traffic

2  
Process  
Calls

3  
Process  
Leads

4  
Process  
Jobs

5  
Process  
Customers

6  
Process  
Actual Money

Potential Money

Actual Money







