

Financial Reality Check - Part 1

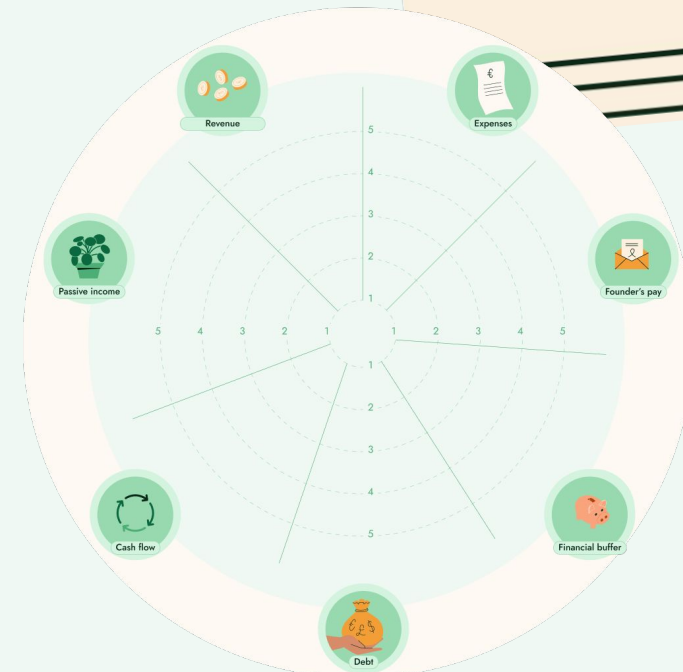
Workbook

The first part of the Financial Reality Check is about visualising your financial starting point. You've already reflected on your current situation and scored each of the seven parts of your financial reality.

Grab your notes with the scores you gave yourself in the platform, you'll use them to create an overview of your actual financial starting point. On the next page, you'll find an example of Maria's financial starting point.

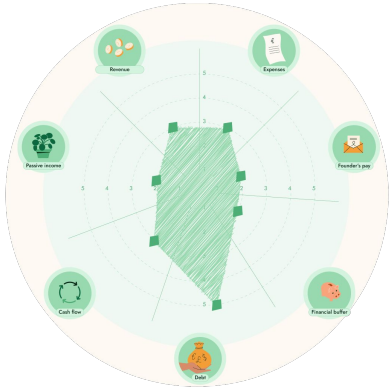
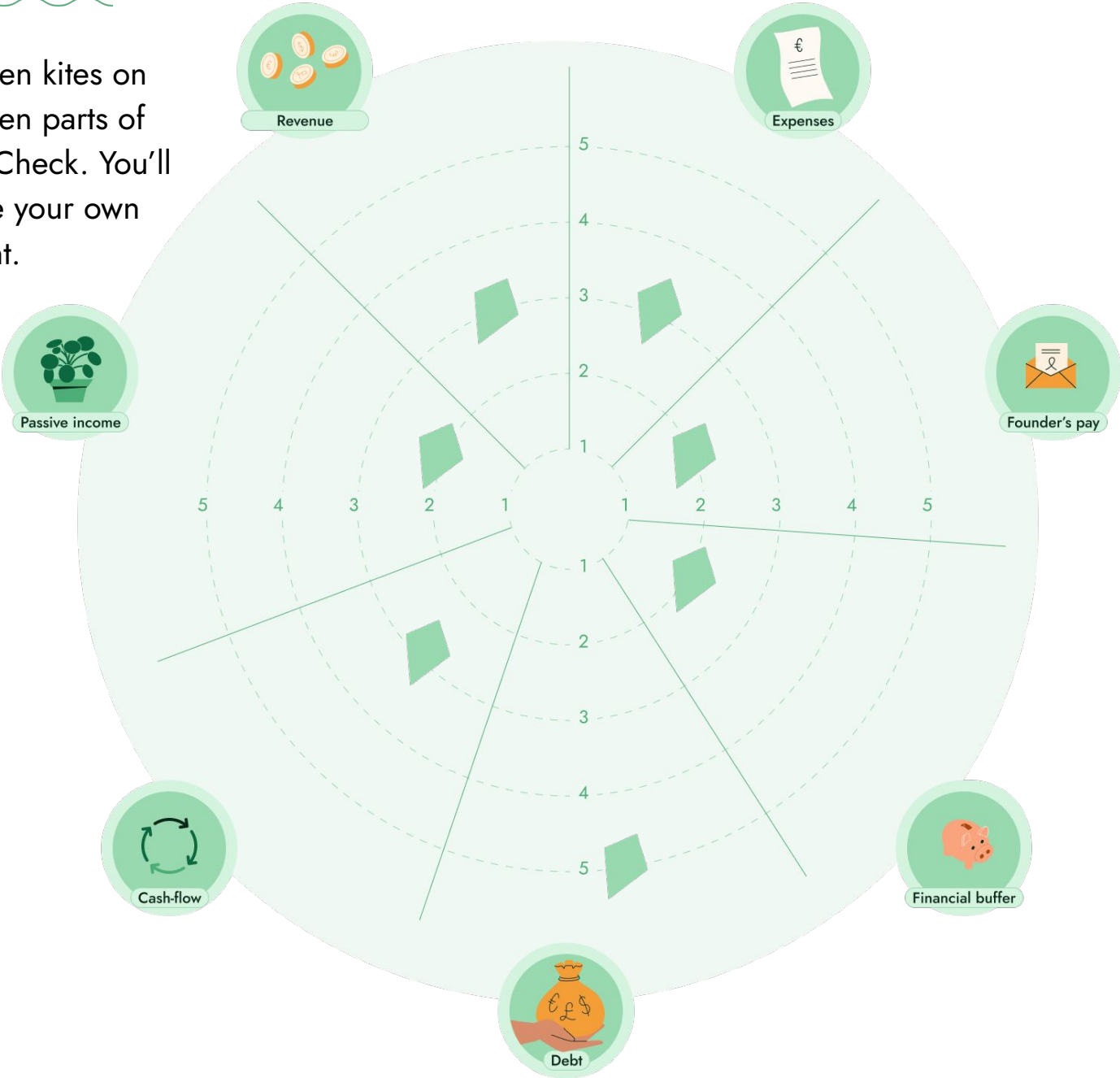
Financial Reality Check scores:

Revenue	3
Expenses	3
Founder's pay	2
Financial buffer	2
Debt	5
Cash flow	3
Passive income	2



Financial Reality Check, Part 1: Maria's financial starting point

Maria has placed green kites on the scores for the seven parts of her Financial Reality Check. You'll do the same to create your own financial starting point.



Here's a reminder of the statements about each part of the Financial Reality check and what each score means. Take a moment to reflect on the scores you gave yourself on the platform. Do they still feel right to you? Review the statements again and if anything has changed, feel free to adjust your scores.



Revenue

My business is consistently generating enough revenue to cover current costs and allow reinvestment for sustainable growth and long-term success.

- 1 - Strongly disagree:** Revenue is minimal, and we are not generating enough to cover current operational costs.
- 2 - Disagree:** Revenue is improving, but it still needs to be more consistent to fully cover costs and support growth.
- 3 - Neutral:** My business consistently generates enough revenue to cover operational costs, but it's not yet sufficient to create growth and long-term success.
- 4 - Agree:** My business consistently generates solid revenue, covering costs and enabling some investments needed for growth and long-term success.
- 5 - Strongly agree:** My business consistently generates the revenue needed to cover current costs and allows for reinvestment for sustainable growth and long-term success. I feel confident that I can achieve my financial success picture.



Expenses

I know the costs of operating my business and can cover all these expenses, having enough money at the end of each month.

- 1 - Strongly Disagree:** I don't have an overview of my expenses and struggle to cover them consistently.
- 2 - Disagree:** I'm actively working on improving my ability to cover expenses each month, but it's still a challenge.
- 3 - Neutral:** I can cover my expenses, but there's little to no money left by the end of the month.
- 4 - Agree:** I cover my expenses with a small amount left over, and I see room for growth.
- 5 - Strongly Agree:** I am covering all my expenses and consistently have enough money left at the end of each month to reinvest in growth.

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Founder's pay

My compensation meets my financial needs and reflects the value of my contributions. I feel fairly compensated each month.

- 1 - Strongly disagree:** I'm not yet paying myself from my business.
- 2 - Disagree:** My founder's pay doesn't fully meet my financial needs or reflect the value of my contributions. I don't feel fairly compensated.
- 3 - Neutral:** My founder's pay covers some of my financial needs and somewhat reflects my contribution to the business.
- 4 - Agree:** My founder's pay meets most of my financial needs and largely reflects the value of my work.
- 5 - Strongly agree:** My founder's pay fully meets my financial needs and accurately reflects the value of my contribution to the business. I feel fairly compensated.



Financial buffer

My financial buffer covers 3-6 months of operations, protecting my business from slow sales or unexpected challenges.

- 1 - Strongly disagree:** I don't have a financial buffer in place for my business.
- 2 - Disagree:** My financial buffer is not yet enough to cover 3-6 months of operations or protect my business from unforeseen challenges.
- 3 - Neutral:** My financial buffer covers part of the 3-6 months of operations and provides basic protection.
- 4 - Agree:** My financial buffer covers 3-6 months of operations, offering solid protection against unexpected challenges.
- 5 - Strongly agree:** My financial buffer fully covers 3-6 months of operations, providing strong protection against slow periods or unexpected financial issues.

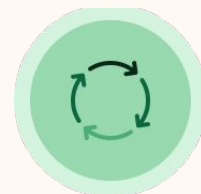
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Debt

I am managing my debts effectively in a way that supports my business's viability and long-term future.

- 1 - Strongly disagree:** I'm not managing my debts effectively yet, and it's affecting my financial health.
- 2 - Disagree:** I'm actively working on improving my debt management, but there's still a long way to go.
- 3 - Neutral:** I'm making steady progress in managing my debts, though there's still room for improvement.
- 4 - Agree:** I'm managing my debts well and see opportunities to further strengthen my business's financial future.
- 5 - Strongly agree:** I'm managing my debts effectively, supporting my business's growth and long-term future, or I have no debt.



Cash flow

My cash flow ensures smooth operations and provides ample room for growth and investment.

- 1 - Strongly disagree:** I don't have a clear understanding of my cash flow, and it's impacting my business operations.
- 2 - Disagree:** I'm aware of my cash flow, but it doesn't consistently support smooth operations or growth.
- 3 - Neutral:** My cash flow covers basic operations, but it doesn't fully support significant growth opportunities.
- 4 - Agree:** My cash flow effectively supports day-to-day operations and allows for some growth.
- 5 - Strongly agree:** My cash flow ensures smooth operations and provides ample room for growth and investment.

Here's a reminder of the statements about each part of the Financial Reality check and what each score means. Take a moment to reflect on the scores you gave yourself on the platform. Do they still feel right to you? Review the statements again and if anything has changed, feel free to adjust your scores.



Passive income

My passive income streams provide financial support, giving me the flexibility to grow my business, enjoy personal time, and contribute to long-term wealth.

- 1. Strongly Disagree:** I don't have any passive income streams supporting my business or personal financial stability.
- 2. Disagree:** I'm exploring ways to generate passive income, but I haven't yet developed streams that meaningfully support my financial goals.
- 3 Neutral:** I have some passive income streams that provide limited support, but they aren't yet significant contributors to my overall financial stability.
- 4. Agree:** I have a few passive income streams that contribute to my financial stability and allow me to focus more on growing my business.
- 5. Strongly Agree:** My passive income streams provide consistent financial support, giving me the flexibility to grow my business, enjoy personal time, and contribute to long-term wealth.

On the next page, you can find the overview of the seven parts of the Financial Reality Check in which you can visualise the scores you just reflected on.

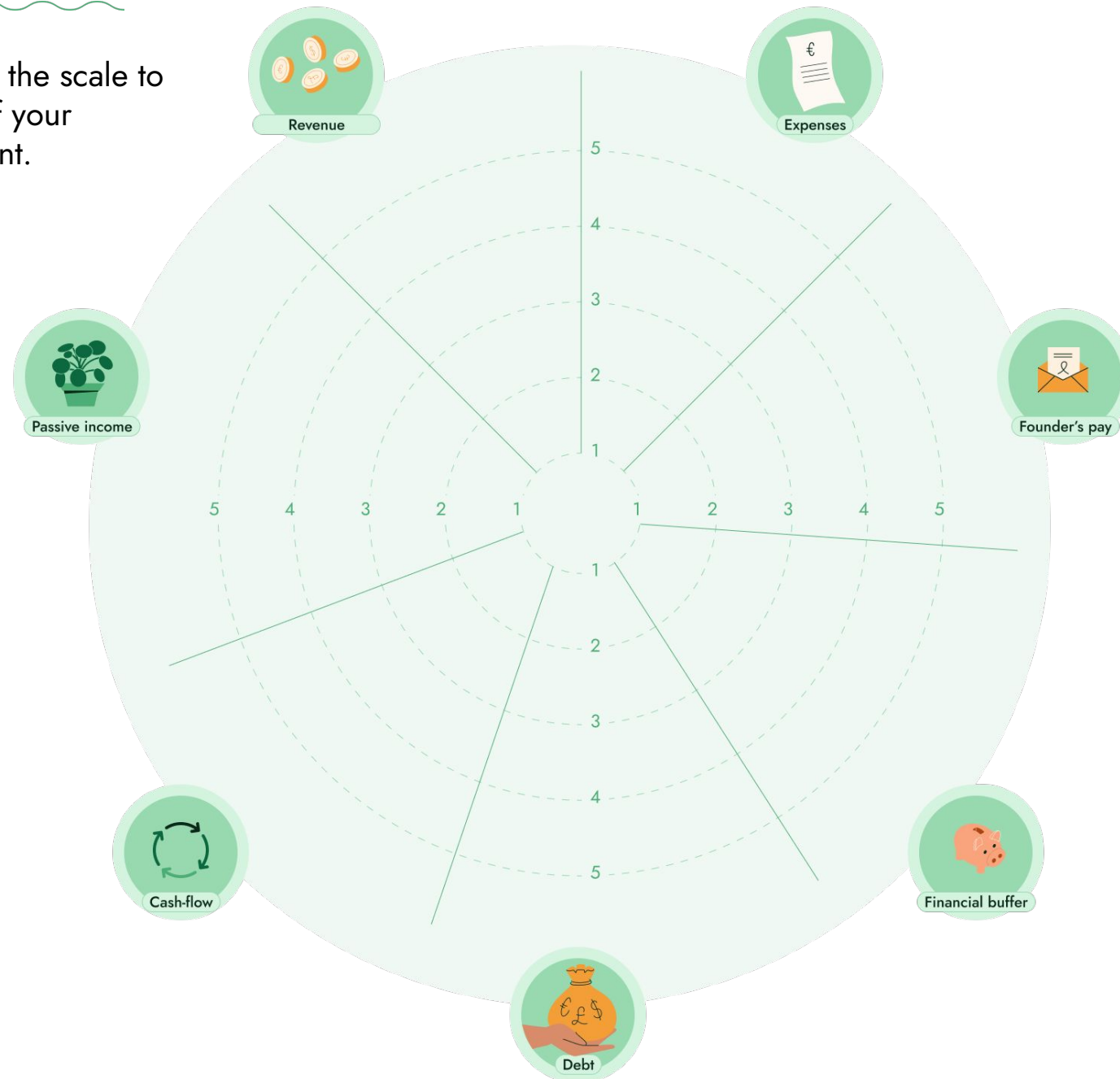
When you place the green kites on the scale you'll have a visual overview of your financial starting point. In Part 2, you'll build on this by reflecting on your progress and beginning to define your next steps.

Now, grab your scores and map out your financial starting point.



Your Financial Reality Check, Part 1: Financial starting point

Mark your scores on the scale to make an overview of your financial starting point.



Remember to grab the scores you gave yourself for each of the seven parts of the Financial Reality Check.

Well done!



Congratulations! You've successfully created your financial starting point.

