EMPOWERING SMALL BUSINESSES TO EVOLVE THROUGH THEIR FINANCIAL STORY

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Overview

• Let’s play a game!
• My FINstory: A journey to FINfreedom
• How we measure financial success in our personal life
• How we measure financial success in our corporate life
• Why we end up living pay check to pay check
• How do we fix it and turn savings/profit into a habit
Game Time!
Personal Journey to FINfreedom

• My mum taught me the pay yourself first concept
  – 10% of my salary straight to Credit Union
• Later in life I read books like:
  – Richest Man in Babylon (10% : 20% : 70%)
  – Automatic Millionaire (compounding interest)
  – Profit First when I founded my company
“Money can't buy happiness” but financial freedom can!
How do we measure financial success in our personal life?
Scenario: Salary Increase

VS.

<table>
<thead>
<tr>
<th>SALARY</th>
<th>$15,000.00</th>
<th>$10,000.00</th>
</tr>
</thead>
</table>

| SALARY | $2,500.00 | $2,000.00 |
Scenario: Salary Increase
How do we measure financial success in our corporate life?
Scenario: Income Increase

<table>
<thead>
<tr>
<th>INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 60,000.00</td>
<td>$ 50,000.00</td>
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</table>

VS.

<table>
<thead>
<tr>
<th>INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 25,000.00</td>
<td>$ 20,000.00</td>
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</table>
Scenario: Income Increase
Who do you relate to the most?
It’s ok, most live pay check to pay check but we can fix it!
Why does this happen?

Short answer: we’re human

Long answer: cognitive science
How do we fix it?

Short answer: leverage that we’re human

Long answer: flip the cognitive science
Why does this happen?

We assume the way we experience the world is how others experience it.

Thinking of ourselves critically 90% of the time

= Others thinking of us critically 90% of the time
How do we fix it?

Realize it’s the opposite
No one cares
This is a GOOD thing!

Others are really thinking of THEMSELVES critically 90% of the time
Why does this happen?

We’ve always been taught:

Income – Expenses = Profit or Savings
How do we fix it?

Flip the equation and take our profit first!

Income – Profit or Savings = Expenses
Why does this happen?

Parkinson’s Law:
Our use of something expands to what’s available, our bank balance in this instance
How do we fix it?

Leverage Parkinson’s Law:
Limit what’s available and make do with what you’ve got!
How do we fix it?

Leverage Parkinson’s Law:
Break out your bank account into smaller “plates”
Profit First Book & Resources

http://www.mikemichalowicz.com/resources/

• Profit First Overview
• Profit First FAQs
• Profit First Instant Assessment
• Profit First Handout
Sneak Peek at things to come from FINdetail
How to pumpkin plan your business
And find your blue-ribbon winning seed to success
Identify your ideal market wave, get in the pocket, and ride it for all it’s worth
How to read FINancial Statements like a BOSS
Melanie McTaggart | Founder & Managing Director
Melanie has in depth experience in the asset management industry both as a Chief Financial Officer of an Investment Manager to a traditional master-feeder hedge fund structure and as an auditor with Ernst & Young, working in their New York City and Cayman Islands offices. She graduated summa cum laude from the University of Pennsylvania (Wharton School of Business) obtaining a Bachelor of Science in Economics with concentrations in Accounting, Finance and Legal Studies & Business Ethics. She obtained a Master of Professional Accounting from The University of Texas at Austin (McCombs School of Business) with a GPA of 3.97. She is a licensed Certified Public Accountant in the State of New York. Melanie has also passed Level I of the CFA. She is a QuickBooks Online Advanced Certified ProAdvisor. Melanie is a Profit First Professional, working along side the author and creator of the Profit First System and his team. Melanie is also a member of the Cayman Islands Institute of Professional Accountants where she serves on Training Committee, Careers and Mentoring Committee, and the Accountants in Business Committee. Melanie is also a member of the Cayman Islands Chamber of Commerce and the Cayman Islands Marketing Professionals Association.

“I am on a mission to eliminate the pay check to pay check life style and bring my clients the financial freedom they deserve!”
- Melanie McTaggart