



STARTING AND GROWING MY BUSINESS

FOR SELF-RELIANCE



MESSAGE FROM THE FIRST PRESIDENCY

Dear Brothers and Sisters:

The Lord has declared, “It is my purpose to provide for my saints” (D&C 104:15). This revelation is a promise from the Lord that He will provide temporal blessings and open the door of self-reliance, which is the ability for us to provide the necessities of life for ourselves and our family members.

This workbook has been prepared to help members of the Church learn and put into practice principles of faith, education, hard work, and trust in the Lord. Accepting and living these principles will better enable you to receive the temporal blessings promised by the Lord.

We invite you to diligently study and apply these principles and teach them to your family members. As you do so, your life will be blessed. You will learn how to act on your path toward greater self-reliance. You will be blessed with greater hope, peace, and progress.

Please be assured that you are a child of our Father in Heaven. He loves you and will never forsake you. He knows you and is ready to extend to you the spiritual and temporal blessings of self-reliance.

Sincerely,

The First Presidency

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Throughout these materials, you will meet fictional characters who are trying to make decisions as they seek to become self-reliant.



EVALUATING MY EFFORTS

This chart will help you track your progress. You will have the opportunity to fill it out during the “Report” part of each week’s group meeting.

INSTRUCTIONS: Evaluate your effort to keep the commitments you make each week. Share your evaluation with your action partner. Ponder ways you can continue to improve as you practice forming these important habits.

KEY: ● Minimal Effort
● Moderate Effort
● Significant Effort

	Ⓐ “My Foundation” Commitments		Ⓑ Business Development Commitments	
Example	<i>Repent and be obedient</i>	● ● ●	<i>Use an income and expense log daily</i>	● ● ●
Week 1	Self-reliance is a principle of salvation	● ● ●	Participate in the Paper Clip Challenge	● ● ●
Week 2	Exercise faith in Jesus Christ	● ● ●	Create a list of five unmet customer needs	● ● ●
Week 3	Manage money	● ● ●	Have conversations with at least five potential customers	● ● ●
Week 4	Repent and be obedient	● ● ●	Participate in the Make-A-Sale Challenge	● ● ●
Week 5	Use time wisely	● ● ●	Experiment with new ways to engage and listen to my customers	● ● ●
Week 6	Work: take responsibility and persevere	● ● ●	Use a revenue and expense log for my business or for a fictitious business	● ● ●
Week 7	Solve problems	● ● ●	Pay myself a wage and keep my business and personal money separate	● ● ●
Week 8	Become one, serve together	● ● ●	Write a list of potential cash flow challenges my business may face	● ● ●
Week 9	Seek learning	● ● ●	Create a plan to grow my business	● ● ●
Week 10	Show integrity	● ● ●	Talk with identified people to explore financing options	● ● ●
Week 11	Communicate: petition and listen	● ● ●	Research the legal and regulatory requirements for my business	● ● ●
Week 12	Receive temple ordinances	● ● ●	Write a list of ideas for moving my business forward	● ● ●

Key Business Skills

<p style="text-align: center;">©</p> <p style="text-align: center;">Business Operations Commitments</p>	<p style="text-align: center;">D</p> <p style="text-align: center;">“Ponder” Commitments</p>	<p style="text-align: center;">E</p> <p style="text-align: center;">Action Partner Commitments</p>	Talk with Customers (days)	Write in Business Notebook (days)	Sell (days)	Record Financial Details (days)
<i>Create a plan to cut my business costs</i> ● ● ●	● ● ●	● ● ●	6	4	5	5
Begin writing in my business notebook daily ● ● ●	● ● ●	● ● ●			NA	NA
Create a list of competitive advantages for five businesses ● ● ●	● ● ●	● ● ●			NA	NA
Fill out the assigned section of my Personal Business Planner ● ● ●	● ● ●	● ● ●			NA	NA
Fill out the “Find” section of my Personal Business Planner ● ● ●	● ● ●	● ● ●				NA
Fill out the “Keep” section of my Personal Business Planner ● ● ●	● ● ●	● ● ●				NA
Create an income statement for my business or for a fictitious business ● ● ●	● ● ●	● ● ●				
Keep separate records for my business and personal money ● ● ●	● ● ●	● ● ●				
Write a plan to address the cash flow challenges my business may face ● ● ●	● ● ●	● ● ●				
Create a plan to cut my business costs ● ● ●	● ● ●	● ● ●				
Learn more about potential financing options for my business ● ● ●	● ● ●	● ● ●				
Prepare and practice delivering my business presentation ● ● ●	● ● ●	● ● ●				
Refine my Personal Business Planner based on presentation feedback ● ● ●	● ● ●	● ● ●				

FOR FACILITATORS

Thank you for facilitating a self-reliance group. The group should function as a council with the Holy Ghost as the teacher. Your role is to help each person feel comfortable sharing ideas, successes, and failures.

DO'S	DON'TS
<p>BEFORE EACH MEETING</p> <ul style="list-style-type: none"> ○ Download videos at srs.lds.org/videos. ○ Check that video equipment works. ○ Review the chapter briefly. ○ Prepare yourself spiritually. <p>DURING EACH MEETING</p> <ul style="list-style-type: none"> ○ Start and end on time. ○ Ensure that everyone reports, even those who arrive late. ○ Choose a timekeeper. ○ Encourage everyone to participate. ○ Be a group member. Make, keep, and report your commitments. ○ Have fun and celebrate success. ○ Trust and follow the workbook. <p>AFTER EACH MEETING</p> <ul style="list-style-type: none"> ○ Contact and encourage members during the week. ○ Evaluate yourself using the “Facilitator Self-Assessment” (page v). 	<ul style="list-style-type: none"> ○ Prepare a lesson. ○ Cancel meetings. If you cannot attend, please ask a group member to facilitate for you. ○ Teach or act as the expert. ○ Speak more than others. ○ Answer every question. ○ Be the center of attention. ○ Sit at the head of the table. ○ Stand up to facilitate. ○ Skip the “Ponder” section. ○ Give your opinion after each comment. ○ Forget to update the stake self-reliance specialist on the group’s progress.

IMPORTANT: REPORT AND IMPROVE

- Complete the Group Registration Form at your first meeting and the End of Group Report and Certificate Request Form at your last meeting. Visit srs.lds.org/report.
- Review *Facilitating a Group* at srs.lds.org/facilitator.

FACILITATOR SELF-ASSESSMENT

After each group meeting, review the statements below. How well are you doing?

HOW AM I DOING AS A FACILITATOR?	Never	Some-times	Often	Always
1. I contact group members during the week.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I share my excitement and love for each group member.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I help ensure that every group member reports on his or her commitments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I talk less than other group members. I try to help everyone participate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I let group members answer questions instead of answering them myself.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I stay within the recommended time for each section and activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. I make time for the "Ponder" section so the Holy Ghost can guide group members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I follow the workbook as written and complete all sections and activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOW IS MY GROUP DOING?	Never	Some-times	Often	Always
1. Group members love, encourage, and serve each other.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Group members keep their commitments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Group members are achieving both temporal and spiritual results.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Action partners contact and encourage each other during the week.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>





1

MY READINESS FOR BUSINESS SUCCESS

“MY FOUNDATION” PRINCIPLE

- Self-Reliance Is a Principle of Salvation

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Acting on Correct Principles
2. Why Do I Want to Start or Grow a Business?
3. Assessing My Personal Readiness for Business Ownership
4. Business Skills I Will Develop in This Course
5. What We Will Learn and Do as a Group
6. Organizing My Business Planning—The Personal Business Planner
7. Practice Daily and Keep Commitments

GETTING STARTED—Maximum Time: 20 Minutes (pages 2–3)

Have an opening prayer.

Introduce yourselves. Each of you take one minute to share your name and something about you.

WELCOME TO OUR SELF-RELIANCE GROUP!

Read: We will work together as a group to help each other start and grow our businesses. We also have a larger goal: to become more self-reliant so we can better serve others.

HOW DOES THIS WORK?

Read: Self-reliance groups function like a council. There is no teacher or expert. Instead, we follow the materials as they are written. With the guidance of the Spirit, we will help each other as follows:

- Contribute equally to discussions and activities. No one, especially the facilitator, should dominate the conversation.
- Love and support each other. Show interest, ask questions, and learn about each other. Show respect for feelings, creating a safe environment where everyone feels comfortable sharing.
- Keep ideas confidential.
- Share positive and relevant comments.
- Make and keep commitments.

Elder M. Russell Ballard taught, “There is no problem in the family, ward, or stake that cannot be solved if we look for solutions in the Lord’s way by counseling—really counseling—with one another” (*Counseling with Our Councils*, rev. ed. [2012], 4).

Watch: “My Self-Reliance Group,” available at srs.lds.org/videos.

Discuss: What have you learned from other councils that will help ensure that we have an effective group?

WITHOUT A TEACHER, HOW WILL WE KNOW WHAT TO DO?

Read: It's easy. *Simply follow the materials.* There are six steps to each chapter in your workbook:

Report: Discuss the progress you made during the week on your commitments.

My Foundation: Review a gospel principle that will lead to greater spiritual self-reliance.

Learn: Learn practical skills that will lead to greater temporal self-reliance.

Ponder: Listen for the Holy Ghost to offer inspiration.

Commit: Promise to act on commitments during the week that will help you progress.

Act: Practice what you learned.

HOW TO USE THIS WORKBOOK

WHEN YOU SEE THESE PROMPTS, FOLLOW THESE DIRECTIONS:				
Read	Watch	Discuss	Ponder	Activity
One person reads aloud for the whole group.	The whole group watches the video.	Group members share thoughts for two to four minutes.	Individuals quietly consider, meditate, and write.	Group members work individually or with others for the specified time.

Note

- The facilitator and the designated timekeeper are responsible to help the group stay within the recommended time for each section or activity.
- Be sure to make time for the "Ponder" section toward the end of each chapter. As group members ponder during this time, they can seek and receive guidance from the Holy Ghost.



MY FOUNDATION: SELF-RELIANCE IS A PRINCIPLE OF SALVATION—Maximum Time: 20 Minutes (pages 4–5)

Ponder: John 10:10 (on the right).

Discuss: What is an abundant life?

Watch: “He Polished My Toe,” available at srs.lds.org/videos.
(No video? Read page 5.)

Discuss: Do you believe there are solutions to your problems?
How can we qualify for the Lord’s power to assist us?

Read: The *Handbook 2* reference and the quote by Elder Dallin H. Oaks (on the right).

Being self-reliant does not mean that we can do or obtain anything we set our mind to. Rather, it is believing that through the grace, or enabling power, of Jesus Christ and our own effort, we can obtain all the spiritual and temporal necessities of life that we require for ourselves and our families. Self-reliance is evidence of our trust or faith in God’s power to move mountains in our lives and to give us strength to triumph over trials and afflictions.

Discuss: How has Christ’s grace helped you obtain the spiritual and temporal necessities of life?

ACTIVITY (5 minutes)

Step 1: Choose a partner and read each principle below.

DOCTRINAL PRINCIPLES OF SELF-RELIANCE	
1. Self-reliance is a commandment.	“The Church and its members are commanded by the Lord to be self-reliant and independent” (<i>Teachings of Presidents of the Church: Spencer W. Kimball</i> [2006], 116).
2. God can and will provide a way for His righteous children to become self-reliant.	“And it is my purpose to provide for my saints, for all things are mine” (D&C 104:15).
3. The temporal and spiritual are one to God.	“Wherefore, verily I say unto you that all things unto me are spiritual” (D&C 29:34).

Step 2: With your partner, discuss why believing these truths can help you become more self-reliant.

JOHN 10:10

“I am come that they might have life, and that they might have it more abundantly.”

HANDBOOK 2: ADMINISTERING THE CHURCH

“Self-reliance is the ability, commitment, and effort to provide the spiritual and temporal necessities of life for self and family. As members become self-reliant, they are also better able to serve and care for others.”

(2010), 6.1.1

ELDER DALLIN H. OAKS

“Whatever causes us to be dependent on someone else for decisions or resources we could provide for ourselves weakens us spiritually and retards our growth toward what the gospel plan intends us to be.”

*“Repentance and Change,” *Ensign* or *Liahona*, Nov. 2003, 40*

Discuss: Read President Marion G. Romney's quote (on the right). How do you know if you are becoming more self-reliant?

Commit: Commit to do the following actions during the week. Check the box when you complete each commitment.

- Read the First Presidency letter on the inside of the front cover and underline the promised blessings. What must you do to obtain them? Write your thoughts below.

- Share what you've learned today about self-reliance with your family or friends.

HE POLISHED MY TOE

If you are unable to watch the video, choose a group member to read the following script.



ELDER ENRIQUE R. FALABELLA:

When I was growing up, we didn't have much. I remember one day when I approached my father and said to him, "Papa, I need a new pair of shoes. These ones are already worn out." He stopped and looked at my shoes and saw they were really worn out. He said, "I think this is something we can fix." He took a bit of black polish and polished my shoes, leaving them shiny and nice. He said to me, "Now they're fixed, son." I replied, "No, not yet. You can still see my toe sticking out of my shoe." He said, "Well, we can fix that too!" He took a little more polish and he polished my toe!

That day I learned that there is a solution to every problem. I am convinced that this principle of self-reliance and this initiative is a way to hasten the Lord's work. It's part of the work of salvation.

All of us can become better than what we are now. You have to let go of apathy. Many times we become complacent, and this destroys our progress. Every day is a day I can make progress if I decide to do something different to improve what I've done poorly in the past. If you do it with faith, exercising faith and hope in Christ that He will be there helping you, you will find the way to make progress in temporal and spiritual things. This is because God lives and you are His son or daughter.

Back to page 4.

**PRESIDENT
MARION G. ROMNEY**

"Without self-reliance one cannot exercise these innate desires to serve. How can we give if there is nothing there? Food for the hungry cannot come from empty shelves. Money to assist the needy cannot come from an empty purse. Support and understanding cannot come from the emotionally starved. Teaching cannot come from the unlearned. And most important of all, spiritual guidance cannot come from the spiritually weak."

"The Celestial Nature of Self-Reliance," Ensign, Nov. 1982, 93



LEARN—Maximum Time: 55 Minutes (pages 6–13)

1. ACTING ON CORRECT PRINCIPLES

Read: Many principles contribute to business success. Some of these are listed below:

- **Vision:** “Where there is no vision, the people perish” (Proverbs 29:18).
- **Work:** “Be anxiously engaged in a good cause, . . . for the power is in them, wherein they are agents unto themselves” (D&C 58:27–28).
- **Inspiration:** “Cry unto [God] over the crops of your fields, that ye may prosper in them. Cry over the flocks of your fields, that they may increase” (Alma 34:24–25).
- **Persistence:** “We will not go . . . until we have accomplished the thing” (1 Nephi 3:15).
- **Accountability:** “Well done, thou good and faithful servant: thou hast been faithful over a few things, I will make thee ruler over many things” (Matthew 25:21; see verses 14–30).
- **Abundance mentality:** “The earth is full, and there is enough and to spare” (D&C 104:17).
- **Time management:** “Your time is valuable” (Thomas S. Monson, “Guideposts for Life’s Journey” [Brigham Young University devotional, Nov. 13, 2007], 1, speeches.byu.edu).
- **The power of small and simple things:** “By small and simple things are great things brought to pass” (Alma 37:6).
- **Commitment:** “Which of you . . . sitteth not down first, and counteth the cost?” (Luke 14:28; see also verses 29–30).

Discuss: Which of these principles stand out to you as the most applicable as you start or grow your business?

2. WHY DO I WANT TO START OR GROW A BUSINESS?

Read: There are many valid reasons why you might start or grow a business:

- Ownership
- Additional income
- Personal passion
- Second career
- Challenge of the experience
- Necessity (few or no employment options)
- Personal freedom and control
- Greater financial security

There are a variety of paths you might take with your business. The following examples show how a few people did it.



Sam started a side business to supplement other household income.



Carlos expanded a family business that provided full-time employment for himself and others.



Lara developed a side business while employed; she worked in the evenings and eventually left employment to focus full time on her growing business.



Naomi decided that the timing isn't right to start a business now, but she is interested in starting one in the future.

ACTIVITY (5 minutes)

Individually consider the following questions and write responses:

1. What is your purpose for wanting to start or grow a business?

2. What impact could this effort have on you or your family's quality of life?

3. Are you wanting a full-time or part-time business? Why?

4. How much money do you hope to earn with your business?

Read: We have been blessed with resources such as time, energy, and money. We decide every day how we will allocate these resources among family, work, service, and other interests.

Owning a business creates benefits, but these benefits often come with costs. We each should seek inspiration and use our agency to determine how we use our resources for our family and life.

ACTIVITY (5 minutes)

Divide into groups of three. Each of you take one minute to share your purpose for wanting to start or grow a business.

3. ASSESSING MY PERSONAL READINESS FOR BUSINESS OWNERSHIP

ACTIVITY (15 minutes)

Step 1: Individually consider and then respond to the following statements, which are intended to help you assess your readiness for business ownership. Answer these statements honestly, since each one represents a key factor of business success. Your responses will help you better understand your strengths, your areas of need, and your overall readiness as a business owner. Circle your response to each statement, with 10 being the strongest.

STATEMENT	
1. I am willing to work hard for long hours over an extended time.	1 2 3 4 5 6 7 8 9 10
2. I am self-driven and self-motivated.	1 2 3 4 5 6 7 8 9 10
3. I need little direction in my work.	1 2 3 4 5 6 7 8 9 10
4. I have good health and can operate with a high level of energy.	1 2 3 4 5 6 7 8 9 10
5. I am emotionally strong and can deal with rejection, stress, or failure over an extended time.	1 2 3 4 5 6 7 8 9 10
6. I am willing to take full responsibility for my business successes or failures.	1 2 3 4 5 6 7 8 9 10
7. I have worked in a business like the one I plan to start.	1 2 3 4 5 6 7 8 9 10
8. I understand how to manage a business effectively.	1 2 3 4 5 6 7 8 9 10
9. I can function well in ambiguous situations.	1 2 3 4 5 6 7 8 9 10
10. My family will support me emotionally.	1 2 3 4 5 6 7 8 9 10
11. My family will support me financially.	1 2 3 4 5 6 7 8 9 10
12. I have a good network of friends and business associates who can advise me on my business and help me strengthen it.	1 2 3 4 5 6 7 8 9 10
13. I am willing to sacrifice in the short term to achieve long-term rewards.	1 2 3 4 5 6 7 8 9 10
14. I am comfortable making quick decisions when necessary.	1 2 3 4 5 6 7 8 9 10

STATEMENT	
15. I am detail oriented.	1 2 3 4 5 6 7 8 9 10
16. I have experience with keeping organized records.	1 2 3 4 5 6 7 8 9 10
17. I can work effectively with many types of people.	1 2 3 4 5 6 7 8 9 10
18. I am willing to delegate authority and responsibility to others.	1 2 3 4 5 6 7 8 9 10
19. I am an honest and reliable person whom others can trust.	1 2 3 4 5 6 7 8 9 10
20. I am willing to listen to others and accept feedback from them.	1 2 3 4 5 6 7 8 9 10
21. I am persistent and will see my work through until it is successfully completed.	1 2 3 4 5 6 7 8 9 10
22. I am flexible and willing to make frequent changes to improve my business.	1 2 3 4 5 6 7 8 9 10
23. I am willing to take calculated risks.	1 2 3 4 5 6 7 8 9 10
24. I am a positive person with an optimistic outlook.	1 2 3 4 5 6 7 8 9 10

Step 2: Divide into pairs and discuss the following questions, based on your responses to the statements above:

- Which strengths will serve you best as you start or grow a business? Why?
- Which areas need further development? How will you make improvements?
- Based on your answers, how prepared are you to start a business?

4. BUSINESS SKILLS I WILL DEVELOP IN THIS COURSE

Read: One purpose of this course is to help you develop the habits of a successful business owner. Successful business owners are observant, curious, and eager to learn new ideas every day. They recognize that their business opportunity is a work in progress. They understand that they will have to make many refinements to their business simply to have a successful start.

To become this kind of business owner, you will need to exercise faith and get outside of your comfort zone. You will have to get out of your home or office and frequently talk with potential customers

about their needs and preferences. You will need to seek new information and feedback that will help you improve your business. Business owners who are unwilling to engage with their customers, continually learn, and make changes to their business will find it difficult to succeed in the long term.

As we work to start or grow our businesses, we will encourage each other to think and act like successful business owners. Many of the weekly commitments that we will complete outside of our group meetings will help us develop the habits we will need to be successful.

Each week we will practice the following:

1. **Observe and talk with customers:** to gather ideas, understand customers' needs, test and adjust our business ideas, and gather feedback.
2. **Write down our thoughts:** to note observations, ideas from others, and impressions from the Holy Ghost.
3. **Sell:** to learn to listen to the needs of others and identify appropriate solutions.
4. **Record financial details of our businesses:** to track the key success factors of our businesses and to project the future.

This week you will be challenged to practice these skills and report to the group. You will also begin talking with potential customers. You will report your results next week.

5. WHAT WE WILL LEARN AND DO AS A GROUP

Read: We will work together to help each other start and grow our businesses. Our larger goal is to become self-reliant. When we can take care of ourselves, it's easier to help other people.

During the next 12 weeks, we will work through the following chapters together:

CHAPTER 1—My Readiness for Business Success

CHAPTER 2—Solving Unmet Customer Needs

CHAPTER 3—Ensuring That I Have a Profitable Business

CHAPTER 4—Finding Customers

CHAPTER 5—Keeping Customers

CHAPTER 6—Managing the Profitability of My Business

CHAPTER 7—Keeping Separate My Business and Personal Money

CHAPTER 8—Managing the Cash Flow of My Business

CHAPTER 9—Growing My Business

CHAPTER 10—Financing My Business

CHAPTER 11—Continually Improving My Business

CHAPTER 12—Presenting My Business

6. ORGANIZING MY BUSINESS PLANNING— THE PERSONAL BUSINESS PLANNER

Read: Some people make the mistake of trying to build their businesses around their assumptions or a “gut feeling” that their ideas will work. These businesses do not usually succeed. This course will encourage you to observe and engage with customers every week and to refine your ideas according to what you learn. We will learn to “organize . . . every needful thing” and to continually improve our businesses and other aspects of our lives (D&C 88:119).

In this group, you will be using a Personal Business Planner to gradually build a plan for your business. The planner will help you organize details and evaluate the viability of your business

opportunity. **Your planner will also be useful when you present your business to the group in week 12.** After you have finished the course, it will help you continue your plan to grow your business.

The details of your business plan should be tentative at first, since they will change as you learn more by talking to customers, suppliers, and other business owners. Use a pencil when writing in your Personal Business Planner, since you will want to make updates as you refine your business. Turn to pages 224–225 to see the Personal Business Planner that you will be using.

7. PRACTICE DAILY AND KEEP COMMITMENTS

Watch: “Keeping Commitments Leads to Growth,” available at srs.lds.org/ videos. (No video? Read pages 19–20.)



Discuss: How can we help each other practice skills and keep commitments?

CERTIFICATE OF COMPLETION

Read: Group members who attend meetings and keep their commitments may receive a self-reliance certificate from LDS Business College. See page 219.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“Counsel with the Lord in all thy doings, and he will direct thee for good” (Alma 37:37).

Based on what you’ve learned today, what change do you feel impressed to make that will help you become a better business owner?

What action will you take this week to realize the change you identified above?

ACTION PARTNERS

Maximum Time: 10 Minutes (pages 15–16)

Read: With the help of others, you can accomplish great things. For example, missionaries have companions for support. In our groups, we have “action partners.” Each week we will choose and work with an action partner. Action partners help each other keep commitments by:

- Calling, texting, or visiting each other during the week.
- Talking about what we learned in the group meeting.
- Encouraging each other to keep commitments.
- Counseling together about challenges.
- Praying for each other.

Discuss: How has someone helped you accomplish something difficult?

Read: Being an action partner is not hard or time consuming. Some partners call each other, some meet in person, and some text each other. To start the conversation, you could ask:

- What did you like about our last group meeting?
- What good things have happened to you this week as you’ve worked to keep your commitments?
- How have you used the “My Foundation” principle this week?

The most important part of the discussion will be helping each other keep commitments. You could ask:

- How are you doing with your commitments?
- If you haven’t kept some of them, do you need help?
- How can I best support your efforts?

ACTIVITY (5 minutes)

Step 1: Choose someone in the group to be your action partner for this coming week. Generally, action partners are the same gender and are not family members. You may change partners each week.

Action partner's name

Contact information

Step 2: Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



COMMIT—Maximum Time: 10 Minutes (pages 17–18)

BUSINESS NOTEBOOK

Read: Your business will need more refinement than you can imagine. A key part of refining your business is to write down your ideas, observations, and spiritual impressions each day. This week, begin using a blank notebook or an electronic device to record your thoughts and ideas. This is your business notebook. Next week you will be asked to report on how many days you wrote in your notebook. Bring it to the group meeting each week.

PAPER CLIP CHALLENGE

Read: Business owners discipline themselves to reach out to new people every day. Making these contacts is essential to the success of your business. As you extend yourself and talk to more people, doors will open that you wouldn't expect. This week, begin having daily conversations with new people.

The activity below will help you engage with others, even if it's difficult at first. Next week you will be asked to report how many days you had conversations with people. As you start a business, it's critical that you develop confidence in your ability to build relationships, encourage and persuade others, and gain agreement on mutually beneficial solutions.

ACTIVITY (during the week)

When you go home, find a paper clip (or another small item of small value like a pushpin or rubber band) to use for this activity. Start by trading your paper clip (or the small item you selected) with someone for an object that has more value. Continue making trades with people to exchange your object for something of even greater worth. Make trades with people both inside and outside of your family. Next week, report back to the group on your trading experience and present the object you ultimately earned.

Each week we make commitments. When we meet next week, we will begin by reporting on our commitments. Turn to pages ii–iii (at the front of the workbook) to review where you will be tracking your commitments.

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- Ⓐ I will keep the “My Foundation” commitments for this week:
 - Read the First Presidency letter on the inside of the front cover, underline the promised blessings, and write what I must do to obtain them.
 - Share what I’ve learned today about self-reliance with my family or friends.

 - Ⓑ I will participate in the Paper Clip Challenge and report on my experience next week.

 - Ⓒ I will begin writing in my business notebook each day and bring it to our next meeting.

 - Ⓓ I will review my “Ponder” page and keep the commitments (see page 14).

 - Ⓔ I will contact and support my action partner.
-

Remember that next week, you will be asked to report the number of days that you talked with customers and wrote in your business notebook (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.



RESOURCES

KEEPING COMMITMENTS LEADS TO GROWTH

Choose narrators and read the following:

Narrator 1: We believe in making and keeping commitments.

These acts of faith are like stepping-stones for our progress as individuals and as families. For that reason, everything we do in our self-reliance groups is built around making and keeping commitments and reporting our results.

Narrator 2: We make at least three types of commitments each week. First, we practice foundational principles and habits and teach these to our families. Next, we act to complete business development and business operations commitments that help us develop new skills to grow and maintain our businesses. Before we leave each group meeting, we review our business commitments for the week and add our signature to our workbook to show our commitment. We also ask someone in the group to be our action partner for the week. This person signs our workbook to pledge his or her support. A couple of times a week, or more if needed, we will contact our action partner to report our actions and get his or her input and support.

Narrator 3: When contacting your action partner, make sure to set aside enough time to really listen and give some serious thought to your feedback. If you need extra help, you can call on your family, friends, or group facilitator. At our next meeting, we will begin by reporting on our commitments. This should be a comfortable, positive experience where everyone feels heard and encouraged.

Narrator 4: We will all have tough days or even weeks. We may temporarily fail with a commitment or face a setback. That's to be expected. Remember that every failure is valuable. So, learn from your experiences and use that knowledge to improve your business plan and keep moving forward.

Read the three quotations below and consider how these people were helped by keeping commitments and reporting.

Rebecca: “Keeping commitments helped lead me to new ideas and identify new opportunities for my business. Taking the steps each week to talk to vendors, other professionals in my field, and group members helped motivate me to keep moving forward. I also found that I could see God’s hand more clearly in my life as I prayerfully included Him in my plans and asked for His help. I felt I was enabling Him to help me by working hard to follow through on my commitments.”

Pete: “Having an action partner kept me focused on the weekly commitments ahead. It kept me on track. It was helpful to have a person who could serve as a sounding board and help me refine my ideas. I was also able to offer ideas to my partner that were outside of his knowledge base and that really helped him move forward with his ideas.”

Jackie: “I thought self-reliance was something to learn on my own—until I became part of a self-reliance group. Every week I had a safe place to report my success and failure, to set goals and experiment with new ideas, and to redefine my business purpose. My group helped me expand opportunities to grow my business more than I had learned on my own.”

Elder Marvin J. Ashton: “True happiness is not made in getting something. True happiness is becoming something. This can be done by being committed to lofty goals. We cannot become something without commitment” (“The Word Is Commitment,” *Ensign*, Nov. 1983, 61).

President Thomas S. Monson: “I have been thinking recently about choices. It has been said that the door of history turns on small hinges, and so do people’s lives. The choices we make determine our destiny” (“Choices,” *Ensign* or *Liahona*, May 2016, 86).

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2

SOLVING UNMET CUSTOMER NEEDS

“MY FOUNDATION” PRINCIPLE

- Exercise Faith in Jesus Christ

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Why Do People Buy?
2. Learning How to Identify and Meet Customers' Needs
3. Observing and Taking Advantage of Change
4. Finding My Passion and Drawing on My Experience
5. Does My Business Opportunity Have a Competitive Advantage?



REPORT—Maximum Time: 25 Minutes (pages 22–23)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Participate in the Paper Clip Challenge and report on my experience next week.
- Ⓒ Begin writing in my business notebook each day and bring it to our next meeting.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 14).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below. Note that “Sell” and “Record Financial Details” are skills we will begin practicing after later chapters.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS		Key Business Skills						
Ⓐ	Ⓑ	Ⓒ	Ⓓ	Ⓔ	Ⓕ	Ⓖ	Ⓗ	Ⓙ
My Foundation Commitments	Business Development Commitments	Business Operations Commitments	"No-Deal" Commitments	Action Partner Commitments	My Foundation Commitments	Business Development Commitments	Business Operations Commitments	"No-Deal" Commitments
Example Report and be credible	Use an invoice and expense log daily	Create a plan to grow my business						
Week 1 Solicit a large number of referrals	Participate in the Paper Clip Challenge	Begin writing in my business notebook daily						
Week 2 Exercise faith in my plan	Create a list of potential customers	Create a list of competitive challenges for my business						
Week 3 Manage money	Have conversations with at least five potential customers	Fill out the assigned section of my Personal Business Plan						
Week 4 Report and be credible	Participate in the Make-A-Sale Challenge	Fill out the third section of my Personal Business Plan						
Week 5 Use time wisely	Equip myself with ways to attract and identify my customers	Fill out the fourth section of my Personal Business Plan						
Week 6 Work, save, and report	Use a revenue and expense log for my business or for a fictitious business	Create an income statement for my business or for a fictitious business						
Week 7 Solve problems	Pay myself a wage and keep my business and personal money separate	Keep separate records for my business and personal money						
Week 8 Be open, share, and listen	Write a list of potential sales that challenge my business that face	Write a plan to address the cash flow challenges my business may face						
Week 9 Seek learning	Create a plan to grow my business	Close a plan to cut my business costs						
Week 10 Show integrity	Ask with identified people to receive financing offers	Learn more about potential financing options for my business						
Week 11 Communicate before and listen	Research the legal and regulatory requirements for my business	Prepare and practice delivering my business presentation						
Week 12 Review weekly outcomes	Review a list of ideas for meeting my Business Forward	Reflect on my Personal Business Plan based on peer review feedback						

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What was your experience with the Paper Clip Challenge? What lessons did you learn from this experience?
 - How is working with an action partner helping you?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: EXERCISE FAITH IN JESUS CHRIST—Maximum Time: 20 Minutes (pages 24–25)

Ponder: How does my faith in Jesus Christ affect my self-reliance?

Watch: “Exercise Faith in Jesus Christ,” available at srs.lds.org/videos.
(No video? Read page 25.)

Discuss: Why does true faith always lead to action? Why is faith necessary for God to help us temporally and spiritually?

Read: Matthew 6:30 and the quote from the *Lectures on Faith* (on the right).

ACTIVITY (5 minutes)

The path to self-reliance is a journey of faith. The First Presidency and Quorum of the Twelve invite us to make increasing our faith in Heavenly Father and His Son, Jesus Christ, a priority in our lives.

Step 1: As a group, read the prophetic priorities and promises in the box below.

PROPHETIC PRIORITIES AND PROMISES

“Imagine the scope of that statement! The fulness of the earth is promised to those who keep the Sabbath day holy” (Russell M. Nelson, “The Sabbath Is a Delight,” *Ensign* or *Liahona*, May 2015, 130; see also D&C 59:16).

“Spirituality is not stagnant and neither are [sacrament] covenants. Covenants bring not only commitments but they bring spiritual power” (Neil L. Andersen, General Authority training meeting, Apr. 2015).

“I bear witness that [the Book of Mormon] can become a personal ‘Urim and Thummim’ in your life” (Richard G. Scott, “The Power of the Book of Mormon in My Life,” *Ensign*, Oct. 1984, 11).

Step 2: Discuss how faithfully honoring the Sabbath, taking the sacrament, and reading the Book of Mormon will help you become more self-reliant.

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Show your faith this Sunday by keeping the Sabbath day holy and reverently partaking of the sacrament.
- Read from the Book of Mormon every day.
- Read the scriptures on page 25. Choose one and share it with your family or friends.

MATTHEW 6:30

“Wherefore, if God so clothe the grass of the field, which to day is, and to morrow is cast into the oven, shall he not much more clothe you, O ye of little faith?”

LECTURES ON FAITH

“Are not all your exertions of every kind, dependent on your faith? . . . As we receive by faith all temporal blessings that we do receive, so we in like manner receive by faith all spiritual blessings that we do receive. But faith is not only the principle of action, but of power also.”

(1985), 2, 3

EXERCISE FAITH IN JESUS CHRIST

If you are unable to watch the video, choose a group member to read the following script.



ELDER DAVID A. BEDNAR: Taking action is the exercise of faith. The children of Israel are carrying the ark of the covenant. They come to the River Jordan. The promise is they will cross over on dry land. When does the water part? When their feet are wet. They walk into the river—act. Power follows—the water parts.

We oftentimes believe, “I’m going to have this perfect understanding, and then I’m going to transform that into what I do.” I would suggest that we have enough to get started. We have a sense of the right direction. Faith is a principle—the principle—of action and of power. True faith is focused in and on the Lord Jesus Christ and always leads to action.

(See “Seek Learning by Faith” [address to Church Educational System religious educators, Feb. 3, 2006], [lds.org/media-library](https://www.lds.org/media-library))

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SCRIPTURES ABOUT FAITH IN ACTION

Because Daniel would not stop praying, he was thrown into a den of lions, but “God . . . sent his angel, and . . . shut the lions’ mouths, . . . and no manner of hurt was found upon him, because he believed in his God” (Daniel 6:22–23; see also verses 16–21).

The Lord gave Lehi the Liahona to guide his family, and “it did work for them according to their faith in God. . . . [When] they were slothful, and forgot to exercise their faith and diligence . . . they did not progress in their journey” (Alma 37:40–41).

“Bring ye all the tithes into the storehouse . . . and prove me now herewith

. . . if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it” (Malachi 3:10).

During a famine, Elijah asked a widow to give him her last meal. Elijah promised that because of her faith, the Lord would provide food to her, and her food never ran out. (See 1 Kings 17.)

“When the poor and needy seek water, and there is none, and their tongue faileth for thirst, I the Lord will hear them, I the God of Israel will not forsake them” (Isaiah 41:17; see also verse 18).



LEARN—Maximum Time: 70 Minutes (pages 26–32)

1. WHY DO PEOPLE BUY?

Watch: “Why Do People Buy?” available at srs.lds.org/videos. (No video? Read pages 36–37.)



Discuss: What did you learn from this video about why people buy?

2. LEARNING HOW TO IDENTIFY AND MEET CUSTOMERS’ NEEDS

Read: Successful business owners seek to understand and meet the unmet needs of customers. Understanding customer needs is an ongoing journey that requires significant effort, time, and persistence. Your customers’ needs will change over time, so you will continually need to adapt your business to meet them. This is true whether you are considering a new business opportunity or managing an existing business. This section will help you learn how to identify the variety of needs your customers might have.



ACTIVITY (10 minutes)

Step 1: Individually review the following list of business categories. Circle one category that interests you and that has customer needs that you could potentially meet. If none of the categories on this list matches your interests, write your own in the “Other” box.

Accounting services	Food industry	Senior care services
Application development	Hairstyling	Social media services
Automobile services	Insurance	Sports lessons
Catering	Legal services	Translation services
Cleaning services	Moving services	Tutoring
Computer repair	Music lessons	Web design
Custom clothing	Personal fitness	Wedding services
Data analysis	Pet care	Yard care
Event planning	Photography	Other: _____

Step 2: Within the category you selected, write down three needs that people would pay money for. Then write down a business opportunity that would meet that need. For example, if you’re interested in wedding services, some business opportunities that might meet a need include those below.

CUSTOMER NEED	BUSINESS OPPORTUNITY
<i>Wedding invitations that look unique</i>	<i>Calligraphy for custom wedding invitations</i>
<i>Innovative wedding videos</i>	<i>Drones for wedding photography</i>
<i>Difficulty in sending out thank-you cards</i>	<i>A service that sends out genuine thank-you cards for the couple</i>

CUSTOMER NEED	BUSINESS OPPORTUNITY
1.	
2.	
3.	

Step 3: Divide into pairs and share the list of business opportunities that you wrote down.

Read: To have a viable business opportunity, you must meet a need or solve a problem that people are willing to pay for. To determine if people would be willing to pay for your service or product, you need to talk with them about it. By talking with potential customers, you can assess the demand for your service or product and see if it's sufficient to sustain the sales you need for your business to succeed. Customer feedback can also help refine your business idea.

Begin testing your business idea with customers early—before you invest much time or money—to see if there is a market for it. Most business owners have to adjust and refine their ideas and the details behind their business many times before they find the right offering that has the potential to succeed.

If people don't have a strong interest in your service or product and aren't willing to pay for it, even after you refine it, start over with another idea. Don't continue to invest in an idea that doesn't have strong potential for success.

In addition to talking with potential customers to evaluate your business idea, you need to do other research. The Lord has counseled, "Study it out in your mind" (D&C 9:8). If people are willing to pay for your service or product, that's a good start, but you need to keep testing and refining your idea. Study what your competitors are doing. Research information online and read industry publications. Talk to experts who know about the kind of business that you are considering. These efforts will help you understand the business environment and consider potential risks and opportunities. These efforts will also help you develop and refine your business idea based on facts, knowledge, and data.

3. OBSERVING AND TAKING ADVANTAGE OF CHANGE

Read: Change is all around us and is always happening. Many people fear change. However, successful business owners welcome change because it allows them to address unmet needs and solve problems. They are constantly observing and anticipating changes and trends. They act on these opportunities quickly.

Some changes that business owners care about include:

- **Demographic changes.** These are shifts in populations based on gender, age, race, ethnicity, religion, language, income, education, and other factors.
- **Regulatory or government-imposed changes.** These result from laws, regulations, or orders from governments or other authoritative bodies.
- **Technology changes.** These are innovations or inventions that improve efficiency or achieve other benefits.
- **Cultural changes.** These are shifts in a group's values, norms, and beliefs that affect behavior.

ACTIVITY (10 minutes)

Divide into pairs and complete steps 1 and 2.

Step 1: Identify a recent change and write it on the line below.

Example: Increased interest in wellness and personal fitness (cultural change)

Step 2: Identify one business opportunity that would meet a need and take advantage of that change. Write it on the line below.

Example: Extreme race events

Step 3: Come back together as a group. Discuss how observing and taking advantage of change can help you in your business.

4. FINDING MY PASSION AND DRAWING ON MY EXPERIENCE

Read: We have all been given gifts from our Father in Heaven (see D&C 46:11). Successful business owners often pursue businesses that align with their gifts, talents, passions, and interests. Their primary interest is typically not money; instead, it is solving a problem or meeting a need that they care greatly about. These business owners often spend their free time thinking about their business because they care deeply about making positive change. This sense of purpose provides commitment to quality and excellence with the business—and resilience and drive during tough times.

Successful business owners often have experience working in the industry of their business, working in a related industry, or consuming the services or products of the industry. This experience often provides business owners with knowledge of the competition, valuable relationships, and awareness of customers' problems and unmet needs.

Watch: “Unmet Needs,” available at srs.lds.org/videos. (No video? Read pages 37–39.)



ACTIVITY (20 minutes)

Step 1: This activity will help you explore how your passions and skills might lead you to a good business opportunity. With that in mind, individually consider the following five questions and write responses.

- If I had a free day to do something that interested me, how would I spend that day?

- Where can I make the greatest contribution with my talents in serving others in a meaningful way?

o What are three skills I have that I could use to earn money?

o What are three industries or fields where I have significant working experience or deep knowledge and interest?

o What needs or problems exist in these fields that have not been solved?

Step 2: Divide into pairs. Share with your partner a need or problem that you would be passionate about and committed to solve. It may be a need or problem that you have experience with or significant insight into.



Step 3: Based on the conversation you've just had, fill in the lines under "Passions and skills I have" in your Personal Business Planner (page 224). Please write in pencil, since you may want to update this section in the future.

5. DOES MY BUSINESS OPPORTUNITY HAVE A COMPETITIVE ADVANTAGE?

Read: All businesses have competitors, so your business needs to have a competitive advantage to earn a profit and keep customers. To have a competitive advantage, your business needs to be different or better than your competitors. A competitive advantage often provides a barrier to entry that makes it difficult for competitors to copy your service or product.

Watch: "Competitive Advantage," available at srs.lds.org/videos. (No video? Read pages 39–40.)



Discuss: What did you learn from this video about how to discover the competitive advantages you might have?

Read: The following owners built their businesses around three very different competitive advantages.



RELATIONSHIPS

Daniel, an organic food grower, built trusted relationships and is now an exclusive supplier for five restaurants.



INNOVATION

Helena developed and patented a breakthrough technology.



ACCESS

Felix owns property near the river and has limited permits to paddle it.

Discuss: What types of competitive advantages have you observed in local businesses?

ACTIVITY (10 minutes)

Divide into groups of three. Identify and discuss one or two competitive advantages in a business opportunity that you are considering (or in your current business).



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge him, and he shall direct thy paths” (Proverbs 3:5–6).

Unmet Customer Needs

Based on what you’ve learned today, what unmet customer need or problem do you feel impressed to work on for your business opportunity?



Write down the need or problem you’re going to solve under “Customer need or problem I will solve” in your Personal Business Planner (page 224). Please write in pencil, since you may want to update this section as you have conversations and learn more.

Competitive Advantages

What competitive advantages have you identified with your business opportunity?



Write down your competitive advantage under “Evidence that my service or product is different or better” in your Personal Business Planner (page 224).



COMMIT—Maximum Time: 5 Minutes (pages 34–35)

BUSINESS NOTEBOOK

Unmet Customer Needs

Read: As a business owner, it's important for you to be observant and talk to people every day to identify unmet customer needs. Each day this week, record in your business notebook any unmet customer needs you observe. Create a list of your top five unmet customer needs in your business notebook and be prepared to share them with the group next week.

Competitive Advantages

Read: It's also important for you to notice competitive advantages. This week, select five different businesses in your community that interest you and think about the specific competitive advantages they have. Record these advantages in your business notebook and be prepared to share them with the group next week.

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:
- Show my faith this Sunday by keeping the Sabbath day holy and reverently partaking of the sacrament.
 - Read from the Book of Mormon every day.
 - Read the scriptures on page 25. Choose one and share it with my family or friends.
-
- (B)** I will create a list of five unmet customer needs in my business notebook.
-
- (C)** I will create a list of competitive advantages for five different businesses in my business notebook.
-
- (D)** I will review my “Ponder” page and keep the commitments (see page 33).
-
- (E)** I will contact and support my action partner.
-

Remember that next week, you will be asked to report the number of days that you talked with potential customers and wrote in your business notebook (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.



RESOURCES

WHY DO PEOPLE BUY?

Choose two group members to read the following script:

Danielle: I love dogs. And I love to bedazzle! So I thought, why not combine the two things I love into a career!

[Video shows Danielle in a “Doggy Bedazzled” booth holding a small dog with a confused expression. The dog is wearing a rhinestone-covered jacket and collar.]

Solomon: And how did that go?

Danielle: Let’s just say I was barking up the wrong tree.

Solomon: Sounds like you need to do a little market research.

Danielle: That sounds like something I have no idea how to do.

Solomon: Well, think of the people you are trying to sell to. They are your market. From there, it’s just a matter of asking them the right questions.

Danielle: You mean I should ask the dogs if they like being bedazzled?

Solomon: I mean you should ask the dog owners what they want and how much they are willing to pay for it. We all know that dog owners love their dogs, but what are some things they don’t have time for, or what don’t they like that they are willing to pay someone else to do?

Danielle: Well, I know they hate to clean up after their dogs.

Solomon: That’s a start. Why don’t you go out and start asking some questions?

Danielle: OK, how about this question: “What does your dog enjoy?”

Solomon: Yes! Another good question might be, “What’s something you want to give your dog but don’t have time for?”

Danielle: OK, I think I get it.

Solomon: Everybody wants different things. The key to starting a business is finding something that a lot of people want and are willing to pay for. It's simple customer research. Once you know what a lot of people want and are willing to pay for, you can create a business that meets their needs.

[Later after Danielle has started her business.]

Danielle: OK, I asked a lot of questions, and I talked to a lot of dog owners. It turns out that dog owners want someone to love their dogs as much as they do and to take care of them while they are gone. So that's what I built my business around. Oh, and I still ask a lot of questions, like, "What can I do to make you and your dog even happier?"

Solomon: So the unmet need is?

Danielle: Doggy Day Care! Dog lovers want their dogs taken care of when they can't be with them. So I take them for walks, clip their toenails, give them a good wash, teach them tricks . . . and I get paid to do it!

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UNMET NEEDS

Choose two group members to read the following script:

Mark: For 22 years I've been working in communications—front office-type stuff. I took the job because I love baseball. I kept it because I didn't really know what else to do. Most of the writing I do has nothing to do with the game. It's business writing—there's no passion in it for me at all.

Rich: So are you looking to make a change?

Mark: Yes, I'm thinking about it, but I'm not sure how to go about it. I love being in the stadium, and I love being around the players. I love reading and research. I love telling the stories.

Rich: OK, it sounds like those are some things you are passionate about.

Mark: Well, I'd really love to play baseball, but I'm way too old for that now!

Rich: OK, let's take that off the list. So we have: Love being around the players. Love reading and research. Love telling stories.

Mark: Those are my top three.

Rich: In your top three skills, you mentioned storytelling.

Mark: Good stories. I like to research and write them. I'm a good writer, but I also love to tell stories to groups of friends.

Rich: Reading. Writing. Storytelling. Sounds like you've thought a lot about this.

Mark: More like I've spent a lot of time writing things down and throwing them away. I wrote down every idea and tossed out the bad ones.

Rich: And why were the bad ideas, you know, bad?

Mark: Well, they seemed out of my zone. You know what I mean? I've been around baseball for 22 years. I know people will spend money on the game and lots of stuff around the game. I want to find something I care about and can still make enough money to support my family.

Rich: I think you're on the right track. You know what your skills are and what you're passionate about. If your customers are baseball fans like you, what do you think they want?

Mark: Well, that's the question I keep asking myself. There's got to be some kind of unmet need out there that these fans would want.

Rich: Now you're going to tell me how many wads of paper that added up to.

Mark: Exactly! Even though I did narrow it down, I still had a lot of bad ideas.

Rich: So now that you have a list of unmet needs, what are they?

Mark: I think that the fans want a backstage pass. They want to see the behind-the-scenes stuff; they want to hear the stories they can only get by being there. At the end of the day, they want to be

entertained. And they love that it's a premium—like getting box seats behind home plate.

Rich: OK, now I think we're on to something.

Mark: Yeah, but how do I make money at it? Do I create a podcast? Write a documentary? Build a baseball amusement park? Make an app?

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COMPETITIVE ADVANTAGE

Choose three group members to read the following script:

Narrator: What is a competitive advantage? Most people would answer hard work, good customer service, or staying open late. That's a start. But to truly have an advantage over a competitor is to have something they don't have. It's like building an obstacle course around your business that a competitor would have a really tough time getting through. Maybe you have a secret recipe; a unique piece of machinery; a network of distributors; or an original product, invention, or patent. Maybe your shop is in the perfect location. It might be as simple as having a loyal following of customers and a brand they can trust. Let's go back to Mark and Rich to see if they can determine Mark's competitive advantage.

Rich: So you've had a few more days to think about your business idea. You went through a lot of paper.

Mark: Oh, yeah.

Rich: Let's review some of those ideas. A baseball theme park?

Mark: No way. That costs millions.

Rich: OK. Podcast, app, or documentary. Any of those feel achievable?

Mark: Achievable, yes. But I don't think I could make any money off them.

Rich: So, are you stuck?

Mark: Well, I was. But then I went back to my list of skills and passions.

Rich: Good. Let's look at them a little differently. Which of them is a competitive advantage?

Mark: I'm not sure I know what you mean.

Rich: Well, what do you have that nobody else has?

Mark: Well, I've worked in the stadium for 22 years. I know it inside and out. Every corner, every seat, every locker has a unique story—player superstitions, funny pranks—all the good stuff. And I have a good relationship with the staff and ownership, so I can continue to get good stories. I've written many of them down: old players, new players, batboys, Roger the infamous autograph hound . . .

Rich: Sounds like you have a passion for collecting behind-the-scenes stories that everyone loves. And you've collected and documented more than anybody else in the organization.

Mark: Yeah. It's all stuff that fans love but don't have access to.

Rich: And you know how to tell a good story.

Mark: So those are all competitive advantages?

Rich: Sure. How much would fans pay to hear stories like the ones you've collected?

Mark: While taking a tour of the stadium? A lot! Nobody has the access that I have. Nobody can tell stories the way I do! I mean, you take a tour now and they tell you how far it is to center field, how many fans the stadium holds, and then they show you where the sportswriters sit. That's boring. I could do so much more than that!

Rich: All right, then! I think you have a business idea you're passionate about. You have all the right skills, you've found something fans want, and you definitely have a competitive advantage. In fact, you have a number of them: stadium access, contacts at the stadium, and 22 years of stories.

Back to page 31.



3

ENSURING THAT I HAVE A PROFITABLE BUSINESS

"MY FOUNDATION" PRINCIPLE

- Manage Money

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Would I Want This Business?
2. Refining My Personal Business Planner
3. Understanding Variable Costs and Fixed Costs
4. Understanding Gross Profit Margin and Net Profit Margin
5. Accounting for the Value of My Time
6. Price for My Service or Product
7. Do I Have a Profitable Business?



REPORT—Maximum Time: 25 Minutes (pages 42–43)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Create a list of five unmet customer needs in my business notebook.
- Ⓒ Create a list of competitive advantages for five different businesses in my business notebook.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 33).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below. Note that “Sell” and “Record Financial Details” are skills we will begin practicing after later chapters.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS		Key Business Skills				
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Ponder ways you can continue to improve as you practice during these 12-week cycles.						
		Ⓐ	Ⓑ	Ⓒ	Ⓓ	Ⓔ
		My Foundation Commitments	Business Development Commitments	Business Operations Commitments	“Ponder” Commitments	Action Partner Commitments
Example	Report (and feedback) on my business plan	Use an income and expense log daily	Participate in the Myer’s 50 Challenge	Create a plan to cut my startup costs		
Week 1	Subscribe to a principle of business			Begin writing my business notebook daily		
Week 2	Practice faith in your Christ			Create a list of five unmet customer needs		
Week 3	Manage money			Fill out the “Identify” section of my Personal Business Planner		
Week 4	Report and be obedient			Fill out the “Find” section of my Personal Business Planner		
Week 5	Listen to my action partner			Fill out the “Plan” section of my Personal Business Planner		
Week 6	Work with responsibility and persistence			Create an income statement for my business or for a fictional business		
Week 7	Solve problems			Keep separate records for my business and personal income		
Week 8	Be a good steward of my money			Write a plan to address the cash flow challenges my business may face		
Week 9	Seek learning			Create a plan to cut my business costs		
Week 10	Show integrity			Learn more about potential financing options for my business		
Week 11	Communicate: problems and ideas			Prepare to meet and negotiate requirements for my business		
Week 12	Review temple ordinances			Refine my Personal Business Planner based on my year-to-date business		

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn about unmet customer needs and business advantages by talking with people this week?
 - How is working with an action partner helping you?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: MANAGE MONEY

Maximum Time: 20 Minutes (pages 44–47)

Ponder: Why is managing money so hard—and so important?

Watch: “First Things First!” available at srs.lds.org/videos.
(No video? Read page 46.)

Discuss: Why should we keep track of and save our money?

Read: Doctrine and Covenants 104:78 (on the right) and the statement from *All Is Safely Gathered In* (below on the right).

Discuss: Read the self-reliant approach to managing money (below).
How can we make this a habit?

DOCTRINE AND COVENANTS 104:78

“And again, verily I say unto you, concerning your debts—behold it is my will that you shall pay all your debts.”

SELF-RELIANT APPROACH TO MANAGING MONEY

①

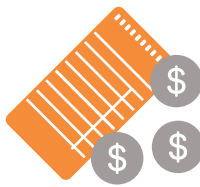
Work hard and smart to receive money.



Income

②

Pay the Lord first.



Tithes and offerings

③

Pay ourselves second.



Savings

④

Then spend less than we earn and avoid debt.



Current living expenses

ALL IS SAFELY GATHERED IN: FAMILY FINANCES

“Pay tithes and offerings, . . . avoid debt, . . . use a budget, . . . determine how to reduce what you spend for non-essentials . . . [and] discipline yourself to live within your budget plan.”

Booklet (2007), 3

ACTIVITY (5 minutes)

Step 1: Individually review your personal spending below.

HOW DO I FEEL ABOUT MY PERSONAL SPENDING?			
Category	I spend too little	I feel good about my spending	I spend too much
EXAMPLE ➔ Clothing			✓
Eating out at restaurants			
Groceries			
Snacks and beverages			
Entertainment			
Housing			
Utilities			
Clothing			
Household items			
Transportation			
Insurance			
Phone			
Debt payments			
Tithing and other offerings			
Charitable donations			
Other			

Step 2: Read the quote by Elder Robert D. Hales (on the right). Discuss how you could reduce spending in the categories where you spend too much.

**ELDER
ROBERT D. HALES**

“There seems to be a sense of entitlement in today’s culture. . . . When we become burdened with excessive debt, we have . . . placed ourselves in self-imposed servitude, spending all of our time, all of our energy, and all of our means in the repayment of debts. . . . It is essential that we . . . develop a spending and savings plan—a budget—and distinguish between wants and needs.”

“Seek and Attain the Spiritual High Ground in Life” (Church Educational System fireside, Mar. 2009), lds.org/media-library

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Keep track of what you earn and spend each day. At the end of the week, add up the numbers and record the total amounts on the Personal Income and Expense Record on page 47.
- Share what you’ve learned today about managing money with your family or friends.

FIRST THINGS FIRST!

If you are unable to watch the video, choose two group members to read the following script.



SETTING: Young boy and girl, dressed in adult clothes, acting like their parents.

BOY: I'm home, dear.

GIRL: Welcome home. Oh my, you look tired.

BOY: You do too. You work very hard, don't you?

GIRL: Well, we're supposed to work, aren't we?

BOY: I earned 10 today.

GIRL: Oh, what a blessing. So, first things first. Let's pay our tithing, shall we?

BOY: But what if we don't have enough?

GIRL: That's where faith comes in!

BOY: Okay. So what's next?

GIRL: Well, we'll need to buy food and bus fare and pay rent. And then it would be nice to buy a chair . . .

BOY: But we can't. See? We don't have enough money.

GIRL: Could we borrow some?

BOY: They say debt is dangerous. We don't want to get in trouble.

GIRL: Okay. You're right. So what do we do with this?

BOY: Let's save it! You never know what will happen.

GIRL: That feels right. But there's nothing left for fun.

BOY: We have each other! And I'll try to earn more.

GIRL: I'll try to spend less!

BOY: That way we can be happy—and self-reliant!

GIRL: Right! That wasn't so difficult. Why do grown-ups make it so hard?

BOY: Oh, you know. That's just how grown-ups are.

Back to page 44.

PERSONAL INCOME AND EXPENSE RECORD

Complete your commitment from page 45 by filling out week 1 in this form. Weeks 2 through 4 are available if you desire to use them.

HOW MUCH DO I SPEND WEEKLY?					How much do I need each month to be self-reliant?
	Week 1	Week 2	Week 3	Week 4	
Income					
Expenses					
Tithes, offerings					
Savings					
Food					
Housing					
Medical expenses					
Transportation					
Educational expenses					
Debt payments					
Clothing					
Utilities					
Phone					
Entertainment					
Insurance					
Other					
Total expenses					



LEARN—Maximum Time: 70 Minutes (pages 48–56)

1. WOULD I WANT THIS BUSINESS?

Watch: “Would I Want This Business?” available at srs.lds.org/videos.
(No video? Read page 60.)



Discuss: Would you want to own this business? Why or why not?

2. REFINING MY PERSONAL BUSINESS PLANNER

Read: Each day you should work to improve your business. Continually evaluate it and share your progress and challenges with the group.

ACTIVITY (10 minutes)



Step 1: Turn to your Personal Business Planner (pages 224–225). Review what you’ve written in the second column in the “Business Concept” section. Think about the unmet need or problem you’re trying to solve with your business. If you would like to update what you’ve written, do so now. Remember to use a pencil.

Step 2: Review what you’ve written in the third column of the “Business Concept” section. This is your competitive advantage. If you would like to update what you’ve written, do so now. See below for an example.

BUSINESS CONCEPT (CHAPTER 3)		
<p>Passions and skills I have:</p> <p>My passions:</p> <ul style="list-style-type: none"> • My kids • Cooking • Working out • _____ • _____ <p>My skills:</p> <ul style="list-style-type: none"> • Marketing • Business development • Cooking healthy foods • _____ • _____ 	<p>Customer need or problem I will solve:</p> <p><i>Few catering companies provide <u>healthy</u> and <u>delicious</u> options.</i></p>	<p>Evidence that my service or product is different or better (competitive advantage):</p> <p><i>I have amazing vegetarian recipes.</i></p> <p><i>I know chefs who specialize in cooking healthy foods.</i></p> <p><i>I have relationships with people who often use caterers.</i></p>
	↑	↑
	Update for Step 1	Update for Step 2

Step 3: Quickly go around the group and have each person take no more than a minute to share (1) the customer need that his or her business will solve and (2) what the business's competitive advantage is.

3. UNDERSTANDING VARIABLE COSTS AND FIXED COSTS

Read: "Know Your Resources; Manage Your Costs" (see pages 61–63)

Discuss: What business principles did you learn from this dialogue about Antonio's shoe repair business?

Read: There are two principal costs in running a business: variable costs and fixed costs.

Variable Costs: The cost of some resources will vary according to how much a business produces and sells. These resources are often called the cost of goods sold. They are also called **variable costs**, which is the term we will use in this group. Some common examples of variable costs include the labor required to sell or produce the service or product, the materials required for the service or product, and shipping.

Fixed Costs: The cost of some resources will stay steady regardless of how much a business produces and sells. These are called **fixed costs**. Some common examples of fixed costs include rent, loan payments, salaries, utilities, and insurance. Business owners should be thoughtful and cautious in taking on new fixed costs.

Taxes are an additional cost imposed by government or other agencies. As a business owner you need to research and understand your tax obligations and account for them when considering the profitability of your business opportunity.

Turn to Mark Bailey's Personal Business Planner (pages 222–223) to see what resources he needed for his business.

ACTIVITY (10 minutes)

Step 1: Individually review the following list of variable costs and fixed costs. Check the boxes to identify the variable costs and fixed costs your business would have.

VARIABLE COSTS	
<input type="checkbox"/> Materials <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____	<input type="checkbox"/> Wages (for people who provide the service or product for the business) <hr/> <input type="checkbox"/> Shipping

FIXED COSTS		
<input type="checkbox"/> Advertising	<input type="checkbox"/> Licensing	<input type="checkbox"/> Utilities
<input type="checkbox"/> Contingency (unexpected costs)	<input type="checkbox"/> Loan payments	<input type="checkbox"/> Vehicle
<input type="checkbox"/> Equipment	<input type="checkbox"/> Rent	<input type="checkbox"/> Website
<input type="checkbox"/> Furniture	<input type="checkbox"/> Salary (for people who administer or support the business)	<input type="checkbox"/> Other:
<input type="checkbox"/> Insurance	<input type="checkbox"/> Tools	<input type="checkbox"/> Other:

Step 2: Write your answers to the following questions:

o What is the estimated cost of each of these variable costs per month?

o What is the estimated cost of each of these fixed costs per month?



Now list your variable costs and your fixed costs under “Resources needed for my business” in your Personal Business Planner (page 225).

4. UNDERSTANDING GROSS PROFIT MARGIN AND NET PROFIT MARGIN

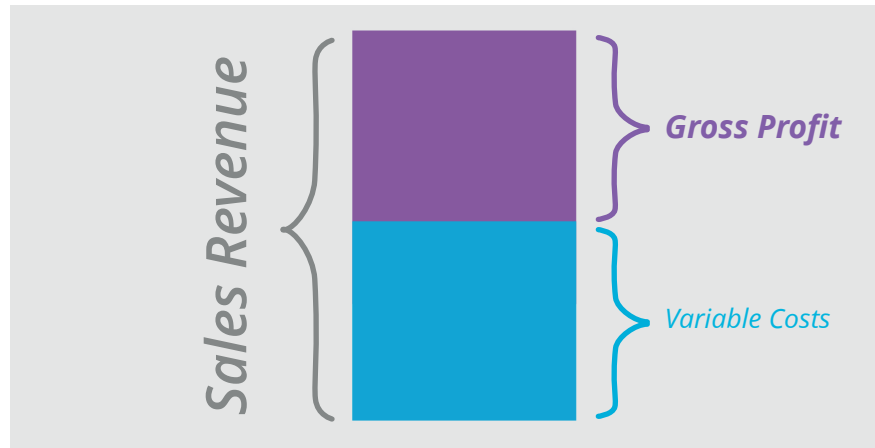
Read: Profit is the money a business keeps after the costs (often called expenses) are taken away from the sales revenue. It is calculated as follows:

$$\text{Sales Revenue} - \text{Costs} = \text{Profit}$$

There are two types of profit: **gross profit** and **net profit**.

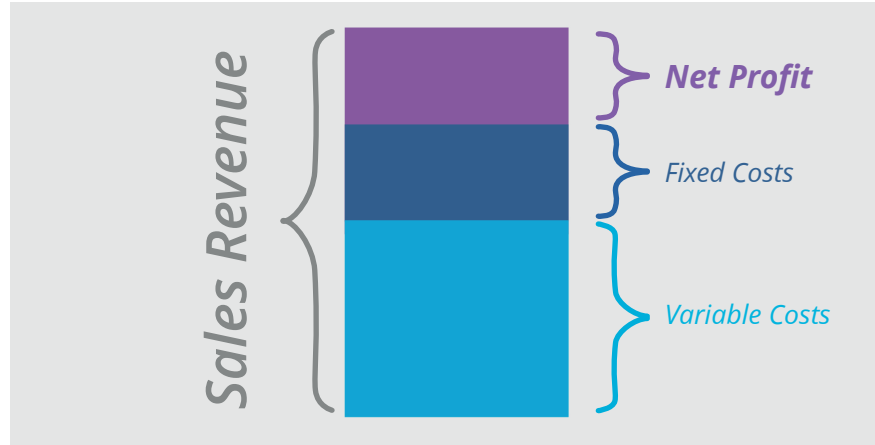
Gross profit is calculated as follows:

$$\text{Sales Revenue} - \text{Variable Costs} = \text{Gross profit}$$



Net profit is calculated as follows:

$$\text{Sales Revenue} - \text{Variable Costs} - \text{Fixed Costs} = \text{Net Profit}$$



It's not enough to know only the gross profit and net profit your business is making. To know if your business is succeeding, you also need to know the **profit margin**. The profit margin is a percentage that you can calculate using simple math. This percentage tells you about the profitability of your business.

Gross profit margin is the percentage of money the business keeps **after the variable costs are subtracted** from the sales revenue. You calculate it as follows:

$$\frac{(\text{Sales Revenue} - \text{Variable Costs})}{\text{Sales Revenue}} = \text{Gross Profit Margin \%}$$

The gross profit margin is important because it can help you evaluate if your business is on track to being profitable.

ACTIVITY (5 minutes)



Imagine that a Christmas light installer charges 250 to install lights on your home. The variable costs are 80 for the labor and 45 for the Christmas lights and hooks, for a total of 125.

- o What would be the gross profit margin for this job? Use the following formula:

$$\frac{(\text{Sales Revenue} - \text{Variable Costs})}{\text{Sales Revenue}} = \text{Gross Profit Margin \%}$$
$$\frac{(250 - 125)}{250} = 50\% \text{ Gross Profit Margin}$$

(125 Gross Profit)

- o Do you have any questions about how this calculation works? If so, discuss them.
-

Read: **Net profit margin** is the percentage of money the business keeps **after both the variable costs AND the fixed costs are subtracted** from the sales revenue. You calculate it as follows:

$$\frac{(\text{Sales Revenue} - \text{Variable Costs} - \text{Fixed Costs})}{\text{Sales Revenue}} = \text{Net Profit Margin \%}$$

The net profit margin is important because it tells you the percentage of money that could be reinvested in the business or returned to you as the business owner.

ACTIVITY (5 minutes)

Let's return to the example of the Christmas light installer. In addition to the 125 of variable costs, the installer has fixed costs that average 50 per job to cover expenses associated with the truck, marketing, and insurance.

- o What would be the net profit margin for this job? Use the following formula:

$$\frac{(\text{Sales Revenue} - \text{Variable Costs} - \text{Fixed Costs})}{\text{Sales Revenue}} = \text{Net Profit Margin \%}$$

$$\frac{(250 - 125 - 50)}{250} = 30\% \text{ Net Profit Margin} \\ \text{(75 Net Profit)}$$

- o Why is it important for you to understand this calculation?
-

Read: Most successful businesses have gross profit margins that are **around 50 percent or greater** and net profit margins that are **around 10 percent or greater**. They also operate in a market where there is high customer demand and the possibility for their business to grow.

5. ACCOUNTING FOR THE VALUE OF MY TIME

Read: Many business owners don't adequately account for the value of their time. Be sure to account for the labor you put into a service or product. The cost per hour is the value you place on your time (or the amount you pay other people to help you).

Discuss: Imagine a business owner who handcrafts beautiful blankets. Although the materials for the blankets are inexpensive, every blanket takes 60 hours to make.

- If the business owner sells a blanket for 150, what is the value of the labor required to make the blanket?
($150 \div 60 \text{ hours} = 2.50 \text{ per hour}$)
- Is this the best use of time for the business owner, given other opportunities that might exist?

6. PRICE FOR MY SERVICE OR PRODUCT

Read: Your price *must* cover the costs you incur and the profits you seek, but it is not dictated by them. You can set your price based on what you think customers will pay for your service or product. The price you charge, however, is typically influenced by competitors and the quality of your service or product.

You should work to increase the quality or perceived uniqueness of your service or product. This will potentially allow you to charge a higher price than your competitors.

If the price that customers are willing to pay would not make your business sufficiently profitable, you should consider ways you can lower your costs. Some of these ways include (1) purchasing in bulk at a reduced rate and (2) using multiple suppliers to gain better prices. If you are unable to lower your costs, you may need to choose a different business opportunity.

7. DO I HAVE A PROFITABLE BUSINESS?

ACTIVITY (10 minutes)

Step 1: Divide into groups of three. Work together to calculate the gross profit margin and net profit margin for your business opportunity for one month.

Gross Profit Margin

$$\frac{(\text{Sales Revenue} - \text{Variable Costs})}{\text{Sales Revenue}} = \text{Gross Profit Margin \%}$$

Net Profit Margin

$$\frac{(\text{Sales Revenue} - \text{Variable Costs} - \text{Fixed Costs})}{\text{Sales Revenue}} = \text{Net Profit Margin \%}$$

Step 2: Discuss the following questions:

- o Do the anticipated gross profit margin and net profit margin suggest that I've selected a business opportunity that can be successful in the long term?
 - o If not, what specifically would need to change for this opportunity to be successful? How could I influence those factors?
-

Read: You may have selected a business opportunity with good profit margins that appears to be profitable. However, if you selected a business opportunity that wouldn't be profitable or wouldn't provide enough profit to be worth the value of your time, be willing to consider other opportunities.

Additionally, does this business opportunity allow you to be self-reliant? Does it provide for you and your family and allow you to serve others? If not, be willing to consider other opportunities. Refer to the materials in chapter 2 to consider other unmet customer needs that match your interests and your ability to provide a competitive advantage.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“And I, Nephi, did go into the mount oft, and I did pray oft unto the Lord; wherefore the Lord showed unto me great things”
(1 Nephi 18:3).

Based on what you’ve learned today, what change do you feel impressed to make to ensure that you will have a profitable business?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes (pages 58–59)

TALKING WITH POTENTIAL CUSTOMERS

Read: Talking with customers can help you gain ideas about how to improve your service or product and price it appropriately. This week, talk with at least five potential customers and ask what it would take for them to buy from you. Additionally, you could go online to ask for feedback from potential customers.



After putting in this effort and determining your best possible financial information, fill out the lines under “Evidence that my business is profitable” in your Personal Business Planner (page 225). Remember to use a pencil.

FINANCIAL																																				
<p>Resources needed for my business:</p> <p>To provide a service or product (variable costs):</p> <ul style="list-style-type: none"> • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ <p>To operate the business (fixed costs):</p> <ul style="list-style-type: none"> • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ • _____ 	<p>Gross Profit Margin Calculation (for one month)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Sales Revenue</td> <td style="width: 50%; text-align: center;">Variable Costs</td> <td></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">_____</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">Sales Revenue:</td> <td style="text-align: right;">Gross Profit Margin %:</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">Use this amount to fill out part C below.</td> </tr> </table> <hr/> <p>Net Profit Margin Calculation (for one month)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Sales Revenue</td> <td style="width: 33%; text-align: center;">Variable Costs</td> <td style="width: 33%; text-align: center;">Fixed Costs</td> <td></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td></td> </tr> <tr> <td colspan="3" style="text-align: center;">_____</td> <td></td> </tr> <tr> <td colspan="3" style="text-align: center;">Sales Revenue:</td> <td style="text-align: right;">Net Profit Margin %:</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">Use this amount to fill out part E below.</td> </tr> </table> <hr/> <p>Evidence that my business is profitable:</p> <p>A Sales revenue (for one month): _____</p> <p>B Variable costs (for one month): _____</p> <p>C Gross profit margin: _____ %</p> <p>D Fixed costs (for one month): _____</p> <p>E Net profit margin: _____ %</p>	Sales Revenue	Variable Costs		_____	_____		_____			Sales Revenue:		Gross Profit Margin %:			Use this amount to fill out part C below.	Sales Revenue	Variable Costs	Fixed Costs		_____	_____	_____		_____				Sales Revenue:			Net Profit Margin %:				Use this amount to fill out part E below.
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Sales Revenue	Variable Costs	Fixed Costs																																		
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Sales Revenue:			Net Profit Margin %:																																	
			Use this amount to fill out part E below.																																	

↑
Fill out this section

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:
- Keep track of what I earn and spend each day, add up the numbers at the end of the week, and record the total amounts on the Personal Income and Expense Record on page 47.
 - Share what I've learned today about managing money with my family or friends.
-
- (B)** I will have conversations with at least five potential customers to gain ideas and learn what it would take for them to buy from me.
-
- (C)** I will fill out the lines under “Evidence that my business is profitable” in my Personal Business Planner.
-
- (D)** I will review my “Ponder” page and keep the commitments (see page 57).
-
- (E)** I will contact and support my action partner.
-

Remember that next week, you will be asked to report the number of days that you talked with potential customers and wrote in your business notebook (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner's signature

Have a closing prayer.



RESOURCES

WOULD I WANT THIS BUSINESS?

Choose three group members to read the following script.

Sage: Hi, I'm Sage. And I'm thinking of starting my own business, so I thought I would check around and see what other people are doing. That's how I met this couple, Omar and Anna. What kind of business do you own?

Omar: Well, we started our mobile oil change business a little less than a year ago.

Anna: It's been crazy keeping up with all the calls.

Omar: Dealerships usually charge 29.95 for an oil change. We figured if we undercut them by a little, we could get a lot of their business.

Anna: And we go to our customers. They don't have to sit in a smelly waiting room reading old magazines. We go right to their workplace or wherever their car is.

Sage: Wow, that's convenient. You don't have a shop, so no expenses there. Are you making good money?

Omar: We pay ourselves a little, and we get 3% to 4% profit on every job.

Anna: We thought about adding other services like rock-chip repair and wiper blade replacements—those kind of things.

Omar: We just don't have enough room in our van. And anyway, we don't want to take out a loan to pay for those things until somebody orders them.

Anna: We want to keep expenses low.

Sage: Thanks for talking to me. Makes me wonder: Is this a business I would want?

Back to page 48.

KNOW YOUR RESOURCES; MANAGE YOUR COSTS

Choose two group members to read the following script.

Vivek: So, I'm sitting here with Antonio . . .

Antonio: Hi.

Vivek: Antonio is planning to start a business.

Antonio: Repairing shoes. There isn't a shoe repair business in our neighborhood, so I spent the summer working in another town, learning the trade.

Vivek: Wow, that's great. And it looks like you have a list of all the materials and tools you'll need.

Antonio: Yes. Lots of stuff.

Vivek: OK. Why don't you read me the list?

Antonio: A storefront, a nice workbench and chair, three gallons of glue, leather, rubber soles, a respirator, a new sewing machine, signs, and a delivery van.

Vivek: That's a long list!

Antonio: Well, it's all the stuff I need.

Vivek: And what do you think it will all cost?

Antonio: I'm not sure, but probably around 20,000.

Vivek: OK. I think it will help if we break up your costs into two categories—variable costs and fixed costs.

Antonio: Why? What's the difference?

Vivek: Well, any materials you use to repair a shoe are variable costs.

Antonio: So glue, soles, and leather.

Vivek: That's right. These costs are variable because the volume of work you do will change month by month. If you repair a lot of shoes, you will spend more money on glue, soles, and leather. If you don't have as much work, you'll spend less money on glue, soles, and leather. And there's another variable cost that most people don't think about: your time. You need to keep in mind how long it takes to repair each pair of shoes.

Antonio: OK. And what are fixed costs?

Vivek: Fixed costs are costs that don't change. You have to pay for them no matter how many or how few shoes you repair.

Antonio: So the workbench, the signs, and the delivery van—I pay for those no matter what. It would be smart for me to make my fixed costs as low as possible.

Vivek: Exactly. You want to avoid costly long-term commitments. Every fixed cost comes out of your pocket, every month, no matter what. Now, how much will you be charging to repair a pair of shoes?

Antonio: Sixty. That seems like it would give me a pretty good profit.

Vivek: Well, we have to figure in the cost of the soles, the leather, the glue, and your time.

Antonio: All the variable costs.

Vivek: Right. And then you have to add in the fixed costs. Want to look at your list again?

Antonio: I have a feeling I'm going to want to cut it down some.

Vivek: Let's say you take care of all the fixed costs on your list, and it comes out to about 18,000. You would need to repair at least 300 pairs of shoes just to cover your fixed costs. That doesn't even cover your variable costs—leather and glue, plus your own time on the job.

Antonio: Three hundred pairs just to pay for my fixed costs?

Vivek: Actually, no. You still have some other fixed costs you haven't addressed, like paying for gas and repairs on your van, monthly rent, and utilities.

Antonio: That adds up fast. Wouldn't it be smarter for me to build my business just on variable costs?

Vivek: As much as possible, yes. Let's look at your list again. Suppose you make your garage your workspace. That gets rid of your rent. And instead of buying a van, let's use your car to pick up materials and transport stuff.

Antonio: Wow. Look how much I'm saving! But will customers come to me if I don't have a storefront?

Vivek: That's up to you. To start, you might have to reach out to them by getting creative with your marketing. You have to give your business a chance to succeed, and if you're buried under expenses, you'll fail for sure.

Antonio: But the shoe repair shop I worked at over the summer had all this equipment and a storefront.

Vivek: And how long did it take him to get there?

Antonio: Oh, I have no idea.

Vivek: My guess is he started small and made sure he made money from the beginning. Then as his business grew, he took a percentage of the profit to buy new machinery and a storefront.

Antonio: So he was never in debt?

Vivek: That's right. Most likely he was smart with managing his costs. His variable costs included his time as well as the cost of materials. And he made sure he earned enough profit to cover his low fixed costs.

Antonio: Well, I do need a few things to get started.

Vivek: Of course. The important thing is that you be frugal and resourceful. Don't be afraid to buy used materials for what you need. Consider building your own, borrowing when it makes sense, or even asking friends for help. Remember, all the money you spend is money that could have gone into your pocket.

Antonio: Got it.

Vivek: One last thing. I have this pair of boots that need a new sole.

Antonio: I can help with that! But I need a favor.

Vivek: Sure.

Antonio: You have to tell all your friends what a good job I do.

Vivek: There you go!

Back to page 49.

NOTES



4

FINDING CUSTOMERS

“MY FOUNDATION” PRINCIPLE

- Repent and Be Obedient

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. The Importance of Customers
2. Who Is My Customer?
3. Defining My Business Message
4. Determining the Best Sales Channels for My Business
5. Attracting Customers . . . with What?
6. Measuring the Success of Communications with Customers



REPORT—Maximum Time: 25 Minutes (pages 66–67)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Have conversations with at least five potential customers to gain ideas and learn what it would take for them to buy from me.
- Ⓒ Fill out the lines under “Evidence that my business is profitable” in my Personal Business Planner.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 57).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below. Note that “Record Financial Details” is a skill we will begin practicing after later chapters.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS						Key Business Skills				
INSTRUCTIONS: Evaluate your effort to keep the commitments you make each week. Share your evaluation with your action partner. Ponder when you can't continue to report on your practice during these reported hours.						KEY: ● Missed 100% ● Missed 75% ● Missed 50% ● Missed 25% ● Missed 0%				
	Ⓐ	Ⓑ	Ⓒ	Ⓓ	Ⓔ	Record Financial Details	Record Business Commitments	Record Ponder	Record Action Partner	Record Personal Plans/Steps
Example	Report out to partners	Use an action list to report Ag. day	Take a job to cut my business cost	Ponder	Action Partner Commitments	6	4	5	5	5
Week 1	Self-reliance & persistence or resilience	Participate in the Super City Challenge	Begin writing my business website story							
Week 2	Service both as Jesus Christ	Create a list of five-unknown customer needs	Choose a list of customer advantages for that business							
Week 3	Manage money	Have conversations with at least five potential customers	Fill out the assigned sections of my Personal Business Planner							
Week 4	Report and be obedient	Participate in the Table & Sale Challenge	Fill out the "Ponder" section of my Personal Business Planner							
Week 5	Love and serving	Experiment with new ways to engage and serve my customers	Fill out the "Action Partner" section of my Personal Business Planner							
Week 6	Work, take responsibility and persistence	Make a website and prepare it for my business or for a fictitious business	Choose an online platform for my business or for a fictitious business							
Week 7	Solve problems	Pay myself a wage and keep my business and personal money separate	Keep separate records for my business and personal money							
Week 8	Brother one man together	Write a list of potential cash flow challenges my business may face	Write a plan to address the cash-flow challenges my business may face							
Week 9	Love serving	Create a plan to grow my business	Create a plan to cut my business costs							
Week 10	Show integrity	Ask well-identified people to explore financing options	Learn more about potential financing options for my business							
Week 11	Communication, service and love	Research the legal and regulatory requirements for my business	Problem-solve and practice delivering my business presentation							
Week 12	Receive temptations	Write a list of ideas for moving my business forward	Follow my Personal Business Planner based on your personal health goals							

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn from talking with potential customers this week?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: REPENT AND BE OBEDIENT

Maximum Time: 20 Minutes (pages 68–69)

Ponder: How are repentance and obedience connected to self-reliance?

Watch: “Obedience Brings Blessings,” available at srs.lds.org/videos.
(No video? Read page 69.)

Discuss: What blessings have you received by obeying God’s laws?
How does repentance help us progress?

Read: Doctrine and Covenants 130:20–21 (on the right) and the quote by the Prophet Joseph Smith (below on the right).

DOCTRINE AND COVENANTS 130:20–21

“There is a law . . . upon which all blessings are predicated—and when we obtain any blessing from God, it is by obedience to that law upon which it is predicated.”

ACTIVITY (5 minutes)

Obedience to specific laws leads to specific blessings.

Step 1: In the left column below, write some blessings you desire.

Step 2: In the right column below, identify the laws or principles you will need to obey in order to receive the blessings you desire.

BLESSINGS I WANT TO RECEIVE	LAWS OR PRINCIPLES TO OBEY
Three months of savings	Tithes and offerings (Malachi 3:10–12) Follow a budget

Discuss: Read Joshua 3:5 and the quotes by Elder Jeffrey R. Holland and President Spencer W. Kimball (on page 69). Why do we need to repent, sanctify ourselves, and try to do good as we seek to become self-reliant?

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Obey the laws or principles you chose in the activity above.
- Share what you’ve learned today about obedience with your family or friends.

JOSEPH SMITH

“I made this my rule: When the Lord commands, do it.”

Teachings of Presidents of the Church: Joseph Smith (2007), 160

OBEDIENCE BRINGS BLESSINGS

If you are unable to watch the video, choose a group member to read the following script.



PRESIDENT THOMAS S. MONSON:

What a glorious promise! “He that keepeth [God’s] commandments receiveth truth and light, until he is glorified in truth and knoweth all things” [D&C 93:28]. . . .

My brothers and sisters, the great test of this life is obedience. “We will prove them herewith,” said the Lord, “to see if they will do all things whatsoever the Lord their God shall command them” [Abraham 3:25].

Declared the Savior, “For all who will have a blessing at my hands shall abide the law which was appointed for that blessing, and the conditions thereof, as were instituted from before the foundation of the world” [D&C 132:5].

No greater example of obedience exists than that of our Savior. Of Him, Paul observed:

“Though he were a Son, yet learned he obedience by the things which he suffered;

“And being made perfect, he became the author of eternal salvation unto all them that obey him” [Hebrews 5:8–9].

The Savior demonstrated genuine love of God by living the perfect life, by

honoring the sacred mission that was His. Never was He haughty. Never was He puffed up with pride. Never was He disloyal. Ever was He humble. Ever was He sincere. Ever was He obedient. . . .

When faced with the agony of Gethsemane, where He endured such pain that “his sweat was as it were great drops of blood falling down to the ground” [Luke 22:44], He exemplified the obedient Son by saying, “Father, if thou be willing, remove this cup from me: nevertheless not my will, but thine, be done” [Luke 22:42].

As the Savior instructed His early Apostles, so He instructs you and me, “Follow thou me” [John 21:22]. Are we willing to obey?

The knowledge which we seek, the answers for which we yearn, and the strength which we desire today to meet the challenges of a complex and changing world can be ours when we willingly obey the Lord’s commandments. I quote once again the words of the Lord: “He that keepeth [God’s] commandments receiveth truth and light, until he is glorified in truth and knoweth all things” [D&C 93:28].

It is my humble prayer that we may be blessed with the rich rewards promised to the obedient. In the name of Jesus Christ, our Lord and Savior, amen.

(“Obedience Brings Blessings,” *Ensign* or *Liahona*, May 2013, 89, 92)

JOSHUA 3:5

“Sanctify yourselves: for to morrow the Lord will do wonders among you.”

ELDER JEFFREY R. HOLLAND

“The Lord blesses those who want to improve, who accept the need for commandments and try to keep them. . . . He will help you repent, repair, fix whatever you have to fix, and keep going. Soon enough you will have the success you seek.”

*“Tomorrow the Lord Will Do Wonders among You,” *Ensign* or *Liahona*, May 2016, 126*

PRESIDENT SPENCER W. KIMBALL

“If we like luxuries or even necessities more than we like obedience, we will miss the blessings which [God] would like to give us.”

Teachings of Spencer W. Kimball, ed. Edward L. Kimball (1982), 212

Back to page 68.



LEARN—Maximum Time: 65 Minutes (pages 70–76)

1. THE IMPORTANCE OF CUSTOMERS

Read: Customers must be the focus of your business. Their experience with your business will largely determine how well it does. Center all aspects of your business on meeting their needs. You want them to be enthusiastic about the experiences they have with your business.

ACTIVITY (10 minutes)

Step 1: Individually circle one “do” and one “don’t” that you feel are most important in being focused on your customers.

BEING CUSTOMER CENTERED

DO’S

- Build long-term relationships.
- Help customers understand the “why” behind your business.
- Provide opportunities for the customer to be engaged.
- Listen to the customer.
- Deliver exceptional service and provide a memorable experience.
- Help the customer become a champion of your business.
- Create a strong community of loyal customers.
- Ensure that interactions benefit the customer.

DON’TS

- Concern yourself with making only an immediate sale.
- Make assumptions about customer preferences.
- Make decisions without considering customer feedback or data.
- Be inflexible in providing customers options.
- Fail to follow up with the customer after the sale.
- Fail to act on customer feedback.
- Fail to stand behind your service or product.
- Insist on being right at the expense of the customer.

Step 2: Share with the group your selections from step 1. Name a business that illustrates either the “do” or the “don’t” that you selected.

2. WHO IS MY CUSTOMER?

Read: As a business owner, you should gain a detailed understanding of the types of people, groups, or organizations that are most likely to buy your services or products. The more you understand your customers, the more specific the messaging, experience, and support can be for them. Some factors that can help you discover target customers include:

- **Demographic:** age, gender, marital status, occupation, income level
- **Organizational:** public or private sector, trade or professional, wholesale or retail
- **Geographic:** location, population density
- **Psychographic:** personality, lifestyle, interests, attitudes, opinions
- **Behavioral:** buying behavior, brand loyalty, benefits sought

ACTIVITY (10 minutes)

Step 1: Turn to Mark Bailey's Personal Business Planner (pages 222–223). Have someone in the group read aloud how he described his target customer for his stadium tour business.



Step 2: Now go to your own Personal Business Planner (page 224). Be as specific as possible in detailing your target customer, and write this information under "My customer." Try to include demographic, organizational, geographic, psychographic, and behavioral factors in your description.

Step 3: Have a few group members quickly share some aspects of their target customer.

3. DEFINING MY BUSINESS MESSAGE

Read: After you have identified your target customers, it's important to communicate to them why they should be interested in the service or product offered by your business. To help communicate this, develop a short business message that quickly promotes and differentiates your business offerings. It should include three key parts:

1. The name of your business.
2. Your service or product.
3. The reasons why your service or product is different or better.
(Refer to your Personal Business Planner to review reasons why your service or product is different or better.)

Here is an example of a short business message:

“Hi, I’m Terry. I’m starting a business that will be called Hidden Fields Catering. We provide healthy catering options for business events, family reunions, and other groups. We use only the freshest organic ingredients in our meals. Our focus is on delighting health-conscious people who want creative vegetarian dishes and a hassle-free experience.”



ACTIVITY (15 minutes)

Step 1: Write a first draft of your short business message in the space below. You will not likely have enough time to finish this now, but at least write down the main ideas. You will be able to refine and improve your business message in the future.

Step 2: Divide into pairs. Practice sharing your business message with your partner. Provide feedback to each other. Use the feedback from your partner to revise and improve your business message.

4. DETERMINING THE BEST SALES CHANNELS FOR MY BUSINESS

Read: It's important to find the most effective ways to reach your customers. Many business owners use multiple physical and e-commerce channels to sell to and communicate with their customers. However, it's best for new business owners to focus on developing no more than one physical channel and one e-commerce channel. Additional channels can be added when the business starts to grow. Common sales channels include those listed below.

Physical Sales Channels

- **Direct sales:** You or your salesperson sells directly to customers through personal contact.
- **Distributor or wholesaler:** You sell to a distributor or wholesaler, who buys your product in bulk and then sells it to other retail businesses.
- **Retailer:** You sell to retail businesses, and they sell to customers.

E-Commerce Sales Channels

- **Website:** Sales transactions occur on your own website.
- **Online store:** Sales transactions occur on an online store's website, not on your own website.
- **Mobile app:** Sales transactions occur through a mobile app.

ACTIVITY (5 minutes)

Step 1: From the list of sales channels above, individually write down one physical channel and one e-commerce channel that would make the most sense for your business. Provide additional details about those channels if you desire.

Physical sales channel: _____

E-commerce sales channel: _____

Step 2: Divide into pairs. Explain why each sales channel you selected makes the most sense for your business.

5. ATTRACTING CUSTOMERS . . . WITH WHAT?

Read: Your business will not automatically attract customers. You need to offer things they care about and that they believe will benefit them. Make sure your business message is tied to things that your potential customers want. Put yourself in your customers' shoes and ask, "Am I interested in purchasing the services or products that this business offers? Why or why not?"

Smart business owners are creative in getting the attention of their customers. Some ways to get customers' attention are listed below.



Providing information and insights through videos, blogs, newsletters, articles, and trade shows.



Aligning with customers' interests and social causes, such as by sponsoring events.



Allowing the customer to experience the service or product at little or no cost, such as by offering samples or coupons.



Instilling confidence in the company's reputation and the quality of its services or products through customer reviews, industry awards, or other quality assurances.



Providing convenience and time savings by making your business easy to find and work with (for example, search engine optimization can help make your business easy to find online).



Partnering creatively with a popular, noncompeting business that serves the same customer group.

ACTIVITY (10 minutes)

Step 1: Based on the list on page 74, individually identify at least one way that you could get the attention of your customers. Write your answer(s) below.

Step 2: Now divide into groups of three. Share the ways that you intend to get the attention of your customers. Get feedback from group members on these ideas.

6. MEASURING THE SUCCESS OF COMMUNICATIONS WITH CUSTOMERS

Read: It's important to measure whether your communications are attracting the interest of customers, contributing to more sales, and increasing profit. To do this, you need to measure:

- A specific way you are communicating with your customers.
- What the business result is.

Review the following examples.



Kendrick's business mailed 2,000 coupons, and 75 were redeemed in the first month. Kendrick measured his sales results during that month and compared it to his sales results from the previous month.



Rita created eight how-to videos, posted them to her business website, and then measured website hits and company sales over the next 90 days. She compared this to the website hits and sales over the previous 90 days.

Read: Being busy isn't the same thing as being successful. If your communications aren't producing results, then they aren't a good use of your time. This is why it's important that you always measure your results.

ACTIVITY (10 minutes)

Step 1: Consider the following question and write your answer in the space below:
How will you measure whether the ideas you identified in section 5 are working?

Step 2: Discuss as a group a few ways that you will measure whether these ideas are working.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write a response to the question.

“Draw near unto me and I will draw near unto you; seek me diligently and ye shall find me; ask, and ye shall receive; knock, and it shall be opened unto you” (D&C 88:63).

Based on what you’ve learned today, what action will you take this week to communicate your business message to customers?



COMMIT—Maximum Time: 5 Minutes (pages 78–80)

MAKE-A-SALE CHALLENGE

ACTIVITY (during the week)

At this point you should begin selling the service or product your business is providing, if you're not already doing so. During the next week, make at least one sale to a customer. Be creative as you work to sell your service or product.

You may feel that your service or product is not yet ready to sell. However, selling will provide motivation to get your business going, since you will need to fulfill what you have sold. Selling will also give you feedback on your service or product. If you have difficulty selling, this feedback can help you adapt your business idea so it better meets the customer's need. If your business opportunity is highly regulated, ensure that you have the necessary license or permit to sell your service or product.

Determine how many customers you will need to talk with to make a sale—and then go do it. As we learned from Elder David A. Bednar in chapter 2, "Taking action is the exercise of faith." Like the children of Israel, we can show our faith by taking action and "walk[ing] into the river."

Next week you will be asked to report (1) your experience with selling to at least one customer and (2) the number of days you sold.

FINDING CUSTOMERS



Read: As you begin to sell, you will learn the best ways to find customers. Be willing to experiment with new ideas until you find one or more approaches that efficiently help you find your customers.

Fill out the “Find” portion under “How will I find and keep my customers?” in your Personal Business Planner (page 224).

Fill out here →

CUSTOMER (CHAPTERS 4-5)	
My customer:	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
How will I find and keep my customers?	
Find:	Keep:
• <hr/>	• <hr/>
• <hr/>	• <hr/>
• <hr/>	• <hr/>
• <hr/>	• <hr/>

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- Ⓐ I will keep the “My Foundation” commitments for this week:
 - Obey the laws or principles I chose in the activity on page 68.
 - Share what I’ve learned about obedience with my family or friends.

- Ⓑ I will participate in the Make-A-Sale Challenge and report on my experience next week.

- Ⓒ I will fill out the “Find” portion under “How will I find and keep my customers?” in my Personal Business Planner.

- Ⓓ I will review my “Ponder” page and keep the commitment (see page 77).

- Ⓔ I will contact and support my action partner.

Remember that next week, you will be asked to report the number of days that you talked with potential customers, wrote in your business notebook, and sold (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.

For more information on ways to find customers, visit srs.lds.org/sgmbmarketing.



5

KEEPING CUSTOMERS

"MY FOUNDATION" PRINCIPLE

- Use Time Wisely

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Building Customer Loyalty
2. Engaging My Customers
3. Listening to My Customers
4. Adjusting to Market Change
5. Creating a Positive Customer Experience



REPORT—Maximum Time: 25 Minutes (pages 82–83)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Participate in the Make-A-Sale Challenge and report on my experience next week.
- Ⓒ Fill out the “Find” portion under “How will I find and keep my customers?” in my Personal Business Planner.
- Ⓓ Review my “Ponder” page and keep the commitment (see page 77).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below. Note that “Record Financial Details” is a skill we will begin practicing next week.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS						Key Business Skills				
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Ponder ways you can continue to improve as you practice during your important moments.						KEY: ● Working Effort ● Progress in Effort ● Completed Effort				
	Ⓐ My Foundation Commitments	Ⓑ Business Development Commitments	Ⓒ Business Expansion Commitments	Ⓓ Ponder Commitments	Ⓔ Action Partner Commitments	Take Week Commitments	Participate in Business Development	Find Customers	Ponder	Record Financial Details
Example	Report out to customer	Clear scores and report by day	Keep a log of my business.com			6	4	5	5	5
Week 1	Self-reliance is a primary of my business	Participate in the Paper Cup Challenge	Begin writing in my business notebook daily							
Week 2	Research both in your class	Create a list of business customer needs	Share a list of competitive advantages for my business							
Week 3	Manage money	Have discussions with at least five potential customers	Fill out the original section of my Personal Business Planner							
Week 4	Report out to be obedient	Participate in the Make-A-Sale Challenge	Fill out the “Find” section of my Personal Business Planner							
Week 5	Use time wisely	Experiment with new ways to engage and share in my business	Fill out the “Ponder” section of my Personal Business Planner							
Week 6	Work safe responsibly and persevere	Use a positive approach to my business or for a future business	Create an income statement for my business or for a future business							
Week 7	Solve problems	Play my part in a game with my business and personal money objectives	Keep accurate records for my business and personal money							
Week 8	Be on time	Write a list of external cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face							
Week 9	Seek learning	Create a plan to grow my business	Create a plan to set up my business costs							
Week 10	Share insights	Get with identified people to explore buying options	Learn more about potential financing options for my business							
Week 11	Communicate positive and calm	Research the legal and regulatory requirements for my business	Practice and practice delivering my business presentation							
Week 12	Respect myself and others	Write a list of ideas for raising my business funds	Refine my Personal Business Planner based on presentation feedback							

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn from the Make-A-Sale Challenge?
 - What would Heavenly Father have us learn about taking initiative with our business?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: USE TIME WISELY

Maximum Time: 20 Minutes (pages 84–85)

Ponder: Why is time one of God’s greatest gifts?

Watch: “The Gift of Time,” available at srs.lds.org/videos.
(No video? Read page 85.)

Discuss: What did you learn from Sister Benkosi?

Read: Alma 34:32 (on the right) and the quote by President Brigham Young (below on the right).

ALMA 34:32

“For behold, this life is the time for men to prepare to meet God; yea, behold the day of this life is the day for men to perform their labors.”

ACTIVITY (5 minutes)

Step 1: With a partner, read the following five steps you can take each day to use your time well.

1	2	3	4	5
LIST TASKS	PRAY	SET PRIORITIES	SET GOALS, ACT	REPORT
Each morning, make a list of tasks to do. Add names of people to serve.	Pray for guidance. Review your list of tasks. Listen. Commit to do your best.	On your list of tasks, put a 1 by the most important, a 2 by the next most important, and so on.	Listen to the Spirit. Set goals. Work hard. Start with the most important task and work down the list.	Each night, report to Heavenly Father in prayer. Ask questions. Listen. Repent. Feel His love.

Step 2: Individually list your daily or weekly tasks on a piece of paper. These should be important tasks for your work, for school, for church, or for family service—not just daily chores. Prioritize your list and pray about it.

Step 3: Beginning tomorrow, set goals, act, and report to Heavenly Father on how you’ve used your time.

Commit: Commit to do the following actions during the week. Check the box when you complete each action:

- Practice the five steps described above every day to use your time more wisely. Report each night to Heavenly Father in your prayers.
- Share what you’ve learned today about using time wisely with your family or friends.

BRIGHAM YOUNG

“Time is all the capital stock there is on the earth. . . . If properly used, it brings that which will add to your comfort, convenience, and satisfaction. Let us consider this, and no longer sit with hands folded, wasting time.”

In Discourses of Brigham Young, sel. John A. Widtsoe (1954), 214

THE GIFT OF TIME

If you are unable to watch the video, choose two group members to read the following script.



KOFI: Hello, Sister Benkosi. How are you?

SISTER BENKOSI: Are you okay, Kofi?

KOFI: Oh, Sister Benkosi. I'm so busy. I have to work and serve and help my family . . . and then my football too. I have no time!

SISTER B.: Kofi, you have all the time there is.

KOFI: What?

SISTER B.: My boy, God has given us a great gift—our time. We must do with it what matters most.

KOFI: But how, Sister Benkosi? You have always done so much. You have succeeded with your family, with your business. You have served and blessed many, like me. I don't know how you do it.

SISTER B.: Do you really want to know? If you will sit still and listen, I will tell you my secret.

Every morning I rise before the sun. I dress and wash my face and hands.

I read the scriptures. Then I make a list of what I should do that day.

I think of who I might serve. I pray to know God's will. And I listen.

Sometimes the names or faces of people come to mind. I add them to my list.

KOFI: Is that how you always know just who needs your service?

SISTER B.: Yes, Kofi. And I pray for strength and wisdom. I pray that God will "consecrate [my] performance." It says that in 2 Nephi 32.

I thank Him. I promise to do my best. I ask that He will do what I cannot.

Then I look at my list. I put a 1 by the most important thing, then a 2.

KOFI: How do you know the priorities?

SISTER B.: I listen when I pray! Then I go to work. I look at number 1 and try to do it first, then number 2.

Sometimes things change. The Holy Ghost tells me to do something else. That is good.

I work very hard, but I have peace. I know God will help me.

So, with my list and the Spirit, I do what matters, Kofi.

KOFI: That sounds simple and hard at the same time.

SISTER B.: You are right! When I finally prepare for bed, I pray. I report to Heavenly Father. I tell Him how the day went. I ask questions. I ask what I can do better. I listen. I often feel His love. I know He magnifies what I try to do. Then I have peace, Kofi, and I sleep.

KOFI: That is good, Mamma Benkosi. I want this peace. I want to use my time. I want to work and serve better.

Back to page 84.



LEARN—Maximum Time: 60 Minutes (pages 86–90)

1. BUILDING CUSTOMER LOYALTY

Read: At this point, you should have at least one customer. If you don't, focus on getting a customer as soon as possible.

Once you have customers, you need to work hard to keep them loyal to your business. You can build loyalty by engaging your customers, listening to them, and creating positive experiences for them. Finding new customers can cost your business far more than what it costs to keep current ones.

Discuss: Imagine that you are opening a neighborhood hair salon. Many customers are price sensitive and will go to the salon that is cheapest or that offers a coupon or a sale.

- What are some things you could do to build loyalty to your salon so customers will come even if you are not discounting your services?
- What are some things you could do that would allow you to charge a premium price?

ACTIVITY (5 minutes)

Step 1: Individually think about the customers you have or will soon have. What are some reasons they would want to be loyal to your business?

Step 2: Divide into pairs. Share the reasons why customers might be loyal to your business.

2. ENGAGING MY CUSTOMERS

Read: Engaging customers is more than having them notice your business. It means actively involving them and purposefully encouraging them to participate in it. As you engage customers, they develop an emotional attachment to your business and feel a sense of ownership. They are also more likely to be loyal to your service or product and to champion your business to others.

Always be looking for ways to engage your customers. They want to express their opinions, share experiences, and even give ideas for new services and products. You can engage customers in person, through experiences, and through technology. Social media and email are examples of how to engage customers through technology.

Discuss: Think of a business that engages you as a customer. How does this affect your relationship with the business?

Read: As a business owner, be sure to engage your customers in thoughtful, considerate ways. For example, communicating through email can be an effective tool. However, if you send too much email, or the wrong kind of email, you might annoy your customers or violate their trust. Your customers' experience should be your top priority.

ACTIVITY (10 minutes)

Step 1: Check any of the following ways that you've previously engaged with a business.

WAYS TO ENGAGE CUSTOMERS	
<input type="checkbox"/> Polls on the company's website	<input type="checkbox"/> Tours (both in-person and virtual)
<input type="checkbox"/> Sponsored contests or events	<input type="checkbox"/> Product testing and feedback
<input type="checkbox"/> Loyalty programs with rewards	<input type="checkbox"/> Online customer comments or reviews
<input type="checkbox"/> Webinars or other interactive customer meetings	<input type="checkbox"/> Dialogues on social media about relevant or interesting topics

Step 2: Based on the activity on page 87, individually write at least two ideas of how your business could engage your customers:

Step 3: Come back together as a group and share your best ideas about how to engage customers.

3. LISTENING TO MY CUSTOMERS

Read: One way to build loyalty is by listening to your customers. When you listen, “apply [your] heart to understanding” (Proverbs 2:2). Your customers often provide useful feedback that leads to new ideas, improved ways of doing things, and better service. Business owners can listen to their customers in many ways, such as those below.

WAYS THAT CUSTOMERS COMMUNICATE WITH BUSINESSES			
 <p>In-person comments Customers give feedback to a business owner or to an employee.</p>	 <p>Word-of-mouth comments Customers give comments to their friends or other customers.</p>	 <p>Complaints Customers send negative feedback to produce awareness or action.</p>	 <p>Reviews and ratings Customers score a business’s value and service (often online).</p>
 <p>Surveys A business asks for feedback from customers.</p>	 <p>Social media Customers use online tools to share feedback with a larger audience.</p>	 <p>Buying decisions Customers show their preferences and values by what they choose to buy or not to buy.</p>	 <p>Recognition and awards A business earns praise or an award for its quality or service.</p>

ACTIVITY (20 minutes)

Step 1: In the chart on the previous page, individually fill in the blanks with the name of a business that you or other customers have communicated with in the ways identified. You might not be able to think of an example for all of these ways, but identify as many as possible.

Step 2: As a group, discuss the most effective ways for you to listen to your customers to gain new ideas.

Step 3: Individually write how you will listen to your customers to improve your business.

4. ADJUSTING TO MARKET CHANGE

Read: As you engage and listen to your customers, you may observe new trends or changes that will require you to adjust your business. These may be changes in customer needs, culture, technology, or competition.

Watch: "Adjusting to Market Change," available at srs.lds.org/videos.
(No video? Read pages 94–95.)



Discuss: What trends or changes might affect your business? In what ways could you respond?

5. CREATING A POSITIVE CUSTOMER EXPERIENCE

Read: Successful business owners find ways to delight customers by exceeding their expectations. Customers want their experience to be easy, convenient, and delivered with exceptional service. Customers also place high value on a business that follows through with its promises and stands behind its services or products. Providing a memorable customer experience pays off with word-of-mouth sales and increased loyalty.

ACTIVITY (10 minutes)

Step 1: Individually write answers to the questions below:

Name a company that provides an exceptional customer experience.

What specifically does this company do to create such a good customer experience?

What could your business do to provide a positive, memorable customer experience?

Step 2: Divide into groups of three. Share ideas about how your business could provide a positive, memorable customer experience.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“Cry unto [God] over the crops of your fields, that ye may prosper in them. Cry over the flocks of your fields, that they may increase” (Alma 34:24–25).

Based on what you’ve learned today, what change do you feel impressed to make to help your business keep its current customers?

What action will you take this week because of the change you identified above?



COMMIT—Maximum Time: 5 Minutes (pages 92–93)

ENGAGING AND LISTENING TO YOUR CUSTOMERS

Read: We have many tools and technologies to engage and listen to our customers. Successful business owners often experiment with different methods to find the best ways to connect with their customers. This week:

- Experiment with ways to engage and listen to your customers.
- Write what you learned in your business notebook.
- Be prepared to share your results with the group next week.

KEEPING YOUR CUSTOMERS

Read: Successful business owners talk with their customers to gain ideas about how to make their businesses more competitive. This week:

- Talk with current or potential customers about how you can best keep or gain their business.
- Record these ideas in your business notebook.
- Fill out the “Keep” portion under the “How will I find and keep my customers?” section in your Personal Business Planner (page 224).
- Test these ideas immediately with your customers.



CUSTOMER (CHAPTERS 4-5)	
My customer:	
How will I find and keep my customers?	
Find:	Keep: ← Fill out here
• _____	• _____
• _____	• _____
• _____	• _____
• _____	• _____

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- Ⓐ I will keep the “My Foundation” commitments for this week:
 - Practice the steps on page 84 for using my time more wisely and report each night to Heavenly Father in my prayers.
 - Share what I’ve learned about using time wisely with my family or friends.

 - Ⓑ I will experiment with new ways to engage and listen to my customers and report on my experience next week.

 - Ⓒ I will fill out the “Keep” portion under “How will I find and keep my customers?” in my Personal Business Planner.

 - Ⓓ I will review my “Ponder” page and keep the commitment (see page 91).

 - Ⓔ I will contact and support my action partner.
-

Remember that next week, you will be asked to report the number of days that you talked with potential customers, wrote in your business notebook, and sold (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.



RESOURCES

ADJUSTING TO MARKET CHANGE

Choose two group members to read the following script.

[Gabbie video chats with her best friend, Adrienne]

Gabbie: Hey, Adrienne! Wish you were here.

Adrienne: Me too! We could be at the beach together.

Gabbie: Well, it's not my fault that you moved to the coldest part of the country!

Adrienne: Yeah, talk to my husband about that. What's up? It seems like you're usually too busy to call in the afternoon.

Gabbie: Well, that's the problem. The tutoring business is slowing down. I don't have as many students as I used to.

Adrienne: But you're such a great tutor!

Gabbie: I know! But a lot of parents are going online to find help for their kids. It's cheaper.

Adrienne: But not as personal. And not at the child's pace.

Gabbie: I explained that. But times are changing.

Adrienne: It's more like the market is changing.

Gabbie: What do you mean?

Adrienne: Parents are busier than ever. You know that. And if they can save money . . .

Gabbie: I know. So what do I do?

Adrienne: Well, you have to adapt to what your clients want.

Gabbie: I can't see myself doing online videos. They're just not as effective.

Adrienne: No, but you are. You're the greatest tutor in the universe.

Gabbie: OK, now you're overdoing it.

Adrienne: Let's look at what you do best.

Gabbie: Work one-on-one with kids.

Adrienne: And what do your clients want?

Gabbie: The ease and low cost of online tutoring.

Adrienne: So how do we bring those two things together?

Gabbie: Uh, good question.

Adrienne: Hint: you're doing it right now.

Gabbie: Video chat tutoring?

Adrienne: That's part of it. Why don't you post video lessons of your math sessions? You teach the same math concepts to most of your students, right?

Gabbie: Right.

Adrienne: So you charge them to subscribe, which they will, because they love you. And then you set up 15-minute video chat calls to make sure they understand the lesson.

Gabbie: Sounds like I'll make less money.

Adrienne: Actually, it sounds like more. You'll charge less per student, but since you're only spending 15 minutes with each one, you'll end up helping a lot more of them. More students equals more money.

Gabbie: My friend, the marketing guru.

Adrienne: Yeah, and I wouldn't have made it through college without you helping me with my math.

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NOTES



6

MANAGING THE PROFITABILITY OF MY BUSINESS

"MY FOUNDATION" PRINCIPLE

- Work: Take Responsibility and Persevere

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. The Importance of Keeping Written Records
2. The Habit of Keeping Records
3. Keeping a Revenue and Expense Log
4. Keeping an Income Statement
5. Creating a Revenue and Expense Log and an Income Statement
6. Tool for Managing the Financial Details of My Business



REPORT—Maximum Time: 25 Minutes (pages 98–99)

Have an opening prayer.

LAST WEEK’S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Experiment with new ways to engage and listen to my customers and report on my experience next week.
- Ⓒ Fill out the “Keep” portion under “How will I find and keep my customers?” in my Personal Business Planner.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 91).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS						Key Business Skills	
INSTRUCTIONS: Evaluate your effort to keep the commitments you make each week. Share your evaluation with your action partner. Ponder why you can continue to improve as you practice, forgive these reported failures.						The week's Commitments (Priority)	
KEY: ● Missed / Fail ● Somewhat Effort ● Significant Effort						Report Progress (Circle) (Date)	
My Foundation [Ⓐ] Commitments	Subunit Development [Ⓑ] Commitments	Business Operations [Ⓒ] Commitments	"Ponder" [Ⓓ] Commitments	Action Partner [Ⓔ] Commitments	1	2	3
Example Report out to partner	Use an action and expense log daily	Check a plan for my business cost					
Week 1 Self-reliance is a part of my business	Participate in the Frugal-Clip Challenge	Begin saving in my business (minimum \$50)					
Week 2 Financial health is just ahead	Create a list of top-10 most customer needs	Choose a list of competitive advantages for my business					
Week 3 Manage money	Have conversations with at least five potential customers	Fill out the assigned section of my Personal Business Planner					
Week 4 Report and be obedient	Participate in the Make-A-Sale Challenge	Fill out the "Find" section of my Personal Business Planner					
Week 5 Love my money	Experiment with new ways to engage and listen to my customers	Fill out the "Keep" section of my Personal Business Planner					
Week 6 Work, save, reproduce, and give	Use a manual and expense log for my business or for a fictitious business	Change my revenue statement for my business or for a fictitious business					
Week 7 Solve problems	Pay myself a wage and keep my business and personal money separate	Keep personal records for my business and personal money					
Week 8 Share one word together	Write a list of potential cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face					
Week 9 Date handling	Create a plan to grow my business	Choose a plan to put my business into					
Week 10 Show insight	Talk with identified people to explore financing options	Learn more about potential financing options for my business					
Week 11 Commitment to justice and law	Research the legal and regulatory requirements for my business	Practise and practice delivering my business presentation					
Week 12 Receive tangible outcomes	Write a list of ideas for moving my business forward	Refine my Personal Business Planner based on presentation feedback					

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn from experimenting with new ways to engage and listen to your customers?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: WORK: TAKE RESPONSIBILITY AND PERSEVERE

Maximum Time: 20 Minutes (pages 100–101)

Ponder: Why does Heavenly Father want me to take personal responsibility for my life?

Watch: “Sedrick’s Journey,” available at srs.lds.org/videos.
(No video? Read page 101.)

Discuss: How do we learn to keep going, even when the work is difficult?

Read: Doctrine and Covenants 42:42 and the quote by President James E. Faust (on the right).

Discuss: Read the quote by Elder D. Todd Christofferson (on page 101).
Why does the Lord expect us to work for what we receive?

DOCTRINE AND COVENANTS 42:42

“Thou shalt not be idle; for he that is idle shall not eat the bread nor wear the garments of the laborer.”

PRESIDENT JAMES E. FAUST

“Perseverance is demonstrated by those who . . . don’t give up even when others say, ‘It can’t be done.’”

“Perseverance,” Ensign or Liahona, May 2005, 51

ACTIVITY (5 minutes)

Step 1: Choose a partner and read together each step in the pattern below.

Step 2: Share a hard task or challenge that each of you currently faces.

Step 3: Help each other apply the four steps below to the difficult task or challenge.

1 KEEP A POSITIVE ATTITUDE	2 REMEMBER TO WORK TOGETHER	3 REPLACE FEAR WITH FAITH	4 MOVE FORWARD WITH PATIENCE AND COURAGE
List your blessings.	Ask friends, peers, group members, and others for help.	Avoid doubt. Remember that the Lord has all power. Call upon Him and accept His will.	Never, never, never give up; endure with faith. Look for lessons the Lord might be teaching you.

Step 4: Write two or three ways you can move forward with faith, trusting that God will provide.

Ponder: Read the quote by President Thomas S. Monson (below on the right). How do I react when I experience failure?

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

Choose something that is hard or uncomfortable and finish the task. Write the task you will complete below.

Share what you've learned today about work and perseverance with your family and friends.

SEDRICK'S JOURNEY

If you are unable to watch the video, choose a group member to read the following script.



SEDRICK: My name is Sedrick Kambesabwe. I live in the Democratic Republic of the Congo. I'm a member of the LDS Church.

I'm a branch missionary in the village of Kipusanga. I need to prepare to go on a foreign mission. In order to go on a mission, I need a passport, which now costs 250 U.S. dollars.

To earn money, my father and I buy bananas. Some villages produce a lot of bananas: Tishabobo, Lusuku, and Kamanda.

Tishabobo is about 9 miles from here. Lusuku is 18 miles. Kamanda is 18 as

well. We go there and buy bananas, and we bring them back here to sell.

To go to the villages we use a bicycle. We can take four or six bunches of bananas.

When I go by bike, it can take an hour and a half each way, if the bike is working and I have the strength. When it is midday and the heat is oppressive, I move slowly because of the heat and the sun.

I can do two trips per day if I wake up very early in the morning. It is a good way to help pay for my passport.

Now I'm earning money, little by little, so I'm saving for both school expenses and the mission. And now, after four years of work, I have enough money for my passport, plus 70 dollars saved.

Back to page 100.

ELDER D. TODD CHRISTOFFERSON

"God has designed this mortal existence to require nearly constant exertion. . . . By work we sustain and enrich life. . . . Work builds and refines character, creates beauty, and is the instrument of our service to one another and to God. A consecrated life is filled with work, sometimes repetitive, . . . sometimes unappreciated but always work that improves, . . . lifts, [and] aspires."

"Reflections on a Consecrated Life," *Ensign* or *Liahona*, Nov. 2010, 17

PRESIDENT THOMAS S. MONSON

"Our responsibility is to rise from mediocrity to competence, from failure to achievement. Our task is to become our best selves. One of God's greatest gifts to us is the joy of trying again, for no failure ever need be final."

"The Will Within," *Ensign*, May 1987, 68



LEARN—Maximum Time: 60 Minutes (pages 102–112)

1. THE IMPORTANCE OF KEEPING WRITTEN RECORDS

Read: “How Is My Business Doing?” (see pages 115–116)

Discuss: What lessons do you learn from Jack’s business experience?

Read: Successful business owners are well organized and keep track of their financial details. For your business to succeed, it’s essential that you keep good financial records. Without good records, how will you know if your business is profitable? How will you know if you’ve been paid by all of your customers? How will you know your total expenses?

In this chapter, we will learn about the importance of keeping good financial records. We will learn about the term **revenue**, which refers to the money a business receives from selling services or products to customers. We will also learn about the term **expense**, which refers to the money spent by a business to obtain services or products. During the week, we will track our business revenue and expenses to see if we are making a profit.

ACTIVITY (5 minutes)

Step 1: With a partner, take one minute to read “A Week at Jack’s Painting Business” on page 116. **Do not write down any information. Complete this step before reading step 2.**

Step 2: With your partner, try to answer these questions from memory:

- How much money did Jack's business take in this week?
- How much money did Jack's business spend this week?
- How much profit or loss did Jack's business have this week?

Step 3: With your partner, go back to "A Week at Jack's Painting Business" on page 116. Add up the revenue and expenses, and then calculate the profit. Would it have been easier to calculate these figures if you had recorded them?

2. THE HABIT OF KEEPING RECORDS

Read: Successful business owners keep daily records. For new business owners, this can be a difficult habit to establish, but it's important. Here are five strategies for record-keeping success:

- **Remember the "why":** You can find motivation by thinking of the long-term benefits that will result from operating an organized business with good records.
- **Develop new skills:** You may need to develop new skills to succeed at keeping records. Our discussion today will help you learn those skills.
- **Choose friends, not accomplices:** A friend is a person who helps you do the right thing. An accomplice is someone who helps you do the wrong thing. Ask trusted friends, a mentor, or your spouse to help you be consistent in keeping records.
- **Use rewards:** Reward yourself for keeping daily records.
- **Get the right tools:** Make sure you have the tools to do the job right. We will learn about some effective record-keeping tools later in this meeting.

Discuss: Which of the strategies listed above will be the most helpful to you as you develop the habit of keeping daily financial records?

3. KEEPING A REVENUE AND EXPENSE LOG

Read: A **revenue and expense log** is a common and important business form. The main purpose of the log is to record every time money comes in and goes out of your business. Another purpose is to help you keep business and personal finances separate (see chapter 7). Decide whether to keep this log on paper or on a software application. It's essential that you use it every day.

ACTIVITY (5 minutes)

Step 1: Working individually, match the numbers below with the numbers in the revenue and expense log on the next page.

ENTRIES FOR CREATING JACK'S REVENUE AND EXPENSE LOG	
	1 Jack has 1,500 in his business bank account. He enters that amount as his starting balance at the beginning of the week.
Monday	2 Paints two interior rooms. In the revenue column he puts 200. 3 Adds 200 to the account balance. New balance = 1,700. 4 Pays 100 for materials. In the expense column he puts -100. 5 Subtracts 100 from the account balance. New balance = 1,600.
Tuesday	6 Pays Tim 500 in wages. In the expense column he puts -500. 7 Subtracts 500 from the account balance. New balance = 1,100.
Wednesday	8 Paints four interior rooms. In the revenue column he puts 400. 9 Adds 400 to the account balance. New balance = 1,500.
Thursday	10 Pays 200 for materials. In the expense column he puts -200. 11 Subtracts 200 from the account balance. New balance = 1,300. 12 Paints entire house interior. In the revenue column he puts 1,000. 13 Adds 1,000 to the account balance. New balance = 2,300.
Friday	14 Buys a new paint sprayer. In the expense column he puts -600. 15 Subtracts 600 from the account balance. New balance = 1,700.
Saturday	16 Power washes a house exterior. In the revenue column he puts 400. 17 Adds 400 to the account balance. New balance = 2,100.
	18 Jack finishes the week with 2,100 in his business bank account.

JACK'S REVENUE AND EXPENSE LOG: MARCH 15–20				
Date	Description	Expense	Revenue	Account Balance
Jack's business starting balance				1,500 ①
Monday, Mar. 15	Paints two interior rooms		200 ②	1,700 ③
Monday, Mar. 15	Pays for materials	-100 ④		1,600 ⑤
Tuesday, Mar. 16	Pays wages to Tim	-500 ⑥		1,100 ⑦
Wed., Mar. 17	Paints four interior rooms		400 ⑧	1,500 ⑨
Thurs., Mar. 18	Pays for materials	-200 ⑩		1,300 ⑪
Thurs., Mar. 18	Paints entire house interior		1,000 ⑫	2,300 ⑬
Friday, Mar. 19	Buys new paint sprayer	-600 ⑭		1,700 ⑮
Sat., Mar. 20	Power washes a house exterior		400 ⑯	2,100 ⑰
Jack's business ending balance				2,100 ⑱

Step 2: Individually calculate the profit Jack made this week. _____

Step 3: As a group, discuss the following situation: At the end of the week, Jack's employee Tim says he hasn't been paid. Assume that Jack kept receipts for all of his business transactions during the week and then recorded all of his revenue and expenses. How do Jack's receipts and revenue and expense log help him resolve the issue of Tim saying he hasn't been paid?

4. KEEPING AN INCOME STATEMENT

Read: After you have created a revenue and expense log, you can create an **income statement**. An income statement is also called a profit and loss statement or a P&L.

Remember how hard it was to calculate profit from memory during the activity in section 1? An income statement will help. It adds up all the entries from the revenue and expense log to summarize sources of revenue and expenses for a specific period, such as a week, month, quarter, or year. The income statement indicates whether your business is profitable during that period.

An income statement shows:

Revenue

Expenses

Profit (or loss)

ACTIVITY (5 minutes)

Step 1: Individually match the numbers in this table to the numbers in the income statement on the following page.

ENTRIES FROM JACK'S REVENUE AND EXPENSE LOG (FROM PAGE 105)	
Revenue	<ul style="list-style-type: none"> ① Paints rooms; receives 200 ② Paints rooms; receives 400 ③ Paints house interior; receives 1,000 ④ Power washes a house; receives 400
Expenses	<ul style="list-style-type: none"> ⑤ Pays for materials: -100 ⑥ Pays for materials: -200 ⑦ Pays employee wages: -500 ⑧ Pays for a paint sprayer: -600

JACK'S INCOME STATEMENT
MARCH 15-20

Revenue

<i>Painting rooms</i>	600	1	2
<i>Painting house interior</i>	1,000	3	
<i>Power washing a house</i>	400	4	
<i>Total Revenue</i>	2,000		

Expenses

<i>Materials</i>	-300	5	6
<i>Wages</i>	-500	7	
<i>Equipment</i>	-600	8	
<i>Total Expenses</i>	-1,400		

Profit (or Loss)

600

Step 2: As a group, discuss the following questions:

- Was Jack's business profitable this week?
- Can Jack operate his business like this every week? Why or why not?

Read: Notice how the purpose of the income statement is to aggregate all revenue and expenses into categories. You may have dozens, hundreds, or thousands of entries from your log that get summarized in the income statement. Once you understand how an income statement is organized, you can begin to study and analyze it to gain insights that will help you improve your business.

Discuss: What insights can you gain from studying an income statement?

5. CREATING A REVENUE AND EXPENSE LOG AND AN INCOME STATEMENT

Read: To know if your business is profitable, you need to create an income statement. To create an income statement, you first need to have a revenue and expense log.

ACTIVITY (15 minutes)

You've seen how Jack kept a revenue and expense log and how he used it to create an income statement. Now, work with a partner to create a revenue and expense log and an income statement for Frank.

If you need help filling out the revenue and expense log or the income statement, see the answer key on page 110.

Step 1: Review Frank's revenue and expenses in the list of weekly activities below. Transfer his revenue and expenses onto the revenue and expense log on the top half of the next page.

REVENUE AND EXPENSES FOR FRANK'S UPHOLSTERY BUSINESS	
Monday	Receives the first half of the payment for current job: 2,000.
Tuesday	Pays 1,500 for materials.
Wednesday	Receives payment for a previous job: 500.
Thursday	Works on current job.
Friday	Pays another 1,000 for materials.
Saturday	Finishes current job. Pays an employee 500. Receives the other half of the payment for current job: 2,000.

Step 2: On the bottom half of the next page, complete the income statement for Frank's upholstery business.

FRANK'S REVENUE AND EXPENSE LOG: APRIL 21-26				
Day	Description	Expense	Revenue	Account Balance
Frank's business starting balance				3,000
Frank's business ending balance				

FRANK'S INCOME STATEMENT APRIL 21-26	
Revenue	
<i>First half of payment</i>	_____
<i>Payment for previous job</i>	_____
<i>Other half of payment</i>	_____
<i>Total Revenue</i>	<input type="text"/>
Expenses	
<i>Materials</i>	_____
<i>Wages</i>	_____
<i>Total Expenses</i>	<input type="text"/>
Profit (or Loss)	<input type="text"/>

Step 3: As a group, discuss what you learned about Frank's business from reviewing his income statement.

Discuss: Successful business owners rely on the power of record keeping. Does anyone in the group currently keep revenue and expense logs or produce income statements? If so, share how this has helped you.

ANSWER KEY FOR PAGE 109

FRANK'S REVENUE AND EXPENSE LOG: APRIL 21–26				
Day	Description	Expense	Revenue	Account Balance
Frank's business starting balance				3,000
Monday April 21	Receives first half of payment		2,000	5,000
Tuesday April 22	Pays for materials	-1,500		3,500
Wednesday April 23	Receives payment for previous job		500	4,000
Friday April 25	Pays for materials	-1,000		3,000
Saturday April 26	Pays employee wages	-500		2,500
Saturday April 26	Receives other half of payment		2,000	4,500
Frank's business ending balance				4,500

FRANK'S INCOME STATEMENT APRIL 21–26	
Revenue	
First half of payment	2,000
Previous job	500
Other half of payment	2,000
<i>Total Revenue</i>	4,500
Expenses	
Materials	-2,500
Wages	-500
<i>Total Expenses</i>	-3,000
Profit (or Loss)	1,500

Read: You have now learned the importance of keeping a revenue and expense log and the basics of preparing regular income statements for your business. As your business grows, your income statements will likely become more complex. They will need to include other revenue and expense items, such as those listed on the next page:

- Interest income
- Non-wage employee expenses (such as health insurance and payroll taxes)
- Marketing and advertising
- Rent
- Utilities
- Depreciation
- Insurance
- Interest expense

Don't worry if you're not familiar with some of these terms. You may want to reference the glossary on pages 228–232 for more information. As your business grows, you will want to become familiar with these terms and how to account for them in your income statement.

6. TOOL FOR MANAGING THE FINANCIAL DETAILS OF MY BUSINESS

Read: You need to use a comprehensive tool to manage the financial details of your business. Use this tool to record every revenue and expense transaction for your business. Ideally it should have a reporting capability to summarize revenue, expenses, and profitability. To help you make a daily habit of keeping your business organized, your tool should be easy to use and accessible.

Some business owners start by using a notebook and folders to record their receipts daily. These owners take their notebook and receipts and enter revenue and expenses into a spreadsheet every night. Most owners will progress to more advanced record-keeping tools, such as digital applications (apps) and software packages, as their businesses grow. Some owners also hire accountants to manage their finances.

- Discuss:**
- What tools are you aware of that can help manage the financial details of your business?
 - What are the most useful features of the tools you recommend?

ACTIVITY (5 minutes)

Individually write answers to the following questions.

- Given the nature of your business, what does your financial management tool need to be able to do?

- Based on your previous answer, what financial management tool are you currently using or do you think you will use?

Read: As a business owner, you need to decide which tool or resources will best help you record your revenue and expenses. Although a tool or an accountant will help with much of the record keeping, you need to understand the financial records of your business and review them continually. As your business grows, you will want to deepen your understanding of financial matters.

Starting today, record your revenue and expenses each day. At the end of the week, create an income statement for your business. (If it's helpful, use the blank forms on pages 117 and 118.) If your business doesn't have financial data yet, create data for a fictitious business. The habit of recording all your revenue and expenses will benefit your business.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“And it came to pass that they did worship the Lord, and did go forth with me; and we did work timbers of curious workmanship. And the Lord did show me from time to time after what manner I should work the timbers of the ship.

“Now I, Nephi, did not work the timbers after the manner which was learned by men, neither did I build the ship after the manner of men; but I did build it after the manner which the Lord had shown unto me; wherefore, it was not after the manner of men” (1 Nephi 18:1–2).

Based on what you’ve learned today, what change do you feel impressed to make to ensure that you keep good records?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- Ⓐ I will keep the “My Foundation” commitments for this week:
- Choose something that is hard or uncomfortable and finish the task.
 - Share what I have learned about work and perseverance with my family and friends.
- Ⓑ I will use a revenue and expense log every day for my business or create a log for a fictitious business.
- Ⓒ I will create an income statement for my business or create a statement for a fictitious business.
- Ⓓ I will review my “Ponder” page and keep the commitments (see page 113).
- Ⓔ I will contact and support my action partner.

Remember that next week, you will be asked to report the number of days that you talked with potential customers, wrote in your business notebook, sold, and recorded financial details (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner's signature

Have a closing prayer.



RESOURCES

HOW IS MY BUSINESS DOING?

Jack is buying painting supplies with his employee, Eric. Choose two group members to read the following script.

Eric: Wow, these brushes sure are pricey. It makes me wonder if you charge enough for painting.

Jack: That's because they're good brushes. It takes good equipment to do a good job.

Eric: I saw a few bouncing around in the back of the van.

Jack: Yeah, I need to clean up back there.

Eric: By the way, Tim has been texting me. Did you lose your cell phone? Or are you just not paying your contractors these days?

Jack: Oh, yeah, I was going to get back to him. He says I never paid him, but I'm sure I did.

Eric: Well, just look at your check register.

Jack: Oh, I paid him in cash. Now I think we're going to need more primer.

Eric: Primer? For which job? And, wait, don't you keep a record when you pay somebody?

Jack: I always pay *you*, don't I?

Eric: Well, yeah, and I write it down in my notebook next to my hours.

Jack: Great idea! Why don't you teach Tim to do that? He's kind of lazy.

Eric: My phone is buzzing again. How come everybody has my number?

Jack: Because you're my number one employee!

Eric: It's a text from Mrs. Anderson. She says you overcharged on the final bill.

Jack: What? Half down, half when we're finished. How hard is that to figure out?

Eric: Well, she's saying the bill was twice as much as the estimate. Did you get 50 percent up front from her?

Jack: Uh, well, I'll have to check my records.

Eric: So you *do* keep records?

Jack: Yeah, my classic vinyl records. They help jog my memory. I love listening to mellow tunes from the 1980s!

Back to page 102.

A WEEK AT JACK'S PAINTING BUSINESS

Read: Jack started his business by painting interior rooms. He gained a good reputation and has received a lot of word-of-mouth referrals. His business has really started to grow, so he has hired other painters to help. Jack has also expanded his business by offering a power-washing service. Jack is busy and works hard to keep up with the demands of his growing business. Review the following list of activities for one week of Jack's business.

Monday	Receives 200 for painting two interior rooms. Pays 100 for materials.
Tuesday	Pays 500 to an employee.
Wednesday	Receives 400 for painting four interior rooms.
Thursday	Pays 200 for materials. Receives 1,000 for painting a house interior.
Friday	Pays 600 for a new paint sprayer.
Saturday	Receives 400 for power washing a house exterior.

Back to page 103.

MY REVENUE AND EXPENSE LOG

Day	Description	Expense	Revenue	Account Balance
My business starting balance				
My business ending balance				

MY INCOME STATEMENT	
Revenue	
	<i>Total Revenue</i> <input type="text"/>
Expenses	
	<i>Total Expenses</i> <input type="text"/>
Profit (or Loss)	<input type="text"/>



7

KEEPING SEPARATE MY BUSINESS AND PERSONAL MONEY

“MY FOUNDATION” PRINCIPLE

- Solve Problems

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Helping Both My Business and My Family
2. Separating My Business and Personal Money
3. Paying Tithing on My Income
4. Keeping Separate Records



REPORT—Maximum Time: 25 Minutes (pages 120–121)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Use a revenue and expense log every day for my business or create a log for a fictitious business.
- Ⓒ Create an income statement for my business or create a statement for a fictitious business.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 113).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS						Key Business Skills					
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Ranker ways you can continue to improve as you practice foreign new report notes.											
My Foundation Commitments		Business Development Commitments		Business Operations Commitments		Ponder Commitments	Action Partner Commitments	Use my Commitments	Share my Commitments	Support my Commitments	Report my Commitments
Example	Report on a partner	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Share my business plan	Review my business plan	Share my business plan	1	2	3	4
Week 1	Self-reflection as a participant of spiritual	Participate in the Paper Cup Challenge	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 2	Fast-track to in John O'Neil	Create a list of five initial customer leads	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 3	Manage money	Have conversations with at least five potential customers	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 4	Report and evaluate	Participate in the Make a Deal Challenge	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 5	Ask one weekly	Follow-up with new leads to engage and build up my customer	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 6	Work with reports, logs and journals	Use a revenue and expense log for my business or for a fictitious business	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 7	Solve problems	Pay myself a wage and keep my business and personal money separate	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 8	Observe one work together	Write a list of potential cash flow challenges my business may face	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 9	Share learning	Create a plan to grow my business	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 10	Show integrity	Talk with identified people to explore financing options	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 11	Communicate partner and listen	Research the legal and regulatory requirements for my business	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				
Week 12	Monitor progress and measure	Write a list of goals for moving my business forward	Use an expense log every day	Check a plan that my business cost	Begin writing in my business notebook daily	Review my business plan	Share my business plan				

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn from using an income and expense log and creating a business income statement?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: SOLVE PROBLEMS

Maximum Time: 20 Minutes (pages 122–123)

Ponder: Why does Heavenly Father allow us to face problems and challenges?

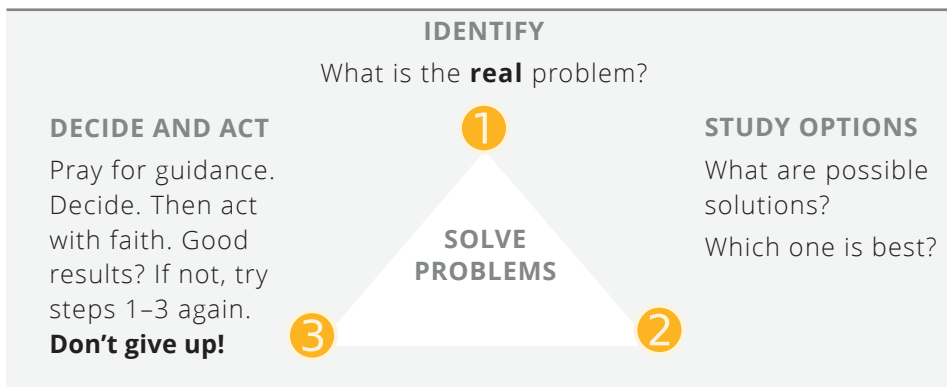
Watch: “A Bigger Truck?” available at srs.lds.org/videos.
(No video? Read page 123.)

Discuss: What is the real problem in this story? What are some options for the two men?

Read: Doctrine and Covenants 9:7–9 (on the right) and the quote by Elder Robert D. Hales (below on the right).

ACTIVITY (5 minutes)

Step 1: Individually read the problem-solving model in the box below.



Step 2: Choose a problem you are facing and write it below.

Step 3: Take time **during the week** to apply each of the steps from the problem-solving model to your problem. Write your answers in the space below.

(1) Identify:

(2) Study options:

(3) Decide and act:

DOCTRINE AND COVENANTS 9:7–9

“Behold, you have not understood; you have supposed that I would give it unto you, when you took no thought save it was to ask me.

“But, behold, I say unto you, that you must study it out in your mind; then you must ask me if it be right, and if it is right I will cause that your bosom shall burn within you; therefore, you shall feel that it is right.

“But if it be not right you shall have no such feelings, but you shall have a stupor of thought that shall cause you to forget the thing which is wrong.”

ELDER ROBERT D. HALES

“The Lord expects us to help solve our own problems. . . . We are thinking, reasoning human beings. We have the ability to identify our needs, to plan, to set goals, and to solve our problems.”

*“Every Good Gift,”
New Era, Aug. 1983, 8, 9*

Read: 1 Nephi 17:51 and 1 Nephi 18:2–3 (on the right).

Discuss: How was Nephi able to build a ship?

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Act on the steps you discussed in the activity to begin solving your problem. Remember, don't give up. It takes time to solve problems and make changes.
- Share what you've learned today about solving problems with your family or friends.

A BIGGER TRUCK?

If you are unable to watch the video, choose a group member to read the following script.



ELDER DALLIN H. OAKS: Two men formed a partnership. They built a small shed beside a busy road. They obtained a truck and drove it to a farmer's field, where they purchased a truckload of melons for a dollar a melon. They drove the loaded truck to their shed by the road, where they sold their melons for a dollar a melon.

They drove back to the farmer's field and bought another truckload of melons for a dollar a melon. Transporting them to the roadside, they again sold them for a dollar a melon. As they drove back toward the farmer's field to get another load, one partner said to the other, "We're not making much money on this business, are we?" "No, we're not," his partner replied. "Do you think we need a bigger truck?" ("Focus and Priorities," *Ensign*, May 2001, 82)

Back to page 122.

1 NEPHI 17:51

"And now, if the Lord has such great power, and has wrought so many miracles among the children of men, how is it that he cannot instruct me, that I should build a ship?"

1 NEPHI 18:2–3

"Now I, Nephi, did not work the timbers after the manner which was learned by men, neither did I build the ship after the manner of men; but I did build it after the manner which the Lord had shown unto me; wherefore, it was not after the manner of men.

"And I, Nephi, did go into the mount oft, and I did pray oft unto the Lord; wherefore the Lord showed unto me great things."



LEARN—Maximum Time: 60 Minutes (pages 124–132)

1. HELPING BOTH MY BUSINESS AND MY FAMILY

Watch: “Opportunity of a Lifetime? Part 1,” available at srs.lds.org/videos.
(No video? Read pages 135–136.)



Discuss: Mark wants to help his sister, but he also wants to expand his business. What do you think Mark should do?

Read: Last week we discussed the importance of keeping a daily record of our revenue and expenses. Developing this habit is essential to creating a successful business. As this chapter will explain, another essential habit is keeping our business money separate from our personal money.

2. SEPARATING MY BUSINESS AND PERSONAL MONEY

Watch: “Opportunity of a Lifetime? Part 2,” available at srs.lds.org/videos.
(No video? Read pages 136–138.)



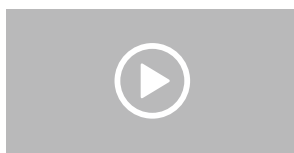
Discuss: What do we learn from this video about keeping our business money separate from our personal money?

Read: Pay yourself. As your business begins to earn money, you need to decide how to pay yourself. Many business owners start by paying themselves a small salary, which can increase as the business grows and becomes financially stable.

Keep separate bank accounts. The money you pay yourself should go into your personal bank account. This account should be separate from your business bank account.

Don't rob your own business. Successful business owners do not take money from their business bank account to give financial help to family or friends.

Watch: "Opportunity of a Lifetime? Part 3," available at srs.lds.org/videos. (No video? Read page 138.)



Discuss:

- Do you think Mark did the right thing? Why or why not?
- What have you learned about saying "no" that will help you as a business owner?

Read: Successful business owners understand that they need to save money in case any problems or difficulties arise and to help their businesses grow. When considering helping someone financially, we should use wisdom to determine reasonable limits and conditions. We should rely only on discretionary personal resources and should never use business funds. Above all, we need to make certain that our business is a "house of order" (D&C 88:119).

3. PAYING TITHING ON MY INCOME

Read: We receive great blessings from paying tithing on our income. If we keep our business money and personal money separate, it's easier to calculate our tithing. Remember these principles:

1. Keep business and personal money in separate bank accounts.
2. Pay tithing on personal income (such as salary) that you receive from your business.
3. Money in your business is not tithed. You should use that money to pay for business expenses, salaries, and business growth opportunities.

4. KEEPING SEPARATE RECORDS

Read: In addition to having separate bank accounts for your personal and business money, you should also keep separate records. Mark Bailey keeps daily records of all the money that comes into his business and all the money that goes out. He also keeps daily records of all the money that comes to his family and all the money that goes out. These records are called **revenue and expense logs** (for business use) and **income and expense logs** (for personal use).

ACTIVITY (5 minutes)

Complete the following activity as a group.

Step 1: Mark Bailey keeps a revenue and expense log for his business and an income and expense log for his family. Review Mark's **business** revenue and expense log below. Notice that on August 14, the day Mark's sister asked him for a loan, Mark's business had 28,500 in its bank account.

MARK BAILEY'S BUSINESS REVENUE AND EXPENSE LOG: AUGUST 14–20				
Date	Description	Expense	Revenue	Balance
Business Account Balance				38,600
8/14	Stadium's share of weekly ticket receipts	-9,000		29,600
8/14	Brochures	-1,100		28,500
8/15	Ticket receipts		4,200	32,700
8/15	Snacks	-500		32,200
8/16	Ticket receipts		4,200	36,400
8/17	Ticket receipts		5,100	41,500
8/18	Ticket receipts		5,100	46,600
8/18	Mark's salary (paid every other week)	-3,000		43,600
8/18	Tour guide wages (paid every other week)	-4,800		38,800
8/18	Stadium security	-2,000		36,800
8/19	Ticket receipts		5,400	42,200

Step 2: Discuss the following question: What would be the consequences to Mark's business if he were to loan his sister 25,000?

Step 3: Review Mark's **personal** income and expense log below. Circle the entry that shows his salary payment as income. Now refer to the **business** log on the previous page and circle the entry that shows his salary payment as an expense to the business. Notice how when Mark logs his 3,000 salary as a business expense, he also has to log 3,000 as personal income.

MARK BAILEY'S PERSONAL INCOME AND EXPENSE LOG				
AUGUST 14-20				
Date	Description	Expense	Income	Balance
Personal Account Balance				12,050
8/14	Gas	-80		11,970
8/14	Groceries	-350		11,620
8/15	Piano lessons	-100		11,520
8/15	Utilities	-200		11,320
8/16	Lunch	-10		11,310
8/17	School activity	-20		11,290
8/17	Movies	-20		11,270
8/18	Mark's salary		3,000	14,270
8/18	Tithing	-300		13,970
8/18	Savings	-200		13,770
8/19	Car wash	-15		13,755

ACTIVITY (10 minutes)

Now let's practice separating our business and personal money. Work together as a group to complete this activity.

Facilitator: We have been learning about keeping our business money separate from our personal money. Now let's review this with Trenton, who is a locksmith. He makes 100 for unlocking a vehicle. That's business revenue. Once a week he goes to lunch with his best friend, Charlie. That's a personal expense. On his way back from lunch, Trenton occasionally buys a box of blank keys. That's a business expense.

A list of Trenton's daily activities is provided below. As a group, take turns reading each line. Next, discuss where to enter the line on the chart on the next page. Then, individually record the activity as a business expense, business revenue, a personal expense, or personal income. Afterward, check the answer key on page 130.

Trenton's Daily Activities

Unlocked 2 vehicles: earned 200

Bought lunch with Charlie: spent 10

Bought 30 blank keys: spent 30

Paid for 5 deadbolt locks: spent 40

Made 15 new keys: earned 45

Installed 2 deadbolt locks: earned 300

Paid house electrical bill: spent 120

Paid personal cell phone bill: spent 80

Purchased gas for work van: spent 50

Bought pizza for son's baseball team: spent 90

Provided after-hours customer roadside help: earned 150

Paid himself a salary: 1,200

TRENTON'S REVENUE AND EXPENSE CHART			
Personal		Business	
Income	Expense	Revenue	Expense

Facilitator: Let's review the chart. Trenton's business account should show both revenue and expenses. His personal account should show expenses and one income entry. How did you record Trenton's salary of 1,200? His salary should be recorded as income in his personal account and as an expense in his business account. If you need to correct how you've entered his salary on the chart, do so now.

We can add up the columns in our business account and see what our revenue and expenses are for the day. We can do the same for our personal account. It's easy to subtract our expenses from our revenue to determine our business profit—or loss—for the day.

Do this for a week and see what you learn about your own business. Did your business make a profit? Is there enough money to make improvements to your business or save for the future? Are there opportunities to increase revenues or reduce expenses, allowing you to increase your salary in the future?

ANSWER KEY FOR PAGES 128–129

TRENTON'S REVENUE AND EXPENSE CHART			
Personal		Business	
Income	Expense	Revenue	Expense
Trenton's salary: earned 1,200	Bought lunch with Charlie: spent 10	Unlocked 2 vehicles: earned 200	Bought 30 blank keys: spent 30
	Paid house electrical bill: spent 120	Made 15 new keys: earned 45	Paid for 5 deadbolt locks: spent 40
	Paid personal cell phone bill: spent 80	Installed 2 deadbolt locks: earned 300	Purchased gas for work van: spent 50
	Bought pizza for son's baseball team: spent 90	Provided after- hours customer roadside help: earned 150	Trenton's salary: spent 1,200

ACTIVITY (15 minutes)

Now apply what you've learned from the previous group activity to a more advanced example. Individually follow the five steps below. Use the forms on the next page to separate Trenton's business and personal money.

- 1 Look at Trenton's business revenue, personal income, and business and personal expenses for each day of the week (see the top of page 131).
- 2 Record Trenton's business money in the business revenue and expense log.
- 3 Record Trenton's personal money in the personal income and expense log.
- 4 Create a business income statement from the information in the business log.
- 5 Create a personal income statement from the information in the personal log.

Once you've completed your work, check the answer key on page 139.

1 Monday 9/2	Business received 400 for unlocking cars. Bought food for family for 300.
Tuesday 9/3	Business paid 60 for gas. Business received 300 for rekeying locks.
Wednesday 9/4	Paid 50 for kids' school fees. Paid himself a 1,200 salary payment. Paid 120 for tithing.
Thursday 9/5	Paid 800 for personal rent. Business received 350 for unlocking homes.
Friday 9/6	Business received 200 for rekeying locks. Business paid 150 for materials and supplies.
Saturday 9/7	Business received 500 for unlocking cars. Bought clothes for kids for 50. Business paid 40 for gas.

2 TRENTON'S BUSINESS REVENUE AND EXPENSES: 9/2-9/7

Date	Description	Expense	Revenue	Balance
	Business Account Balance			1,000
Total Expenses and Revenue				

4 TRENTON'S BUSINESS INCOME STATEMENT (9/2-9/7)

Revenue	
Unlocking cars	_____
Rekeying locks	_____
Unlocking homes	_____
<i>Total business revenue</i>	_____
Expenses	
Gas	_____
Salary	_____
Materials and supplies	_____
<i>Total business expenses</i>	_____
Business profit (or loss)	_____
<i>(Revenue - Expenses =)</i>	_____

3 TRENTON'S PERSONAL INCOME AND EXPENSES: 9/2-9/7

Date	Description	Expense	Income	Balance
	Personal Account Balance			1,000
Total Expenses and Income				

5 TRENTON'S PERSONAL INCOME STATEMENT (9/2-9/7)

Income	
Salary	_____
<i>Total personal income</i>	_____
Expenses	
Food	_____
School fees	_____
Tithing	_____
Rent	_____
Clothes	_____
<i>Total personal expenses</i>	_____
Personal profit (or loss)	_____
<i>(Income - Expenses =)</i>	_____

- Discuss:**
- What aspect of separating the business and personal money was most challenging?
 - What insights can you gain from these business and personal income statements?

Read: Successful business owners keep daily records and use them to make informed business decisions. While many business owners don't enjoy keeping records, they make it a habit and a priority because they know that having accurate revenue and expense information will help their business succeed and grow.

New business owners often use spreadsheets or simple online tools to keep their records organized. As your business grows, it will make sense for you to invest in a more sophisticated accounting solution or hire an accountant to meet your business needs. Even though you have a tool or an accountant to manage your financial records, you need to have a working understanding of the details in those records and continually review them.

We will work hard this week to keep separate accounts and to avoid the common mistake of getting so busy with business tasks that we get careless with critical, daily record keeping.

ACTIVITY (5 minutes)

Step 1: Think about what challenges or obstacles might make it hard for you to keep separate records each day. Individually write your thoughts below.

Step 2: Having a record-keeping plan will make the task of keeping separate records each day be easier to manage. For example, you might want to review your records at a set time each day. You could also make a plan to create daily reminders for yourself. Think about what would work best for you and write your plan below.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“Commit thy way unto the Lord; trust also in him; and he shall bring it to pass” (Psalm 37:5).

Based on what you’ve learned today, what change do you feel impressed to make to ensure that you separate your business and personal money?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:
- Choose a problem I am facing.
 - Apply these steps to my problem: (1) Identify; (2) Study options; (3) Decide and act.
 - Share what I’ve learned about solving problems with my family or friends.
- (B)** I will pay myself a salary or wage and keep my business money in a separate account from my personal money.
- (C)** I will keep separate records for my business and personal money.
- (D)** I will review my “Ponder” page and keep the commitments (see page 133).
- (E)** I will contact and support my action partner.

Remember that next week, you will be asked to report the number of days that you talked with potential customers, wrote in your business notebook, sold, and recorded financial details (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.



RESOURCES

OPPORTUNITY OF A LIFETIME? PART 1

Mark Bailey, who started the stadium tour business in chapter 2, is approached by his sister Michelle after he's been in business for nearly a year. Choose two group members to read the following script.

Mark: Hey, Sis.

Michelle: Hey, Mark. It looks like your business is taking off!

Mark: Yeah, it's been crazy.

Michelle: That's great! And you really seem to enjoy it.

Mark: Yeah, I feel pretty good about it. You should take a tour sometime and see how it all works.

Michelle: That sounds like fun! And I'm so happy for you. By the way, I'm looking forward to launching my own venture.

Mark: Really? That happened fast.

Michelle: My old friend from college approached me. She just obtained a patent for a groundbreaking product, and she wants to put me and my marketing skills into it. She wants me to be her business partner.

Mark: That seems a little risky, but with enough hard work you can do it. You certainly have the talent for it.

Michelle: Well, that's the catch. I actually have to buy into the partnership.

Mark: How much is that going to cost you?

Michelle: 25,000 for a 50 percent share of the company.

Mark: Wow, that seems a little expensive. Do you think that you can afford that?

Michelle: That's actually one of the reasons I came here to talk to you. I haven't been able to get a loan from the bank, so I was hoping you could help me out.

Mark: It sounds like you really believe in this.

Michelle: I do. Enough to quit my job.

Mark: You know I'd love to help you out. But I'm preparing to expand my own business this year, and it's not going to be cheap. I really need to be sure that my own expenses will be covered.

Michelle: I understand.

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OPPORTUNITY OF A LIFETIME? PART 2

Choose two group members to read the following script.

Mark: Rich, I've got a problem I need to talk to you about.

Rich: Let me guess: you've got a million people waiting in line for your next stadium tour.

Mark: Pretty much. My business is exploding, and I definitely need to invest more in it.

Rich: It seems like you've been good about saving some of your profits. Do you need more than that?

Mark: Actually, my savings should cover it.

Rich: So what's the problem?

Mark: My sister wants to start a new business with one of her friends. She needs money to buy into it. She's asking for just about the same amount that I have in savings.

Rich: Which savings? Your business account or your personal account?

Mark: Well, it's my business, so what is the difference? I mean, I only want to worry about one account.

Rich: You need to have separate accounts so you don't use your business money for personal expenses. I've seen people get in financial trouble by trying to use just one account. Keeping separate accounts will help you keep your money organized.

Mark: So how do I get any money from my business account to my personal account?

Rich: It's *your* business, which makes you the owner. But you also do all the work, which makes you an employee. As a business owner, you have to pay your employees, which, in this case, is you. That money goes into your personal account. You can even make yourself "Employee of the Month."

Mark: Good idea, I'll make up a plaque.

Rich: Look, if you were working for somebody else—say, a restaurant—and your sister needed a loan, would you take money out of the cash register and give it to her?

Mark: Of course not. That would be stealing.

Rich: Same thing. You don't want to steal from your own business. The only money you can loan to family members is the money that's yours. You're paying yourself a salary, right?

Mark: I only take out what I need to live.

Rich: So it's not a set amount. Can you see how mixing accounts can be a problem?

Mark: I can now.

Rich: The money in your business account isn't for you to spend on personal expenses. You need a separate, personal bank account where you deposit your salary. Keep your salary low until the business is doing well enough that you can give yourself a raise. Anything in your personal account is yours to spend however you want.

Mark: Thanks. This has been helpful. I need to get better organized before I can even think about helping my sister.

Rich: Well, it's a tough spot. She needs your help.

Mark: And I want to help her. She deserves the chance.

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OPPORTUNITY OF A LIFETIME? PART 3

Choose two group members to read the following script.

Mark: I'm really glad you came to me about this, Michelle.

Michelle: Really?

Mark: Yeah, it's made me think about my own business and how it needs to be structured better. I realized that I need to keep my personal accounting and business accounting separate. And I need to pay myself a salary. You should really think about that when you get your own business started.

Michelle: So does that mean you're going to be able to help me?

Mark: Well, I can't take money out of my own business to loan you. I wouldn't be able to grow my business this year if I did. But my wife and I went through our personal finances, and we feel we can scrape together 5,000. That should help you out and give you a little leverage with the bank.

Michelle: You're a good brother, and I know this is such a big sacrifice for you.

Mark: I also have some other ideas that might help you raise the rest of the money too.

Michelle: Thanks, Mark. You're a lifesaver.

Mark: Glad I could help.

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ANSWER KEY FOR PAGE 131

Monday 9/2 1 Business received 400 for unlocking cars. 2 Bought food for family for 300.

Tuesday 9/3 3 Business paid 60 for gas. 4 Business received 300 for rekeying locks.

Wednesday 9/4 5 Paid 50 for kids' school fees. 6 Paid himself a 1,200 salary payment. 7 Paid 120 for tithing.

Thursday 9/5 8 Paid 800 for personal rent. 9 Business received 350 for unlocking homes.

Friday 9/6 10 Business received 200 for rekeying locks. 11 Business paid 150 for materials and supplies.

Saturday 9/7 12 Business received 500 for unlocking cars. 13 Bought kids clothes for 50. 14 Business paid 40 for gas.

TRENTON'S BUSINESS REVENUE AND EXPENSES: 9/2-9/7

Date	Description	Expense	Revenue	Balance
Business Account Balance				1,000
9/2	Unlocking cars 1		400	1,400
9/3	Gas 3	-60		1,340
9/3	Rekeying locks 4		300	1,640
9/4	Salary 6	-1,200		440
9/5	Unlocking homes 9		350	790
9/6	Rekeying locks 10		200	990
9/6	Materials and supplies 11	-150		840
9/7	Unlocking cars 12		500	1,340
9/7	Gas 14	-40		1,300
Total Expenses and Revenue		-1,450	1,750	

TRENTON'S BUSINESS INCOME STATEMENT (9/2-9/7)

Revenue	
Unlocking cars 1 12	900
Rekeying locks 4 10	500
Unlocking homes 9	350
Total business revenue	1,750
Expenses	
Gas 3 14	100
Salary 6	1,200
Materials and supplies 11	150
Total business expenses	1,450
Business profit (or loss) (Revenue - Expenses =)	300

TRENTON'S PERSONAL INCOME AND EXPENSES: 9/2-9/7

Date	Description	Expense	Income	Balance
Personal Account Balance				1,000
9/2	Food 2	-300		700
9/4	School fees 5	-50		650
9/4	Salary 6		1,200	1,850
9/4	Tithing 7	-120		1,730
9/5	Rent 8	-800		930
9/7	Clothes 13	-50		880
Total Expenses and Income		-1,320	1,200	

TRENTON'S PERSONAL INCOME STATEMENT (9/2-9/7)

Income	
Salary 6	1,200
Total personal income	1,200
Expenses	
Food 2	300
School fees 5	50
Tithing 7	120
Rent 8	800
Clothes 13	50
Total personal expenses	1,320
Personal profit (or loss) (Income - Expenses =)	-120



8

MANAGING THE CASH FLOW OF MY BUSINESS

"MY FOUNDATION" PRINCIPLE

- Become One, Serve Together

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. The Difference between Profit and Cash Flow
2. Understanding Cash Flow
3. Strategies for Improving Cash Flow
4. Actively Managing My Cash Flow



REPORT—Maximum Time: 25 Minutes (pages 142–143)

Have an opening prayer.

LAST WEEK’S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Pay myself a salary or wage and keep my business money in a separate account from my personal money.
- Ⓒ Keep separate records for my business and personal money.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 133).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below.

Discuss: What questions or challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS				Key Business Skills	
INSTRUCTIONS: Evaluate your effort to keep the commitments you make each week. Share your evaluation with your action partner. Remember, only you can continue to improve as you practice. Strongly agree, agree, disagree, or strongly disagree.				The week's commitments/ promises/ action partner commitments	
				1	2
				3	4
				5	6
				7	8
				9	10
				11	12
				13	14
				15	16
				17	18
				19	20
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				81	82
				83	84
				85	86
				87	88
				89	90
				91	92
				93	94
				95	96
				97	98
				99	100
Example	Report out to partner	Use an account helper regularly	Check a plan for my business cost		
Week 1	Self-reference is a part of my business	Participate in the Frugal Flip Challenge	Begin saving in my business, regardless of my		
Week 2	Facilitate both in-person and virtual meetings	Create a list of top 10 most important customer needs	Choose a list of competitive advantages for my business		
Week 3	Manage money	Have conversations with at least five potential customers	Fill out the assigned section of my Personal Business Planner		
Week 4	Report and be obedient	Participate in the Make a Sale Challenge	Fill out the "Think" section of my Personal Business Planner		
Week 5	Ask for help	Experiment with new ways to engage and listen to my customers	Fill out the "Keep" section of my Personal Business Planner		
Week 6	Work with my partner	Use a manual and prepare up for my business or for a freelance business	Change my expense statements for my business or for a freelance business		
Week 7	Solve problems	Pay myself a wage and keep my business and personal money separate	Keep personal records for my business and personal money		
Week 8	Streamline one work item	Write a list of potential cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face		
Week 9	Share my story	Create a plan to grow my business	Choose a plan to out my business costs		
Week 10	Show integrity	Ask well-qualified people to explore financing options	Learn more about potential financing options for my business		
Week 11	Communicate with my partner	Research the legal and regulatory requirements for my business	Present and practice delivering my business presentation		
Week 12	Review my business plan	Write a list of ideas for moving my business forward	Refine my Personal Business Planner based on presentation feedback		

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn by keeping separate records for your business and personal money?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: BECOME ONE, SERVE TOGETHER

Maximum Time: 20 Minutes (pages 144–145)

Ponder: How does losing myself in the service of others actually save me?

Watch: “In the Lord’s Way,” available at srs.lds.org/videos.
(No video? Read page 145.)

Discuss: How can serving others open the windows of heaven in your life?

Read: Some people feel that they deserve what others have, which can cause resentment. Others feel entitled to things they have not earned. These two traps blind people from seeing an essential truth: all things belong to God. Resentment and entitlement are overcome by focusing on the needs of others. Read Mosiah 2:17, Mosiah 4:26, and the quote by President Gordon B. Hinckley (on the right).

ACTIVITY (10 minutes)

The purpose of this activity is to plan a service project that you will complete this week as a group.

Step 1: As a group, think of someone who needs help.

Step 2: Discuss the talents, contacts, and resources you have to offer.

Step 3: Make a plan to serve that person. For example, you could:



- Perform a service project in your community.
 - Prepare your family history using the booklet *My Family: Stories That Bring Us Together*. Then go to the temple and perform sacred ordinances for family members who have died.
 - Help someone on his or her path to self-reliance.
-

MOSIAH 2:17

“When ye are in the service of your fellow beings ye are only in the service of your God.”

MOSIAH 4:26

“And now, for the sake of . . . retaining a remission of your sins from day to day, . . . I would that ye should impart of your substance to the poor, every man according to that which he hath, such as feeding the hungry, clothing the naked, visiting the sick and administering to their relief, both spiritually and temporally, according to their wants.”

PRESIDENT GORDON B. HINCKLEY

“When you are united, your power is limitless. You can accomplish anything you wish to accomplish.”

“Your Greatest Challenge, Mother,” Ensign, Nov. 2000, 97

Read: Quotes by Elder Robert D. Hales and President Thomas S. Monson (on the right).

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Act on the plan your group made to serve someone.
- Share what you've learned today about service with your family or friends.

IN THE LORD'S WAY

If you are unable to watch the video, choose two group members to read the following script.



PRESIDENT HENRY B. EYRING:

The principles at the foundation of the Church welfare program are not for only one time or one place. They are for all times and all places. . . .

. . . The way it is to be done is clear. Those who have accumulated more are to humble themselves to help those in need. Those in abundance are to voluntarily sacrifice some of their comfort, time, skills, and resources to relieve the suffering of those in need. And the help is to be given in a way that increases the power of the recipients to care for themselves and then care for others. Done in this, the Lord's way, something remarkable can happen. Both the giver and the receiver are blessed.

(Adapted from an address given by President Eyring at the dedication of the Sugarhouse Utah Welfare Services Center, June 2011, LDS.org)

PRESIDENT DIETER F. UCHTDORF:

Brothers and sisters, we each have a covenant responsibility to be sensitive to the needs of others and serve as the Savior did—to reach out, bless, and uplift those around us.

Often, the answer to our prayer does not come while we're on our knees but while we're on our feet serving the Lord and serving those around us. Selfless acts of service and consecration refine our spirits, remove the scales from our spiritual eyes, and open the windows of heaven. By becoming the answer to someone's prayer, we often find the answer to our own.

(“Waiting on the Road to Damascus,” *Ensign* or *Liahona*, May 2011, 76)

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**ELDER
ROBERT D. HALES**

“The purpose of both temporal and spiritual self-reliance is to get ourselves on higher ground so that we can lift others in need.”

*“Coming to Ourselves: The Sacrament, the Temple, and Sacrifice in Service,” *Ensign* or *Liahona*, May 2012, 36*

**PRESIDENT
THOMAS S. MONSON**

“When we work together cooperatively . . . , we can accomplish anything. When we do so, we eliminate the weakness of one person standing alone and substitute the strength of many serving together.”

*“Church Leaders Speak Out on Gospel Values,” *Ensign*, May 1999, 118*



LEARN—Maximum Time: 60 Minutes (pages 146–153)

1. THE DIFFERENCE BETWEEN PROFIT AND CASH FLOW

Read: You have learned that business success requires daily record keeping. Every time your business receives or makes a payment, you need to record it. You have also learned how to create an income statement, which shows a summary of the profit (or loss) achieved by your business over a specific period of time. **Profit** is defined as the money left over for your business after you subtract your expenses from your revenue.

While profit is an important metric, it's not the only one that demands your attention as a business owner. **Cash flow** is a metric that focuses on the timing of the movement of money in and out of your business every day. **Cash flow is the lifeblood of your business.** When your business has cash available, you can pursue options for growth, make investments, and save money for unexpected situations or emergencies.

Your income statement might show that your business is profitable, but it will go bankrupt if it doesn't have enough cash to pay its obligations. **Cash flow problems are one of the leading causes of business failure.**

ACTIVITY (10 minutes)

Work together as a group to complete this activity. Choose two group members to join the facilitator in reading the following script.

Facilitator: Today we're going to talk about cash flow. Cash flow refers to the timing and amount of the cash flowing in and out of your business. It can get complicated. We're going to look at two businesses and how they manage their cash flow. As you learn about each business, underline the key points that you think will affect their cash flow.

Business 1 Owner: My business is growing fast, with a lot of sales. We pay our suppliers quickly so that we establish a good relationship. Our customers pay us eventually, so their outstanding invoices are like money in the bank.

Business 2 Owner: My business is growing at a modest pace. Our sales fluctuate; there are down times and good times. We strive to pay our suppliers within three or four weeks after we receive their invoices. We also track our outstanding invoices carefully and work to have our customers pay us on time.

Facilitator: Now let's present challenges to both businesses and discuss as a group how we would expect each one to perform. (*Note:* Finish reading and discussing Challenge A before reading and discussing Challenge B.)

Challenge A: Due to increased sales, the business must double its staff during the next four months. Which one will be better at meeting this need from a cash flow perspective? Why?

Challenge B: The business has an unexpected opportunity to expand into a promising market. Which one will be better at meeting this need from a cash flow perspective? Why?

- Which of these businesses would have stronger relationships with its suppliers?
 - Are "outstanding invoices" the same as "money in the bank"?
 - Which of these businesses would have greater long-term success? Why?
-

2. UNDERSTANDING CASH FLOW

Read: There are two types of cash flow:

Positive cash flow occurs when the total amount of cash coming into your business during a specific period of time is greater than the total amount of cash leaving your business during that same time. This is what you want: a positive cash flow cycle.

Negative cash flow occurs when the total amount of cash leaving your business during a specific period of time is greater than the amount of cash coming into your business during that same time. This is a risky, undesirable situation that you should address immediately with actions that generate cash as quickly as possible and reduce costs.

Let's review three different examples to understand cash flow pressures and how a business owner might address them. Imagine that a business starts the month with 300 in cash. The business usually receives cash payments of 200 every Monday and 200 every Wednesday. It pays out 300 in cash every Friday. Example A shows the cash flow cycle for this business over a period of three weeks. Money comes into and flows out of the business in a predictable pattern.

Example A: Ideal cash flow

	Week 1							Week 2							Week 3						
CASH IN	START	200		200				200	200					200	200						
CASH OUT						300						300						300			
CASH TOTAL	300	500		700		400		600	800		500			700	900			600			
	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S

Unfortunately, every business experiences surprises and setbacks. Example B shows what happens when a business isn't prepared for a negative cash flow. In this case, two customers don't pay their bills, resulting in 400 of uncollected receivables (also called bad debt). The business owner was depending on this money to pay employees. The business also incurs an emergency expense that has to be paid immediately.

Example B: Negative cash flow—unprepared

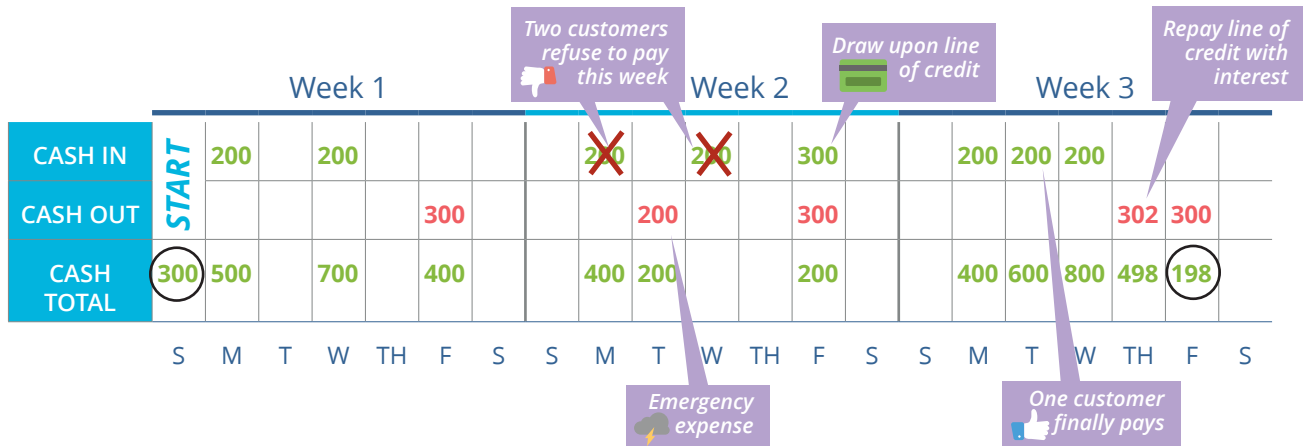
	Week 1							Week 2							Week 3						
CASH IN	START	200		200				200	200												
CASH OUT						300			200			300									
CASH TOTAL	300	500		700		400		400	200	200		-100									
	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S

Two customers refuse to pay this week

Emergency expense

Example C shows the same surprises and setbacks as example B. But in this case, the business owner is prepared. She relies on her line of credit to keep her business operating. She repays the balance on her line of credit as soon as possible.

Example C: Potential negative cash flow—prepared



Discuss: What do these examples teach you about the challenges of managing cash flow?

It's common for business owners to have cash flow challenges. Some of these challenges include:

- The **newness of the business**, which makes it difficult to receive and pay on credit.
- **Growth opportunities**, which can reduce the amount of available cash.
- **Having inventory**, which ties up cash.
- **Customers paying on credit**, which delays the amount of incoming cash.
- **Selling to other businesses that pay on credit**, which delays the amount of incoming cash.
- **Uneven sales due to seasonality or other factors**, which can create peaks and valleys in the amount of cash you have.
- **Unexpected expenses.**
- **Nonpayment by customers (bad debt).**

Discuss: What potential challenges do you anticipate with the cash flow of your business?

3. STRATEGIES FOR IMPROVING CASH FLOW

Read: There are many things you can do to create a positive cash flow cycle for your business and to prepare for possible surprises and setbacks. For example, you could research the standard payment terms for your industry. In some industries, vendors can wait 90 days or longer before they are required to issue payment. Other industries often require payment within 30 days. When you understand the standard payment terms for your industry, you can then work to negotiate more favorable terms for your own business.

ACTIVITY (15 minutes)

Step 1: As a group, review the following strategies for improving the cash flow of your business. Pause after each section to identify the pros and cons of these strategies.

GET PAID QUICKLY

- Offer discounts to customers who pay early.
- Consider implementing a late-payment charge.
- Either don't offer payment on credit, or establish strict terms for payment on credit.
- Accept credit card payments.
- Issue invoices promptly.
- Create an accounts receivable (A/R) follow-up plan.
- Offer automatic bill payment to customers.

CONSERVE CASH

- Pursue a business opportunity with few fixed costs.
- Cut unnecessary expenses.
- Manage and control inventory.
- Wait to pay invoices until a few days before they're due.
- Negotiate delayed payment terms with suppliers if necessary.

MANAGE THE FLOW

- Maintain a cash reserve.
- Obtain a loan or line of credit to address periods of uneven cash flow.

Step 2: Individually write answers to the following questions:

What actions could you take to speed up the flow of cash coming in to your business?

What actions could you take to slow down the flow of cash leaving your business?

Discuss: Business owners generally want to receive or collect cash as quickly as possible and withhold paying cash until they are required to do so. On the surface, this principle may seem to conflict with the Savior’s teaching that “whatsoever ye would that men should do to you, do ye even so to them” (Matthew 7:12). As a business owner, how do you reconcile these principles?

Read: As you work to create a positive cash flow cycle for your business, it’s important to operate with integrity. Put in the effort to understand the payment terms for your industry. Be smart in setting up your payment strategy. Work to create favorable payment terms for your business. Once you have set your payment strategy, clearly communicate your expectations and keep all of your commitments.

4. ACTIVELY MANAGING MY CASH FLOW

Read: It's not enough to periodically check your business bank account and hope that the numbers work out. You need to actively manage the cash flow of your business.

As a successful business owner, **you should know how much cash your business has available at any time.** Don't rely on bank statements to manage your cash flow. Your account balance often doesn't reflect payments that are in process, such as payments going out to suppliers or coming in from customers.

You need to create and continually update your cash flow projections. As explained earlier, cash flow is the timing and amount of cash that flows in and out of your business during a specific period of time. Your projection should show your expected cash flow for the next few months. Your projection won't be 100 percent accurate, but it's essential that you consistently establish conservative estimates for your monthly revenue, variable expenses, and fixed expenses.

Positive cash flow doesn't just happen for a business. It's achieved through hard work and careful planning. If you know your current cash position and future cash flow projection, you can make decisions that will help your business succeed and grow. Successful business owners keep a cash reserve for unexpected expenses and often line up sources of credit based on their projected cash flow needs.

ACTIVITY (15 minutes)

As a group, read aloud each situation below. Discuss the questions for the first situation before reading the next one.

Situation A: Imagine you have started a business that sells children's Halloween costumes online. In June you buy 300 costumes from your manufacturers. You purchase various sizes of the costumes that you think will be best sellers. This purchase consumes nearly all of your business cash. Your sales start slowly in July and August, but they begin to pick up in September. You notice that two costumes sell out immediately, and you continue to receive customer requests for them. Meanwhile, your inventory has a lot of other costumes that are not selling well. You want to purchase more of the two most popular costumes, but by the time you've earned enough cash to make the purchase, you realize that the costumes won't arrive in time to sell before Halloween.

- What factors contributed to your cash flow challenges in this situation?
- What could you do differently next year to improve your cash flow and the overall success of your business?

Situation B: Imagine you own a landscaping company. You frequently design and install new sprinkler systems. You have recently hired two new employees, which means you can now operate two installation crews. Your cash flow is tight, but you feel optimistic about the amount of new business you'll be able to add this season with a second crew.

After finishing some jobs, you have multiple customers who don't pay you on time. One customer has run into financial problems and is asking for additional time to pay you. The other customer is unhappy with his newly installed system. He wants you to do a lot more work, and he says that he won't pay you until he is fully satisfied. You are now concerned about your ability to pay your employees over the next few weeks.

- What factors contributed to your cash flow challenges in this situation?
 - What could you do differently to grow this business while maintaining a positive cash flow cycle?
-



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“And it did work for them according to their faith in God; therefore, if they had faith to believe that God could cause that those spindles should point the way they should go, behold, it was done; therefore they had this miracle, and also many other miracles wrought by the power of God, day by day.

“Nevertheless, because those miracles were worked by small means it did show unto them marvelous works. They were slothful, and forgot to exercise their faith and diligence and then those marvelous works ceased, and they did not progress in their journey” (Alma 37:40–41).

Based on what you’ve learned today, what change do you feel impressed to make to plan and manage your cash flow?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:

 - Complete the group service project.
 - Share what I’ve learned about service with my family or friends.

 - (B)** I will write in my business notebook a list of potential cash flow challenges my business may face.

 - (C)** I will write in my business notebook a plan to address the cash flow challenges my business may face.

 - (D)** I will review my “Ponder” page and keep the commitments (see page 154).

 - (E)** I will contact and support my action partner.
-

Remember that next week, you will be asked to report on the number of days that you talked with potential customers, wrote in your business notebook, sold, and recorded financial details (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.

NOTES

Lined area for taking notes, consisting of multiple horizontal lines.



9

GROWING MY BUSINESS

“MY FOUNDATION” PRINCIPLE

- Seek Learning: Resolve Where You Are Going and How to Get There

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Three Ways to Grow My Business
2. Expanding My Services or Products
3. Expanding My Target Market
4. Competing for a Greater Percentage of the Market
5. Making the Most of Growth Opportunities
6. Developing a Habit of Contributing to Personal Savings
7. Cutting Unnecessary Costs



REPORT—Maximum Time: 25 Minutes (pages 158–159)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Write in my business notebook a list of potential cash flow challenges my business may face.
- Ⓒ Write in my business notebook a plan to address the cash flow challenges my business may face.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 154).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below.

Discuss: What questions or challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS						Key Business Skills			
INSTRUCTIONS: Evaluate your effort to keep the commitments you make each week. Share your evaluation with your action partner. Finally, rate your own confidence in your practice forming these important habits.									
	Ⓐ	Ⓑ	Ⓒ	Ⓓ	Ⓔ	Self-worth (based on current commitments)	Self-compassion (based on current commitments)	Self-encouragement (based on current commitments)	Self-empowerment (based on current commitments)
	My Foundation Commitments	Business Development Commitments	Business Operations Commitments	“Ponder” Commitments	Action Partner Commitments	6	4	2	1
Example	Report and be obedient	Use an income and expense log daily	Check at least 6 out my business costs	Write a plan to address my business challenges	Contact and support my action partner				
Week 1	Self-worth is a percentage of what I do	Participate in the Paper Clip Challenge	Begin writing in my business notebook daily	Write a plan to address my business challenges	Contact and support my action partner				
Week 2	Exercise faith in Jesus Christ	Create a list of four unique customer needs	Choose a list of consumable advantages for my business	Fill out the “Ponder” section of my Personal Business Planner	Contact and support my action partner				
Week 3	Manage money	Have conversations with at least five potential customers	Fill out the “Ponder” section of my Personal Business Planner	Fill out the “Ponder” section of my Personal Business Planner	Contact and support my action partner				
Week 4	Report and be obedient	Participate in the Millionaire Paper Clip Challenge	Fill out the “Ponder” section of my Personal Business Planner	Fill out the “Ponder” section of my Personal Business Planner	Contact and support my action partner				
Week 5	Love my family	Experiment with new ways to engage and serve my customers	Fill out the “Ponder” section of my Personal Business Planner	Fill out the “Ponder” section of my Personal Business Planner	Contact and support my action partner				
Week 6	Work with responsibility and persistence	Use a notebook and expense log for my business or for a future business	Check my income statement for my business or for a future business	Check my income statement for my business or for a future business	Contact and support my action partner				
Week 7	Solve problems	Pay myself a wage and wage my business and personal money separately	Keep separate records for my business and personal money	Keep separate records for my business and personal money	Contact and support my action partner				
Week 8	Be a servant to others	Write a list of potential cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face	Contact and support my action partner				
Week 9	Love my business	Choose a plan to grow my business	Choose a plan to grow my business	Choose a plan to grow my business	Contact and support my action partner				
Week 10	Show integrity	Talk with identified people to explore business options	Learn more about potential business options for my business	Learn more about potential business options for my business	Contact and support my action partner				
Week 11	Communicate passion and ideas	Research the legal and regulatory requirements for my business	Include and practice delivering my business presentation	Include and practice delivering my business presentation	Contact and support my action partner				
Week 12	Receive testimonies	Write a list of ideas for moving my business forward	Write a list of ideas for moving my business forward	Write a list of ideas for moving my business forward	Contact and support my action partner				

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn by writing a list of potential cash flow challenges that your business may face? What solutions did you come up with?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: SEEK LEARNING: RESOLVE WHERE YOU ARE GOING AND HOW TO GET THERE

Maximum Time: 20 Minutes (pages 160–163)

Ponder: How does learning create opportunity?

Watch: “Education for a Better Life,” available at srs.lds.org/videos.
(No video? Read page 163.)

Discuss: What did Elder Joseph W. Sitati want when he was 13?
What did he do about it?

Read: Doctrine and Covenants 88:118–19 and the quote by
President Gordon B. Hinckley (on the right).

Ponder: What thoughts and impressions have you had from the
Holy Ghost about improving your life?

ACTIVITY—CREATING A “LIFE’S MISSION” (10 minutes)

Step 1: Read the quote by President Henry B. Eyring (on page 161). The Lord has a plan for you. He has blessed you with special gifts and talents that will allow you to become anything He desires you to become. You can fulfill your mission here on earth if you are diligent in seeking to understand and obey His will for you.

Step 2: Answer the questions below to start creating your vision or “life’s mission.” You will not have time to finish this now, but at least write down the main ideas. You can refine and improve your “life’s mission” in the future.

MY LIFE’S MISSION

Where do I want to be in five years?

Why?

What skills, knowledge, or experience do I need to get there?

DOCTRINE AND COVENANTS 88:118–19

“Seek ye diligently and teach one another words of wisdom; yea, seek ye out of the best books words of wisdom; seek learning, even by study and also by faith. . . . Establish a house . . . of learning.”

PRESIDENT GORDON B. HINCKLEY

“We have a responsibility and a challenge to take our places in the world of business, science, government, medicine, education, and every other worthwhile and constructive vocation. We have an obligation to train our hands and minds to excel in the work of the world for the blessing of all mankind.”

*“A City upon a Hill,”
Ensign, July 1990, 5*

Commit: Commit to do the following actions during this week. Check the box when you complete each action.

- Complete the goals and mentor activities shown below and on the next page.
- Finish writing your “life’s mission” plan and discuss it with your family or friends.
- Ask someone to be your mentor and set a time to meet.

ACTIVITY—CREATING GOALS (during the week)

Step 1: Read the quote from President Howard W. Hunter (on the right). By working toward goals, we transform our hopes into action.

Goals should:

1. Be specific and measurable.
2. Be written down and placed where you can see them daily.
3. Have set completion times.
4. Require specific actions to accomplish.
5. Be constantly reviewed, reported, and updated.

Step 2: On a separate sheet of paper, write two or three goals that will help you achieve your “life’s mission.” Follow the example below. Place the paper where you can see it daily.

GOAL	WHY?	SPECIFIC STEPS TO ACHIEVE GOAL	TIMELINE	WHO WILL I REPORT MY PROGRESS TO?
EXAMPLE: Read the Book of Mormon 30 minutes each day.	So I can receive daily direction from the Holy Ghost.	1. Wake up at 6:30 a.m. every day. 2. Read before breakfast. 3. Record my progress on a chart.	I will evaluate my progress every night before I go to bed.	I will share my progress chart with a family member each Sunday.

PRESIDENT HENRY B. EYRING

“Plead that the Spirit will show you what the Lord wants you to do. Plan to do it. Promise Him to obey. Act with determination until you have done what He asked. And then pray . . . to know what you might do next.”

“Act in All Diligence,” Ensign or Liahona, May 2010, 63

PRESIDENT HOWARD W. HUNTER

“This is a gospel of repentance, and we need to be repenting and resolving. Indeed, the process of repenting, making commitments, and setting goals should be a continuous one. . . . I commend the practice to you.”

“The Dauntless Spirit of Resolution” (Brigham Young University devotional, Jan. 5, 1992), 2, speeches.byu.edu

ACTIVITY—FINDING A MENTOR (during the week)

Step 1: Read the quote from Elder Robert D. Hales (on the right). There are different kinds of mentors. You may need someone with a lot of experience to answer your questions—someone who has done what you want to do. Other mentors can be righteous friends or family members. These are people who are willing to spend time encouraging you to make changes in your life and holding you accountable to progress.

Step 2: Think about the kind of help you need. Write a list of people who could be your mentors. Ponder and pray about your list of names.

Step 3: Answer the questions below to start a mentor relationship. To invite someone to be your mentor, you could simply ask, “I’m trying to make a change in my life. Would you be willing to help me?”

MY MENTOR
Who would you like to be your mentor?
When will you ask him or her to be your mentor?
When could you meet to share your “life’s mission” and goals?
How frequently would you like to meet with your mentor?

Step 4: Remember that you are responsible for your “life’s mission.”

When you meet with your mentor:

- Review your progress.
- Review the roadblocks to your progress and what you are doing to overcome them.
- Review specifically what you plan to do before you meet with your mentor again.

**ELDER
ROBERT D. HALES**

“In my young adult years, I sought counsel from my parents and from faithful, trusted advisers. One was a priesthood leader; another was a teacher who believed in me. . . . Prayerfully select mentors who have your spiritual well-being at heart.”

*“Meeting the Challenges of Today’s World,”
Ensign or Liahona,
Nov. 2015, 46*

EDUCATION FOR A BETTER LIFE

If you are unable to watch the video, choose a group member to read the following script.



ELDER JOSEPH W. SITATI: At 13 I lived in a very rural part of Kenya. People had very little. But those who seemed to afford the things that others admired were those who had a good education. I came to see that education was a key to a better life.

The thought kept coming to me to go and speak to the principal of one of the schools that I really desired to attend. I needed my father's bicycle to make this journey that took half a day. I had never been out of my village. I did not know how to speak English very well, and this principal was a white man. I had never before met or spoken directly to a white man, so this was an intimidating thought.

Something inside me kept pushing me along and telling me that I should do this, so I set off to visit the principal. As I looked at him, I could see that he was quite surprised to see this young boy standing like a soldier in front of him. He had kind eyes, so that gave me courage. I told him that I really wanted to join his school and I would be very happy if he could take me. Then he

said, "Well, we'll see when the test results are out." I said, "Thank you, sir." In less than four minutes I was out of the office.

Those four minutes I spent in that office really were the defining moments in my life. I was the only student from my primary school who was selected to one of the best schools in our area. The fact that this good man had given me this opportunity made me grateful, and it inspired me to strive to be the best student in my class.

That opened new opportunities for me to go to another good school and then to prepare for university. My education enabled me to find my wife at university. It enabled me to find a job in the city. While living in Nairobi, we came across a missionary couple that invited us to their home, where they were having meetings with those who are members of the Church. If I had not been in Nairobi at that time, I would never have found the gospel. The fact that I was in a secure job enabled me to serve in the Church.

I testify that education is a key to self-reliance. It will open many avenues for you to be able to provide for yourself temporally and to become spiritually self-reliant as well.

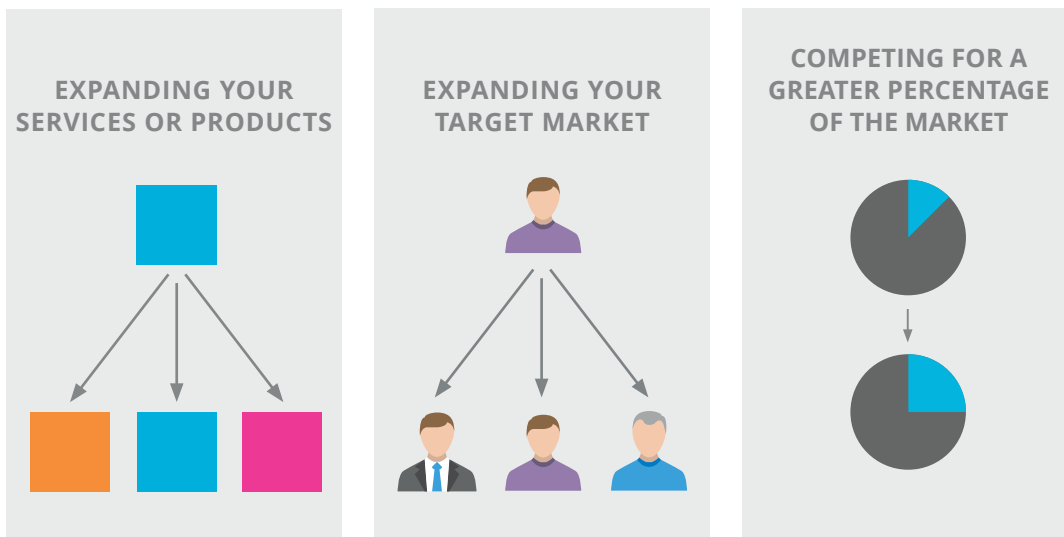
Back to page 160.



LEARN—Maximum Time: 60 Minutes (pages 164–170)

1. THREE WAYS TO GROW MY BUSINESS

Read: Once your business has achieved sustained success in delivering a profitable service or product, it could be ready for growth opportunities. Growing your business may have been part of your plan from the beginning, or it might be a pleasant surprise brought about by your hard work and persistence. Most business owners grow their business in one of three ways, as shown below. In this chapter we'll explore each of these ways in detail.



2. EXPANDING MY SERVICES OR PRODUCTS

Read: One effective way to grow your business is by offering additional services or products that meet the needs of your target customers. New services and products create additional revenue streams that help provide stability for your business. Some examples might include those shown on the next page.



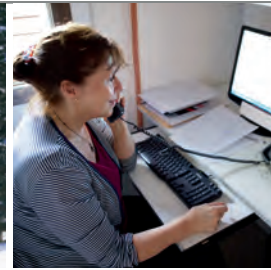
An oil change business sells air filters, wiper blades, and windshield rock-chip repairs.



A bed and breakfast sells anniversary packages that include chocolates and roses.



A ski rental company sells lift tickets and provides a shuttle service.



An information technology system provider sells priority support.

Note that each of the expanded services or products in these examples is a compatible extension of the core business.

ACTIVITY (10 minutes)

Step 1: Individually take three minutes to brainstorm and write down as many additional service or product ideas for your business as possible. Be creative and try not to limit your thinking. Write down everything that comes to mind.

- | | |
|----------|-----------|
| 1. _____ | 7. _____ |
| 2. _____ | 8. _____ |
| 3. _____ | 9. _____ |
| 4. _____ | 10. _____ |
| 5. _____ | 11. _____ |
| 6. _____ | 12. _____ |

Step 2: Review your list and circle the three ideas that you feel are the most promising for growing your business.

Step 3: Have a few group members share the most promising idea they circled for their business. Group members should provide feedback to build on each idea.

3. EXPANDING MY TARGET MARKET

Read: Another way to help your business grow is by expanding the size of your target market. This will allow you to focus on and communicate with more customers, which will hopefully lead to more business. Some of the ways you can expand your target market are shown below.

Focus on a new customer segment



An owner of a women's apparel business expands to sell products for children.

Open a new sales channel



An owner of a publishing business creates a new website to sell products online.

Move to a larger or better location



A rental company moves to a larger, more prominent location on the waterfront.

Open a second location



A dance instructor opens a second studio in a nearby town.

License your product to another seller



A soda pop business gives permission to a grocery store chain to sell a drink under its own label.

Franchise your business



An owner of an ice cream shop sells the right to operate her business in a different location.

- Discuss:**
- What factors would you want to research and consider before pursuing any of these options?
 - How would you maintain the quality of the services or products in your core business as you expand?

ACTIVITY (10 minutes)

Step 1: Individually identify one way that you could expand your target market. Write down your idea in the space below.

Step 2: Divide into pairs. With your partner, discuss your idea for expanding your target market. Each partner should provide constructive feedback.

4. COMPETING FOR A GREATER PERCENTAGE OF THE MARKET

Read: You can also grow your business by competing for a greater percentage of the market. Business owners do this by focusing on their competitive advantage and increasing the quality of their services or products so that customers will switch to their business. For example, the owner of a movie theater might invest in comfortable chairs and upscale food options, which could attract people who might attend other theaters.

ACTIVITY (10 minutes)

Step 1: Think of a business that directly competes with your own. This business may not be identical to yours, but it serves the same customer needs. Write down the top selling points of your competitor's service or product.

Step 2: Write down how your service or product would have to improve in order to inspire customers to buy from you.

Step 3: Divide into pairs. Assume that your partner is a potential customer. Talk with him or her about the idea(s) you wrote down for step 2. Ask questions to determine if he or she is interested in your idea(s).

5. MAKING THE MOST OF GROWTH OPPORTUNITIES

Read: We've just learned about three ways to grow a business. If you want to grow your business, you need to actively look for potential growth opportunities. Successful business owners learn by taking action (see D&C 58:26–28). They exercise wisdom when considering new opportunities to expand their business by carefully evaluating additional resources and potential challenges. However, they aren't afraid to experiment and make mistakes. They see mistakes as opportunities to accelerate their learning, which can make them stronger and move them closer to their goals. They have the courage to shift the focus of their business, if necessary, to meet changing customer needs.



Discuss: Imagine a business owner who stripes parking lots. He determines that he can gain more business by shifting the focus of his business. After talking with his customers, he learns that they would be willing to pay more if his business would black out old markings and install parking bumpers and speed bumps. He has analyzed this in detail and believes it makes financial sense, so he decides to pursue these new opportunities.

- What opportunities or obstacles have you noticed that might cause you to shift the focus of your business?

6. DEVELOPING A HABIT OF CONTRIBUTING TO PERSONAL SAVINGS

Read: Your ability to grow your business can be greatly aided if you have personal savings to draw on. One habit that distinguishes successful business owners is that they consistently save money. We have been counseled to pay our tithes and offerings first. Then we should pay ourselves by saving a portion of our money. Saving money provides funds for emergencies and unanticipated needs. It also provides peace of mind, flexibility with life decisions, and resources for opportunities like growing a business. While there are many ways to save money, what is ultimately important is to **save money every week.**

Technology can help you save money. You can set up an automatic deduction from your paycheck or an automatic transfer from a checking account to a savings account. Automatic deductions or transfers can help saving become effortless. Some other practical ways to save money include:

- Building an emergency fund.
- Establishing a budget.
- Working toward a short-term savings goal.
- Depositing lump sum income, such as tax refunds, birthday money, bonuses, and inheritance money.
- Setting up savings accounts for missions, education, retirement, business opportunities, or other personal goals.
- Saving your cash or loose change.

Discuss: What approaches have worked best to help you save money consistently?

7. CUTTING UNNECESSARY COSTS

Read: To maintain a healthy profit margin, business owners must often learn to operate with relatively few resources. Successful business owners are frugal and decisive in determining which costs are worthwhile and which are not. Sometimes they take bold action

by committing to cut a certain percentage of their costs and then finding creative yet realistic ways to achieve savings. Some common ways that business owners effectively manage costs are shown below.



Be resourceful: Share or reuse equipment and supplies; be willing to buy used rather than new.

For example, a graphic design shop was selective in buying used office furniture that met its needs.



Maintain focus: Use time effectively by focusing on priorities and projects that generate the most revenue.

For example, an engineering firm specialized by focusing on its three most profitable services.



Use technology: Use technology to increase productivity, improve communication, and reduce costs.

For example, to reduce travel expenses, a software development business used low-cost videoconferencing and teleconferencing services.



Use purchasing power: Shop around or get cost estimates from multiple sources, negotiate expenses to get the best price possible, and buy in bulk.

For example, a leatherworking business requested cost estimates from a variety of potential leather suppliers.

ACTIVITY (10 minutes)

Step 1: From the list above or using your own ideas, individually identify two ways that you can cut costs for your business. Write down your ideas below.

Step 2: As a group, share an effective way that you have cut costs for your business or ways that you've seen other business owners effectively cut their costs.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the quote below and write responses to the questions.

“Men and women who turn their lives over to God will discover that He can make a lot more out of their lives than they can. He will deepen their joys, expand their vision, quicken their minds, strengthen their muscles, lift their spirits, multiply their blessings, increase their opportunities, comfort their souls, raise up friends, and pour out peace” (Ezra Taft Benson, “Jesus Christ—Gifts and Expectations,” *Ensign*, Dec. 1988, 4).

Based on what you’ve learned today, what change do you feel impressed to make to help you grow your business?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- Ⓐ I will keep the “My Foundation” commitments for this week:
 - Complete the “creating goals” and “finding a mentor” activities (see pages 161 and 162).
 - Finish writing my “life’s mission” plan and discuss it with my family or friends.
 - Ask someone to be my mentor and set a time to meet.

- Ⓑ I will write a plan in my business notebook detailing the ways I intend to grow my business when the timing is right.

- Ⓒ I will write a plan in my business notebook detailing the ways that I could cut costs for my business.

- Ⓓ I will review my “Ponder” page and keep the commitments (see page 171).

- Ⓔ I will contact and support my action partner.

Remember that next week, you will be asked to report on the number of days that you talked with potential customers, wrote in your business notebook, sold, and recorded financial details (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.



10

FINANCING MY BUSINESS

“MY FOUNDATION” PRINCIPLE

- Show Integrity

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Do I Have the Cash to Grow?
2. Is Borrowing Money Good or Bad?
3. Financing Options for My Business
4. Researching Financing Options
5. Integrity in Financial Relationships



REPORT—Maximum Time: 25 Minutes (pages 174–175)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Write a plan in my business notebook detailing the ways that I intend to grow my business when the timing is right.
- Ⓒ Write a plan in my business notebook detailing the ways that I could cut costs for my business.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 171).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the key question below.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS						Key Business Skills				
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluations with your action partner. Consider ways you can continue to improve as you practice for your important needs.						KEY: ● Working Well ● Progress is Being Made ● Significant Effort				
	Ⓐ	Ⓑ	Ⓒ	Ⓓ	Ⓔ	1	2	3	4	5
	My Foundation Commitments	Business Development Commitments	Business Operations Commitments	“Ponder” Commitments	Action Partner Commitments	Self-Motivation	Communication	Teamwork	Problem Solving	Financial Literacy
Example	Report card completed	Clear income and expense log kept	Copy a plan for my business			●	●	●	●	●
Week 1	Self-reflection is a part of my habits	Participate in a Paper Cup Challenge	Begin writing in my business notebook daily			●	●	●	●	●
Week 2	Exercise both in and out of school	Create a list of business customer needs	Share a list of competitive advantages for my business			●	●	●	●	●
Week 3	Manage money	Have conversations with at least five potential customers	Fill out the original section of my Personal Business Planner			●	●	●	●	●
Week 4	Report card be obtained	Participate in the Make-A-Sale Challenge	Fill out the “Ponder” section of my Personal Business Planner			●	●	●	●	●
Week 5	Low time-wasting	Experiment with new ways to engage and learn in my classroom	Fill out the “Notes” section of my Personal Business Planner			●	●	●	●	●
Week 6	Work safe, responsible and persistent	Use a positive advertisement for my business or for a friend's business	Create an income statement for my business or for a friend's business			●	●	●	●	●
Week 7	Solve problems	Put myself in a major role in my business and personal money matters	Write a plan to address the cash flow challenges my business may face			●	●	●	●	●
Week 8	Be on time, meet together	Write a list of potential cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face			●	●	●	●	●
Week 9	Seek learning	Create a plan to grow my business	Create a plan to cut my business costs			●	●	●	●	●
Week 10	Share insights	Get with identified people to explore financing options	Learn more about potential financing options for my business			●	●	●	●	●
Week 11	Communicate openly and listen	Research the legal and regulatory requirements for my business	Practice and practice delivering my business presentation			●	●	●	●	●
Week 12	Receive feedback	Write a list of ideas for raising my business funds	Refine my Personal Business Planner based on presentation feedback			●	●	●	●	●

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn by creating a plan to grow your business?
 - What did you learn by creating a plan to cut your business costs?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: SHOW INTEGRITY

Maximum Time: 20 Minutes (pages 176–177)

Ponder: Why does the Lord love those with “integrity of heart”?

Watch: “What Shall a Man Give in Exchange for His Soul?” available at srs.lds.org/videos. (No video? Read page 177.)

Discuss: What does it mean to have integrity? What are some small ways people give away their souls to get things in this life?

Read: Articles of Faith 1:13 and Job 27:5 (on the right).

ACTIVITY (5 minutes)

On your own, rate yourself in the following areas.

PUT A NUMBER IN FRONT OF EACH ITEM TO SHOW HOW OFTEN YOU ACT THIS WAY.

1 = never, 2 = sometimes, 3 = often, 4 = always

- _____ 1. I keep my promises, commitments, and covenants.
- _____ 2. I am completely truthful in things I say and in the records I keep.
- _____ 3. I do not exaggerate to make things appear better than they are.
- _____ 4. I return what I borrow and do not take things that do not belong to me.
- _____ 5. I am completely faithful to my spouse in my words and actions.
- _____ 6. I never cheat, even when I know I won't be caught.
- _____ 7. When I find something that isn't mine, I return it to the owner.
- _____ 8. I pay back money I borrow.

Discuss: Read Mosiah 4:28 (on the right) and the quote by Elder Joseph B. Wirthlin (on page 177). Why is repaying a debt or business or student loan (like a PEF loan) a matter of personal integrity?

Commit: Commit to do the following actions during the week.

Check the box when you complete each action:

- Improve in one of the eight areas you rated above.
- Share what you've learned today about integrity with your family or friends.

ARTICLES OF FAITH 1:13

“We believe in being honest.”

JOB 27:5

“Till I die I will not remove mine integrity from me.”

MOSIAH 4:28

“And I would that ye should remember, that whosoever among you borroweth of his neighbor should return the thing that he borroweth, according as he doth agree, or else thou shalt commit sin; and perhaps thou shalt cause thy neighbor to commit sin also.”

WHAT SHALL A MAN GIVE IN EXCHANGE FOR HIS SOUL?

If you are unable to watch the video, choose a group member to read the following script.



ELDER ROBERT C. GAY: The Savior once asked His disciples the following question: “What shall a man give in exchange for his soul?” [Matthew 16:26].

This is a question that my father taught me to carefully consider years ago. As I was growing up, my parents assigned me chores around the house and paid me an allowance for that work. I often used that money, a little over 50 cents a week, to go to the movies. Back then a movie ticket cost 25 cents for an 11-year-old. This left me with 25 cents to spend on candy bars, which cost 5 cents apiece. A movie with five candy bars! It couldn't get much better than that.

All was well until I turned 12. Standing in line one afternoon, I realized that the ticket price for a 12-year-old was 35 cents, and that meant two less candy bars. Not quite prepared to make that sacrifice, I reasoned to myself, “You look the same as you did a week ago.” I then stepped up and asked for the 25-cent ticket. The cashier did not blink, and I bought my regular five candy bars instead of three.

Elated by my accomplishment, I later rushed home to tell my dad about my big coup. As I poured out the details, he said nothing. When I finished, he simply looked at me and said, “Son, would you sell your soul for a nickel?” His words pierced my 12-year-old heart. It is a lesson I have never forgotten.

(“What Shall a Man Give in Exchange for His Soul?” *Ensign* or *Liahona*, Nov. 2012, 34)

Back to page 176.

**ELDER
JOSEPH B. WIRTHLIN**

“Integrity means always doing what is right and good, regardless of the immediate consequences. It means being righteous from the very depth of our soul, not only in our actions but, more importantly, in our thoughts and in our hearts. . . . A little lying, a little cheating, or taking a little unfair advantage are not acceptable to the Lord. . . . The consummate reward of integrity is the constant companionship of the Holy Ghost, . . . [who will] guide us in all we do.”

*“Personal Integrity,”
Ensign, May 1990,
30, 32, 33*



LEARN—Maximum Time: 60 Minutes (pages 178–186)

1. DO I HAVE THE CASH TO GROW?

Read: We have learned that successful business owners work to create a positive cash flow cycle. Through careful planning and persistence, they have sufficient cash to maintain and grow their business. They know their current cash position, and they routinely update their cash flow projections. They “see that all . . . things are done in wisdom and order” (Mosiah 4:27).

In addition, many business owners seek financing to pursue growth opportunities like those we learned about in chapter 9. If you decide to seek financing for your business, you will first need to have a detailed understanding of your business cash flow, especially the cash your business currently consumes and is projected to consume. It’s essential for you to ensure that your business has sufficient cash to maintain operations, cope with any unexpected situations, and grow according to your goals.

2. IS BORROWING MONEY GOOD OR BAD?

Read: Personal debt and business debt are different. Personal loans are often used to spend more than we have the ability to pay. Business loans should be used to produce more than we have the ability to produce. Church leaders have counseled us to avoid personal debt. As Elder Joseph B. Wirthlin said: “Some debt—such as for a modest home, expenses for education, perhaps for a needed first car—may be necessary. But never should we enter into financial bondage through consumer debt without carefully weighing the costs” (“Earthly Debts, Heavenly Debts,” *Ensign* or *Liahona*, May 2004, 41).

Discuss: Think of someone you know who has borrowed money for personal use. Did this help them or hurt them?

We should also be careful when considering business debt. But when handled wisely, “sound business debt is one of the elements of growth” (*Teachings of Presidents of the Church: Ezra Taft Benson* [2014], 272).

Almost every business requires additional capital, or money, to grow. Business owners typically obtain additional capital through their own savings or by debt financing or equity financing. **Debt financing** means taking out a business loan and then repaying it with interest. **Equity financing** means receiving money in exchange for partial ownership of the company.

On occasion, business owners receive government grants or money from other sources. These funds usually do not have to be repaid.

3. FINANCING OPTIONS FOR MY BUSINESS

Read: Successful business owners are thoughtful and creative in raising the funds they need to grow their business. There are many ways to obtain the funds you need. This section divides them into three categories. Category 1 looks at funds that are frequently used first, such as your personal savings. Category 2 explores different debt financing sources. Category 3 summarizes less-common financing options that may be applicable to some business owners.

Category 1: Common Financing Sources

Read: Most business owners initially finance their business growth by relying on their own savings, by bootstrapping (doing work themselves and not relying on external help), and by obtaining loans or investment money from close family members or friends. These options allow them to make quick decisions and to be flexible in managing the growth of their business.

ACTIVITY (5 minutes)

Step 1: As a group, read aloud the descriptions and the pros and cons of the following kinds of financing.

COMMON FINANCING SOURCES			
SOURCE	DESCRIPTION	PROS	CONS
Owner's savings	The owner uses personal savings as a loan to the business or to invest in it.	<ul style="list-style-type: none"> ○ Owner keeps control of the business ○ Easy and immediate access ○ Minimal paperwork 	<ul style="list-style-type: none"> ○ Personal and family sacrifice and risk ○ Potentially insufficient funds
Bootstrapping	The owner does all the work, rather than hiring employees or getting a loan.	<ul style="list-style-type: none"> ○ Owner keeps control of the business ○ Reduces the need for cash ○ High commitment to quality 	<ul style="list-style-type: none"> ○ Slower growth ○ Potential lack of skill
Family and friends	Family members and friends lend money to the business or invest in it.	<ul style="list-style-type: none"> ○ Loyalty and support ○ Flexibility with financial rates and terms 	<ul style="list-style-type: none"> ○ Potential for strained relationships ○ Potential for unwanted interference with the business

Step 2: Do you have previous experience with any of these financing sources? If so, do you have any insights? If not, what thoughts or concerns do you have?

Category 2: Debt Financing Sources

Read: In addition to using personal financing resources, many business owners seek funds through borrowing, or debt financing. The following questions can help guide the decision to borrow:

- Am I borrowing to grow my business, not for personal reasons?
- Am I borrowing to support a business that is not ultimately sustainable?
- Is the timing right to assume this risk?
- Am I comfortable with the terms of the loan I would receive?
- Am I borrowing the right amount?
- Will I be able to repay the debt and maintain my business operations with minimal risk to positive cash flow?

Discuss: Imagine that you are considering borrowing money for your business. As a group, discuss how each of the preceding questions would help you with this decision.


Credit cards are the most common source of debt financing, but they have high interest rates. A line of credit is a flexible option that allows business owners to manage the ups and downs of their cash flow needs. Bank loans, microfinance loans, and peer-to-peer lending are also available and offer many advantages, but they usually require a rigorous application process.

ACTIVITY (10 minutes)

Step 1: As a group, read each of the descriptions for the debt financing sources on page 182. Then review the information that compares and contrasts these debt financing sources.

DEBT FINANCING SOURCES: STRENGTHS AND WEAKNESSES				
CREDIT CARD	LINE OF CREDIT	BANK LOAN	MICRO-FINANCE LOAN	PEER-TO-PEER LENDING
The owner makes purchases with a credit card and is expected to pay back the borrowed amount with interest.	A financial institution makes a flexible loan that allows an owner to repeatedly borrow for the business's short-term cash-flow needs.	A bank lends money to the owner with the expectation of scheduled repayments of the principal with interest.	An organization lends a small amount of money to a business that is unable to receive a bank loan. These loans are available in almost every country.	Individuals lend to an unrelated business owner through an online service.

KEY  = Strength  = Moderate  = Weakness

SPEED IN RECEIVING FUNDS	COLLATERAL AND FINANCIAL STATEMENTS
 Credit card (receive funds quickly)  Line of credit (takes longer to receive funds)  Bank loan (takes longer to receive funds)  Microfinance loan (takes longer to receive funds)  Peer-to-peer lending (takes longer to receive funds)	 Credit card (not required)  Line of credit  Bank loan (required)  Microfinance loan  Peer-to-peer lending
GOOD CREDIT RATING REQUIRED	INTEREST RATE
 Credit card (not necessarily required)  Line of credit  Bank loan (required)  Microfinance loan  Peer-to-peer lending	 Credit card (relatively high rates)  Line of credit (relatively low variable rates)  Bank loan (relatively low fixed rates)  Microfinance loan  Peer-to-peer lending
SIZE OF LOAN	
 Credit card (relatively small size)  Line of credit  Bank loan (relatively large size)  Microfinance loan (relatively small size)  Peer-to-peer lending (relatively small size)	

Step 2: As a group, read aloud each situation below. Determine and write down which debt financing option you think is best and the reasons for your choice. Provide an answer for each situation before reading the next one.

Situation A: Malik needs 2,000 immediately to purchase materials for his holiday decoration business. Given the seasonality of his business and his ability to make immediate sales, he is confident that he can repay this money within 30 days.

Situation B: Nina has a custom staircase manufacturing business. She has been in business for 18 months and needs 35,000 to purchase a better lathe. She has good credit but little collateral.

Situation C: Saki needs 10,000 to fund a game that she is developing. She just started her business, has no previous financial statements, and anticipates that it will take a while to repay this money.

Step 3: Individually write an answer to one of the following questions:

What debt financing source would you like to research further for your business? If you don't think your business will need debt financing in the near future, what debt financing source would you like to learn more about?

Category 3: Infrequent Financing Sources

Read: Business owners are occasionally able to seek alternative financing options, as shown in the chart on the next page. These options vary depending on the industry and the type of business opportunity. They are not common for most small business owners.

ACTIVITY (5 minutes)

Step 1: As a group, read aloud the descriptions and the pros and cons of the following kinds of financing.

INFREQUENT FINANCING SOURCES			
SOURCE	DESCRIPTION	PROS	CONS
Crowdfunding	Large numbers of people contribute small amounts of money through the internet to a business they support.	<ul style="list-style-type: none"> ○ Potential to raise significant funds quickly ○ Generates customer interest ○ Tests possible demand for product 	<ul style="list-style-type: none"> ○ Many businesses lack sufficient “crowd” following ○ Risk of your business idea being copied
Angel investor	One or more wealthy individuals invest in a business that has the potential for major growth.	<ul style="list-style-type: none"> ○ Borrower receives funds and gains business connections ○ Investor serves as experienced adviser 	<ul style="list-style-type: none"> ○ Potential for differing views and business interference ○ Pressure to deliver results
Venture capital	A financial firm invests a large amount of money and expects business growth and eventual business sale.	<ul style="list-style-type: none"> ○ Significant funds allow the business to grow rapidly ○ Boosts credibility and offers potential to draw more customers and larger investors 	<ul style="list-style-type: none"> ○ Owner sacrifices some control of the business ○ Intense focus on growing and eventually selling the business ○ Pressure to deliver results
Incubator or accelerator	An organization provides a business with workspace, infrastructure, guidance, and business connections.	<ul style="list-style-type: none"> ○ Boosts credibility ○ Reduces expenses and the need for cash ○ Provides experience, guidance, and support 	<ul style="list-style-type: none"> ○ Potential to not provide sufficient value to the business owner ○ Potential for the owner to give away too much equity in the business
Grant	Government provides funds to a business for a specific purpose.	<ul style="list-style-type: none"> ○ Exposure and credibility that attracts investors, customers, and other lenders ○ Funds do not have to be repaid 	<ul style="list-style-type: none"> ○ Requires time to receive funds ○ Difficult to qualify

Step 2: Individually write an answer to the following question:

What infrequent financing source, if any, would you like to research further for your business? Why?

4. RESEARCHING FINANCING OPTIONS

Read: Finding the best financing sources for your business requires consistent effort. Financing sources vary greatly by location, so it's important to talk with people you trust in your personal and community network. Online, government, and community resources will likely assist you with your search.

- Discuss:**
- What local or national organizations could provide guidance or resources for business financing?
 - What online resources could provide guidance for business financing?

ACTIVITY (5 minutes)

Individually consider and then write down answers to the following questions:

- What online resources will you review this week to learn more about potential financing options? If you don't know which online resources to access, what financing topics would you like to research and better understand?

- Who will you speak with this week from your personal or community network to learn more about financing options?

5. INTEGRITY IN FINANCIAL RELATIONSHIPS

Read: The thirteenth article of faith states that we believe in being honest. Financial relationships are based on trust and personal integrity. Acting with integrity means that we fulfill our agreements and avoid any deceitful practices.

If we borrow money, we should be sure to pay it back. As the Lord reminds us in the Doctrine and Covenants, “If thou borrowest of thy neighbor, thou shalt restore that which thou hast borrowed” (D&C 136:25).

If we obtain money for our business through a loan, from investors, or through a grant, we should use that money for the intent it was given, not for another purpose. When individuals or organizations provide money to our business, they should be able to trust that we will honor our agreement.

We have been counseled to stay away from financial arrangements that we don’t understand, that are too good to be true, that present conflicts of interest, or that place us in ethically questionable or unlawful situations.

Discuss: What have you learned about having integrity in financial matters and avoiding deceitful practices?

ACTIVITY (5 minutes)

Step 1: Individually write down how you can show integrity as you receive and use money from others to grow your business.

Step 2: As a group, share some of the ideas you wrote down for step 1.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“Fear thou not; for I am with thee: be not dismayed; for I am thy God: I will strengthen thee; yea, I will help thee; yea, I will uphold thee with the right hand of my righteousness” (Isaiah 41:10).

Based on what you’ve learned today, what change, if any, do you feel impressed to make to help you find financing for your business?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes

Read each commitment aloud to your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:
- Improve in one of the ways I selected to show integrity.
 - Share what I’ve learned about integrity with my family or friends.
-
- (B)** I will speak with the person or people I’ve identified from my personal or community network to learn more about financing options for my business.
-
- (C)** I will review the online resources or topics I’ve identified to learn more about potential financing options for my business.
-
- (D)** I will review my “Ponder” page and keep the commitments (see page 187).
-
- (E)** I will contact and support my action partner.
-

Remember that next week, you will be asked to report on the number of days that you talked with potential customers, wrote in your business notebook, sold, and recorded financial details (see the “Evaluating My Efforts” chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.



11

CONTINUALLY IMPROVING MY BUSINESS

“MY FOUNDATION” PRINCIPLE

- Communicate: Petition and Listen

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. A Vision for My Business
2. Standardizing My Business
3. Ensure That My Business Complies with Laws and Regulations
4. Investing in Employees
5. Setting Goals and Measuring the Success of My Business



REPORT—Maximum Time: 25 Minutes (pages 190–191)

Have an opening prayer.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Speak with the person or people I identified from my personal or community network to learn more about potential financing options for my business.
- Ⓒ Review the online resources or topics I identified to learn more about potential financing options for my business.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 187).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS					Key Business Skills		
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Remember, you can continue to improve as you practice. Jot down these important habits.					KEY: ● Missed / Not done ● Success / Done ● Significant effort		
	Ⓐ My Foundation Commitments	Ⓑ Business Development Commitments	Ⓒ Business Operations Commitments	Ⓓ "Ponder" Commitments	Ⓔ Action Partner Commitments	The week's Commitments (days)	Record the week's Commitments (days)
Example	Report out to my partner	Visit to clients and evaluate (if any)	Check a plan for my company's cost			Mon	Tue
Week 1	Self-reliance is a part of my business	Participate in the Paper Cup Challenge	Begin saving in my business			Wed	Thu
Week 2	Participate in the Family Safety Kit	CREATE A LIST OF COMPATIBLE NEEDS	CREATE A LIST OF COMPATIBLE ADVANTAGES FOR THE BUSINESS			Fri	Sat
Week 3	Manage money	Have one-on-one calls with at least two potential customers	Fill out the assigned section of my Personal Business Planner			Sun	Mon
Week 4	Report and fix obstacles	Participate in the Make-A-Deal Challenge	Fill out the "What's Next" section of my Personal Business Planner			Tue	Wed
Week 5	Look for new ways	Experiment with new ways to engage and build up my customers	Fill out the "Next" section of my Personal Business Planner			Thu	Fri
Week 6	Work with responsibility and persistence	Use a network of response sign for my business or for a freelance business	Choose an income stream for my business or for a freelance business			Sat	Sun
Week 7	Solve problems	Pay myself a wage and wage my business and personal money separate	Keep personal records for my business and personal money			Mon	Tue
Week 8	Be open and work together	Write a list of potential cash flow challenges my business may face	Write a plan to address the cash flow challenges my business may face			Wed	Thu
Week 9	Learn training	Choose a plan to grow my business	Choose a plan to cut my business costs			Fri	Sat
Week 10	Show integrity	Ask with identified people to explore financing options	Identify more about potential financing options for my business			Sun	Mon
Week 11	Communicate with partners and client	Research the legal and regulatory requirements for my business	Finalize and practice delivering my business presentation			Tue	Wed
Week 12	Recover from setbacks	Write a list of ideas for moving my business forward	Refine my Personal Business Planner based on presentation feedback			Thu	Fri

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn by researching potential financing options for your business?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: COMMUNICATE: PETITION AND LISTEN

Maximum Time: 20 Minutes (pages 192–193)

Ponder: When has Heavenly Father answered my prayers?

Watch: “Creating Lift,” available at srs.lds.org/videos.
(No video? Read page 193.)

Discuss: How can we recognize answers to our prayers? Why is listening an essential part of prayer?

Read: Doctrine and Covenants 8:2 and the quote by President Russell M. Nelson (on the right).

Discuss: Why is listening an essential skill? How can careful listening help us in our work?

DOCTRINE AND COVENANTS 8:2

“I will tell you in your mind and in your heart, by the Holy Ghost, which shall come upon you and which shall dwell in your heart.”

PRESIDENT RUSSELL M. NELSON

“Your soul will be blessed as you learn to listen, then listen to learn from children, parents, partners, neighbors, and Church leaders, all of which will heighten capacity to hear counsel from on high.”

*“Listen to Learn,”
Ensign, May 1991, 24*

ACTIVITY (5 minutes)

Step 1: As a group, read the steps in the box below and briefly discuss how they can make you a better listener.



Step 2: Ask one or two members of the group to tell the others about a challenge or question they have. Everyone else should try to listen, following these steps.

Step 3: When finished, ask the group members who spoke how they felt when the group really tried to listen.

Read: Quotes by President Henry B. Eyring and Elder Robert D. Hales (on the right).

Commit: Commit to do the following actions during the week. Check the box when you complete each action.

- Pray individually and as a family each morning and night.
Spend time after each prayer reverently listening for guidance.
- Share what you've learned today about communication with your family or friends.

CREATING LIFT

If you are unable to watch the video, choose a group member to read the following script.



PRESIDENT DIETER F. UCHTDORF:

In order to get an airplane off the ground, you must create lift. In aerodynamics, lift happens when air passes over the wings of an airplane in such a way that the pressure underneath the wing is greater than the pressure above the wing. When the upward lift exceeds the downward pull of gravity, the plane rises from the ground and achieves flight.

In a similar way, we can create lift in our spiritual life. When the force that is pushing us heavenward is greater than the temptations and distress that drag us downward, we can ascend and soar into the realm of the Spirit.

Though there are many gospel principles that help us to achieve lift, I would like to focus on one in particular.

Prayer!

Prayer is one of the principles of the gospel that provides lift. Prayer has the power to elevate us from our worldly cares. Prayer can lift us up through clouds of despair or darkness into a bright and clear horizon.

One of the greatest blessings and privileges and opportunities we have as children of our Heavenly Father is that we can communicate with Him through prayer. We can speak to Him of our life experiences, trials, and blessings. We can listen for and receive celestial guidance from the Holy Spirit at any time and at any place.

(See Dieter F. Uchtdorf, "Prayer and the Blue Horizon," *Ensign or Liahona*, June 2009, 5–6)

**PRESIDENT
HENRY B. EYRING**

"Our Heavenly Father hears the prayers of His children across the earth pleading for food to eat, for clothes to cover their bodies, and for the dignity that would come from being able to provide for themselves."

"Opportunities to Do Good," Ensign or Liahona, May 2011, 22

**ELDER
ROBERT D. HALES**

"We must ask for help from our Heavenly Father and seek strength through the Atonement of His Son, Jesus Christ. In both temporal and spiritual things, [this] enables us to become provident providers for ourselves and others."

"Becoming Provident Providers Temporally and Spiritually," Ensign or Liahona, May 2009, 7–8

Back to page 192.



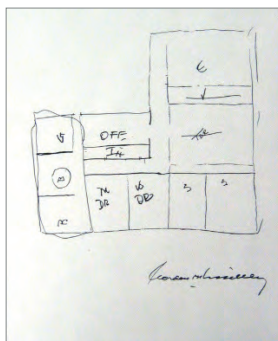
LEARN—Maximum Time: 65 Minutes (pages 194–202)

1. A VISION FOR MY BUSINESS

Read: Successful business owners think about and communicate what their business will become. They determine a vision for their business. A vision is a picture of a desired future state. In the Pearl of Great Price we read that the Lord “created all things . . . spiritually, before they were naturally upon the face of the earth” (Moses 3:5). Similarly, business owners should mentally create the future of the business they intend to build physically.

Creating a vision is a mark of leadership. The scriptures teach, “Where there is no vision, the people perish” (Proverbs 29:18). This truth applies directly to your business. Your vision will guide your actions and will help you and the people you work with to focus their energy and efforts.

It’s not enough to create a vision and then hope your business succeeds. You will need to work hard and be persistent to bring your vision to reality.




Left: President Gordon B. Hinckley's sketch for the development of small temples, 1997. Right: A finished small temple in Colonia Juárez, Mexico, dedicated in 1999.

ACTIVITY (10 minutes)

Step 1: In the frame on the next page, draw a picture of what your business will look like once you have achieved the future success you envision. Be as detailed as possible. Feel free to add descriptive words or phrases to your picture.

My vision for my business



Step 2: Have a few group members share and explain their picture.

Step 3: List the milestones your business must achieve to realize the vision you created in step 1. If possible, estimate when you will achieve these milestones.

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

2. STANDARDIZING MY BUSINESS

Read: A business should not depend completely on its owner. Successful business owners create operations manuals and document their workflows to show how to perform the standard work of their business. These resources encourage quality and consistency in a business's processes. They are useful for training new employees and for maintaining best practices among current employees. They should be frequently reviewed and updated.

Creating an operations manual and documenting your workflows for specific tasks will set expectations, help employees achieve common goals, and ensure consistency. This documentation makes it possible for someone to perform a task when an employee who normally performs it is sick, takes a vacation, has an emergency, or leaves the business. With detailed workflows in place, you can work on improving your business rather than simply working for your business.

Creating an operations manual and documenting your workflows will also help you if you are your business's only employee. The process of documenting will help you structure and standardize your business. It will help your business be better organized. Documented workflows also serve as a knowledge resource to help you remember tasks that you may perform infrequently.

- Discuss:**
- As a business owner, why is it important for you to create an operations manual and to document your workflows for specific tasks?
 - What business tasks or processes should you document so the work can be performed consistently?

ACTIVITY (5 minutes)

Choose an important business task that you perform regularly. This task could be something simple like creating an invoice or receiving a payment. Write down the task and then write step-by-step directions on how to complete it. This exercise is the first step in creating an operations manual for your business.

Example: Make a deposit

1. Open ledger
2. Enter date of deposit
3. Enter name of person or business making deposit
4. Enter amount of deposit
5. Enter account for deposit
6. Click **Save**

Task: _____

Step-by-step instructions:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

3. ENSURING THAT MY BUSINESS COMPLIES WITH LAWS AND REGULATIONS

Read: Business owners are responsible to ensure that their businesses comply with all laws and regulations. Laws and regulations vary by industry and location, so it's important for every business owner to think about his or her legal and regulatory requirements at a (1) local level, (2) state or provincial level, (3) national level, and (4) international level.

ACTIVITY (15 minutes)

Step 1: The purpose of this activity is to identify and discuss legal requirements that you may not be aware of. As a group, read aloud the list of legal and regulatory categories in the left column below. Mark the box for each legal or regulatory requirement that you think applies to your business. If you know the specifics for the box you marked, include these in the “Notes” column. If the row doesn’t apply to your business, skip it.

LEGAL REQUIREMENTS FOR MY BUSINESS						
	Examples	Local	State or Provincial	National	Inter-national	Notes
Business structure	Corporation; partnership					
Data security and privacy	Financial data; personal information					
Employment and labor	Minimum wage; child labor protection; accommodations for disabilities					
Environmental regulations	Waste disposal; pollution prevention					
Financial regulations	Securities laws; antitrust laws					
Health and safety regulations	Fall protection; respiratory protection					
Insurance requirements	Liability insurance; workers’ compensation insurance					
Intellectual property	Copyright; patent					
Licenses and permits	Business license; food handler permit					

Step 2: As a group, discuss some local and regional resources that can help business owners understand their legal and regulatory obligations.

Step 3: Individually circle the areas in the chart above that you will research this week for your business.

4. INVESTING IN EMPLOYEES

Read: Adding a new employee to your business is a major decision that requires an organized hiring process and prayerful consideration. Successful business owners write detailed job descriptions to guide their hiring decisions. A job description informs the applicant of the work requirements and helps the employer communicate the skills, knowledge, and abilities that the new employee will need.

ACTIVITY (5 minutes)

Individually write answers to the following questions. This activity will help you brainstorm ideas that you could use in a future job description.

Step 1: Consider your first (or next) employee hire. What needs would this employee fill?

Step 2: What skills, knowledge, or abilities would this employee need to have?

Discuss: Why is it important to be both methodical and prayerful when hiring an employee?

Read: To create a thriving business, it's essential that you lead and empower your employees. A leader is someone who motivates other people to follow. Leadership isn't derived by a title or position; it's earned by the ability to persuade, encourage, and guide the group toward a desired goal. To empower your

employees means that you provide them with opportunities to demonstrate and develop their skills and interests. Smart business owners help their employees align their personal growth with the growth of the business.

Discuss: How could you empower your current and future employees?

Read: As a business owner, you can display leadership by the way you hire and manage your employees. This section describes three guiding principles.

The first principle is to **hire slow and fire fast**. For example, let's imagine that Vivian owns a home care business. She carefully takes the time to hire the best applicant based on a detailed job description. She also takes immediate action in letting go an employee who demonstrates that he is not a good fit for the role or the business. In both instances, Vivian makes decisions that will benefit her employees and her business in the long term.

A second guiding principle is to **provide adequate training**. For example, let's imagine that a mechanical engineer named Nat owns his own business. Nat helps his employee Miles create a personal development plan and provides access to training. With his new skills and training, Miles is soon able to manage several important projects for the business. In turn, Nat has more time to focus on growing the business.

A third guiding principle is to **inspect more and assume less**. This principle doesn't suggest that you should micromanage your employees. Instead, it means that you should be aware of the work they are doing and how you can help them. For example, let's imagine that Cesar owns a graphic design business. He develops close working relationships with his employees and dedicates time to ask questions, listen, guide, and stay close to the work they do.

Discuss: How could these principles help you in your business?

5. SETTING GOALS AND MEASURING THE SUCCESS OF MY BUSINESS

Read: Goals are steps that help us bring our vision to reality. We can work to achieve our vision if we break it down into small, incremental goals to complete over time. The acronym **SMART** can remind us to set goals that have the following characteristics:

- **Specific:** include a detailed description of what will be achieved.
- **Measurable:** include a metric or indicator to measure progress.
- **Achievable:** set goals that are realistic and attainable.
- **Relevant:** set goals that are important and provide motivation.
- **Time-bound:** include the date when the goal will be achieved.

As a business owner, think about your long-term vision and break it down into smaller goals that can be achieved through focus and persistence.

ACTIVITY (10 minutes)

This activity will help you learn how to create goals to achieve your vision.

Step 1: Think about what you want your business to look like in three years. Then create smaller goals that will help you realize your vision. Review the example below to see how this might work.

3 years: In 3 years we will have our own office with at least 5 employees. We will earn at least 1 million in annual revenue.

1 year: In 1 year I will have hired my first employee and we will have earned 250,000 in annual revenue.

90 days: In 90 days I will have made 40 sales and earned 75,000 in revenue.

30 days: In 30 days I will have made 10 sales and earned 20,000 in revenue.

This week: This week I will make 50 sales calls and make 3 sales.

Step 2: Now create your own version below. Start wherever you are most comfortable in creating your goals. Remember to use the **SMART** principles from page 201.

The diagram consists of five horizontal rectangular boxes stacked vertically, each narrower than the one above it, creating a funnel shape. Each box is outlined in green and contains a time period label in green text. From top to bottom, the labels are: "3 years:", "1 year:", "90 days:", "30 days:", and "This week:". The boxes are positioned such that each subsequent box is centered under the one above it.

Read: As you work toward realizing your vision, be sure to maintain the following daily behaviors:

- Be consistent by working on your goals every day.
- Track your progress in detail.
- Be flexible in adjusting your goals when appropriate.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the quote below and write responses to the questions.

“Faith is for the future. Faith builds on the past but never longs to stay there. Faith trusts that God has great things in store for each of us” (Jeffrey R. Holland, “The Best Is Yet to Be,” *Ensign* or *Liahona*, Jan. 2010, 27).

Based on what you’ve learned today, what change do you feel impressed to make to help you grow your business?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes (pages 204–205)

MY BUSINESS PRESENTATION

Read: Next week you will be asked to give a five-minute presentation on your business. Your Personal Business Planner (pages 224–225) should be a good resource for helping you prepare.

Assume that you are making this presentation to a group of potential investors. You can decide how to organize and deliver your presentation, but it needs to include the following items:

- The unmet customer need that you will address
- The service or product you will offer
- Your competitive advantage
- Your target customers
- Your plan for acquiring customers
- Resources you will need
- Evidence that your business can be profitable
- Next steps for your business

Prepare a professional, high-quality presentation, and practice it to ensure that it stays within five minutes. **Dress in business attire** to deliver your presentation.

Next week is our last scheduled group meeting. After our business presentations, we will take time to reflect and celebrate. Plan on this meeting lasting 2.5 hours. Group members could bring refreshments to share after the presentations.

Note to the facilitator: You are encouraged to invite **two or three business professionals** from the stake or community to join the group next week and provide feedback on the business presentations. You and these professionals will fill out forms to give the presenter immediately afterward. The purpose of these forms is not to assess presentation skills but instead to provide ideas on developing or improving various elements of a person's business. Before next week's meeting, make copies of the form on page 218. You will need to have three or four copies for each group member.

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:

 - Pray individually and as a family each morning and night.
 - Share what I’ve learned about communication with my family or friends.

- (B)** I will research the legal and regulatory requirements for my business.

- (C)** I will prepare and practice delivering my business presentation.

- (D)** I will review my “Ponder” page and keep the commitments (see page 203).

- (E)** I will contact and support my action partner.

Remember that next week, you will be asked to report on the number of days that you talked with potential customers, wrote in your business notebook, sold, and recorded financial details (see the Evaluating My Efforts chart in the beginning of the book).

My signature

Action partner’s signature

Have a closing prayer.

NOTES



12

PRESENTING MY BUSINESS

“MY FOUNDATION” PRINCIPLE

- Receive Temple Ordinances

BUSINESS PRINCIPLES, SKILLS, AND HABITS

1. Continuing My Self-Reliance Group
2. My Path to Self-Reliance
3. Presenting My Business



REPORT—Maximum Time: 15 Minutes (pages 208–209)

Have an opening prayer.

Because we want to have time to reflect on the past 12 weeks of this course, to discuss how to move forward, and to give all group members time to make their business presentations, plan on this meeting lasting 2.5 hours.

LAST WEEK'S COMMITMENTS

- Ⓐ Keep the “My Foundation” commitments.
- Ⓑ Research the legal and regulatory requirements for my business.
- Ⓒ Prepare and practice delivering my business presentation.
- Ⓓ Review my “Ponder” page and keep the commitments (see page 203).
- Ⓔ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (3 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the “Evaluating My Efforts” chart at the beginning of this workbook. Then share your evaluation with your partner and discuss with him or her the question below.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS		Key Business Skills				
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Ponder why you can continue to improve or you practice foreign these important habits.		KEY: ● Without Habit ● Business Effort ● Significant Effort				
	Ⓐ My Foundation Commitments	Ⓑ Business Development Commitments	Ⓒ Business Operations Commitments	Ⓓ Ponder Commitments	Ⓔ Action Partner Commitments	
Example	Report on or for customer	Use an income and expense log daily	Check a plan for my business costs	Review my Personal Business Planner	Share my Personal Business Planner	1
Week 1	Self-reflection is a part of my business	Participate in the Paper-Clip Challenge	Begin writing in my business notebook daily	Fill out the “Ponder” section of my Personal Business Planner	Share my Personal Business Planner	1
Week 2	Practice skills in Jesus Christ	Create a list of five unique customer needs	Create a list of competitive advantages for my business	Fill out the assigned section of my Personal Business Planner	Share my Personal Business Planner	1
Week 3	Manage money	Have conversations with at least five potential customers	Fill out the assigned section of my Personal Business Planner	Share my Personal Business Planner	1	
Week 4	Report on or for customer	Participate in the Paper-Clip Challenge	Fill out the “Ponder” section of my Personal Business Planner	Share my Personal Business Planner	1	
Week 5	Use responsibility	Experiment with new ways to engage and serve my customers	Fill out the “Ponder” section of my Personal Business Planner	Share my Personal Business Planner	1	
Week 6	Work, take responsibility and persevere	Use a financial and expense log for my business or for a fictitious business	Create an income statement for my business or for a fictitious business	Keep personal records for my business and personal money	Share my Personal Business Planner	1
Week 7	Solve problems	Plan, invest a wage and wage my business and personal money regularly	Keep personal records for my business and personal money	Write a plan to address the challenges in my business	Share my Personal Business Planner	1
Week 8	Be open to new ideas	Write a list of potential cash flow challenges my business may face	Write a plan to address the challenges in my business	Share my Personal Business Planner	1	
Week 9	Seek training	Create a plan to grow my business	Create a plan to grow my business	Share my Personal Business Planner	1	
Week 10	Show integrity	Ask well-identified people to explore business options	Ask well-identified people to explore business options	Share my Personal Business Planner	1	
Week 11	Communicate, listen and learn	Research the legal and regulatory requirements for my business	Research the legal and regulatory requirements for my business	Share my Personal Business Planner	1	
Week 12	Be open to new ideas	Write a list of ideas for moving my business forward	Write a list of ideas for moving my business forward	Share my Personal Business Planner	1	

STEP 2: REPORT TO THE GROUP (5 minutes)

After evaluating your efforts, come back together as a group and report your results. Go around the group and each state whether you rated yourself red, yellow, or green for each of last week's commitments. Also state the number of days you practiced each of the key business skills, as reported on the "Evaluating My Efforts" chart.

STEP 3: SHARE YOUR EXPERIENCES (5 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have with keeping your "My Foundation" commitments?
 - What did you learn by researching the legal and regulatory requirements for your business?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Even though this is the last week of the group, you should have an action partner to help you with your week 12 commitment.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: RECEIVE TEMPLE ORDINANCES

Maximum Time: 20 Minutes (pages 210–211)

Ponder: What are some of the things that matter most to you?

Watch: “Doing What Matters Most,” available at srs.lds.org/videos.
(No video? Read page 211.)

Discuss: What insignificant things distract us from progressing?
How can gospel ordinances help us?

Read: The quote by President Boyd K. Packer (on the right).

Discuss: As we seek self-reliance, why is it important to be temple worthy?

ACTIVITY (5 minutes)

Step 1: With a partner, read the quote by Elder Quentin L. Cook (on the right) and the following scriptures. Underline the promised blessings for those who worship in the temple.

“In the ordinances thereof, the power of godliness is manifest” (D&C 84:20).

“And that they may grow up in thee, and receive a fulness of the Holy Ghost, and be organized according to thy laws, and be prepared to obtain every needful thing” (D&C 109:15).

“And when thy people transgress, any of them, they may speedily repent and return unto thee, and find favor in thy sight, and be restored to the blessings which thou hast ordained to be poured out upon those who shall reverence thee in thy house” (D&C 109:21).

“And we ask thee, Holy Father, that thy servants may go forth from this house armed with thy power, and that thy name may be upon them, and thy glory be round about them, and thine angels have charge over them” (D&C 109:22).

“We ask thee, Holy Father, . . . that no weapon formed against them shall prosper” (D&C 109:24–25).

Step 2: Individually ponder, “What do I need to change in my life to participate in temple ordinances more often?” Write your ideas in the space below.

**PRESIDENT
BOYD K. PACKER**

“The Lord will bless us as we attend to the sacred ordinance work of the temples. . . . We will be blessed in all of our affairs. We will be eligible to have the Lord take an interest in our affairs both spiritual and temporal.”

The Holy Temple
(1980), 182

**ELDER
QUENTIN L. COOK**

“We would do well to study the 109th section of the Doctrine and Covenants and to follow President [Howard W.] Hunter’s admonition ‘to establish the temple of the Lord as the great symbol of [our] membership.’”

“See Yourself in the Temple,” Ensign or Liahona, May 2016, 99; quoting Teachings of Presidents of the Church: Howard W. Hunter (2015), 178

Commit: Commit to do the following actions during the week. Check the box when you complete each action:

- If you have a temple recommend, set a date to attend the temple.
- If you don't have a temple recommend, meet with your bishop or branch president to discuss how you can prepare to receive your temple ordinances.
- Share what you've learned about temple ordinances with your family or friends.

DOING WHAT MATTERS MOST

If you are unable to watch the video, choose a group member to read the following script.



NARRATOR: A plane crashed in Florida one dark night in December. Over 100 people were killed. It was just 20 miles from safety.

PRESIDENT DIETER F. UCHTDORF: After the accident, investigators tried to determine the cause. The landing gear had indeed lowered properly. The plane was in perfect mechanical condition. Everything was working properly—all except one thing: a single burned-out lightbulb. That tiny bulb—worth about 20 cents—started the chain of events that ultimately led to the tragic death of over 100 people.

Of course, the malfunctioning lightbulb didn't cause the accident; it happened because the crew placed its focus on something that seemed to matter at the moment while losing sight of what mattered most.

The tendency to focus on the insignificant at the expense of the profound happens not only to pilots but to everyone. We are all at risk. . . . Are your thoughts and heart focused on those short-lived fleeting things that matter only in the moment or on things that matter most?

("We Are Doing a Great Work and Cannot Come Down," *Ensign or Liahona*, May 2009, 59, 60)

Back to page 210.



LEARN—Maximum Time: 105 Minutes (pages 212–215)

1. CONTINUING MY SELF-RELIANCE GROUP

Read: After completing the Starting and Growing My Business for Self-Reliance course, some groups choose to continue meeting together but less frequently. They find value in consistently learning together, supporting each other in growing their businesses, and working to overcome challenges.

If you choose to continue meeting, select a group leader and establish a meeting schedule. The current facilitator does not need to be the group leader. The leader communicates with the group and works to ensure that the meetings are well organized and helpful to each member. The leader should plan topics and create an agenda for each meeting based on input from the group. The agenda may include such activities as listening to a guest speaker, discussing a business-related book that group members have read in advance, or working together to develop business skills.

Some groups also organize group texts so they can communicate regularly. They offer encouragement; share articles, videos, and other content; and recommend business contacts and resources. To facilitate additional networking experiences, you may want to coordinate with your stake self-reliance specialist to arrange a meeting for members of your group and others in the stake who have completed the course.

Discuss: Would you like to continue meeting as a group? If so, discuss how you would like to stay in contact to support each other in growing your businesses.

2. MY PATH TO SELF-RELIANCE

Read: During the past 12 weeks you have established new habits and become more self-reliant. The Lord wants you to continue building on these abilities and developing new ones. As you pray and listen, the Holy Ghost can help you know what things in your life you need to improve.

Discuss: What changes have you seen in your life during the past 12 weeks as you've attended group meetings, kept commitments, and worked to become more self-reliant?

Read: There are many ways you can continue to work to become more self-reliant. You could:

- Study and continue to live the 12 “My Foundation” principles and habits of self-reliance.
- Continue helping members of your group.
- Share what you've learned and your testimony of self-reliance with others at church and in your community.
- Be a facilitator for a new self-reliance group.
- Build on your abilities by participating in one of the other self-reliance groups.
- Study the doctrinal principles of self-reliance below.

DOCTRINAL PRINCIPLES OF SELF-RELIANCE		
SELF-RELIANCE IS A COMMANDMENT	THE LORD'S PURPOSE IS TO PROVIDE FOR HIS SAINTS, AND HE HAS ALL POWER TO DO SO	THE TEMPORAL AND THE SPIRITUAL ARE ONE
Doctrine and Covenants 78:13–14; Moses 2:27–28	Doctrine and Covenants 104:15; John 10:10; Matthew 28:18; Colossians 2:6–10	Doctrine and Covenants 29:34; Alma 34:20–25

- Discuss:**
- What can you do to continue progressing on your own path to self-reliance?
 - What can you do to champion self-reliance within your stake and community?

ACTIVITY (5 minutes)

Individually write your answer to the following question: What actions can I take in the coming weeks to help myself and my family become more self-reliant?

Read: As you continue your path to self-reliance, remember the following counsel from Elder Marvin J. Ashton: “The Lord cares enough about us to give us direction for serving and the opportunity for developing self-reliance. His principles are consistent and never changing” (“Give with Wisdom That They May Receive with Dignity,” *Ensign*, Nov. 1981, 91).

The prophet Nephi counseled: “And now, my beloved brethren, after ye have gotten into this . . . path, I would ask if all is done? Behold, I say unto you, Nay; for ye have not come thus far save it were by the word of Christ with unshaken faith in him, relying wholly upon the merits of him who is mighty to save. . . . Ye must press forward with a steadfastness in Christ” (2 Nephi 31:19–20).

3. PRESENTING MY BUSINESS

Note to the facilitator: If you have not done so already, introduce the guests who will provide feedback during the presentations.

Read: One of our key business skills is selling. Successful business owners talk with potential customers every day—both formally and informally—to share their business message, to gain feedback, and ultimately to generate sales. Today we will deliver business presentations to our group members and to guests who have joined us.

The purpose of your business presentation is to clearly communicate the value that your business offers. The facilitator, guests, and group members should not assess your presentation skills, but instead should provide ideas on developing or improving various elements of your business. Going forward, you will likely have additional opportunities to promote your business as you sell, build relationships, recruit partners or investors, or seek financing.

Your presentation should include information about:

- The customer need your business will address.
- The service or product you will offer.
- Your competitive advantage.
- Your target customers.
- Your plan to acquire your target customers.
- The resources you will need for your business.
- Evidence that your business can be profitable.
- The next steps you will take to move your business forward.

ACTIVITY (60–90 minutes depending on the number of presentations)

Presentations should be given according to the following guidelines.

BEFORE THE PRESENTATIONS



Assign a timekeeper.

DURING EACH PRESENTATION



The presentation should be five minutes or less.



The facilitator and guests fill out a presentation feedback form (see page 218).

AFTER EACH PRESENTATION



The facilitator and guests take five minutes to ask questions and provide feedback. If there's time, group members can also participate.



The facilitator and guests hand the feedback forms to the presenter.



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture below and write responses to the questions.

“And it is my purpose to provide for my saints, for all things are mine.

“But it must be done in mine own way; and behold this is the way that I, the Lord, have decreed to provide for my saints, that the poor shall be exalted, in that the rich are made low.

“For the earth is full, and there is enough and to spare; yea, I prepared all things, and have given unto the children of men to be agents unto themselves” (D&C 104:15–17).

Based on what you’ve learned today, what change do you feel impressed to make to further your business in the near term?

What action will you take this week to realize the change you identified above?



COMMIT—Maximum Time: 5 Minutes

Read each of the following commitments with your action partner. Your ability to succeed in starting or growing your business will dramatically improve as you diligently keep your weekly commitments. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- (A)** I will keep the “My Foundation” commitments for this week:
- If I have a temple recommend, set a date to attend the temple.
 - If I don’t have a temple recommend, meet with my bishop or branch president to discuss how I can prepare to receive my temple ordinances.
 - Share what I’ve learned about temple ordinances with my family or friends.
-
- (B)** I will write in my business notebook a list of ideas to move my business forward during the next week.
-
- (C)** I will refine my Personal Business Planner based on feedback from my presentation.
-
- (D)** I will review my “Ponder” page and keep the commitments (see page 216).
-
- (E)** I will contact and support my action partner.
-

My signature

Action partner’s signature

Have a closing prayer.

After the prayer, you may want to take a group photo and have refreshments to celebrate the group’s experiences with the course.

PRESENTATION FEEDBACK FORM	
Presenter Name:	Reviewer Name:
INSTRUCTIONS: Please fill in the four boxes below while the person makes his or her presentation. Give the form to the person immediately after the presentation.	
Most promising attributes of the business idea	Potential concerns about the business idea
Ideas for improvement	Recommended contacts

LETTER OF COMPLETION

I, _____, have participated in a self-reliance group called "Starting and Growing My Business," provided by The Church of Jesus Christ of Latter-day Saints, and have fulfilled the requirements necessary for completion as follows:

I attended at least 10 of the 12 meetings.

I completed at least 10 of the 12 principles and taught them to my family or friends.

I completed my weekly business commitments for at least 10 of the 12 weeks.

I talked with potential customers for at least 10 of the 12 weeks.

I wrote in my business notebook about my business for at least 10 of the 12 weeks.

I made a business presentation to my group during week 12.

Participant's name

Participant's signature

Date

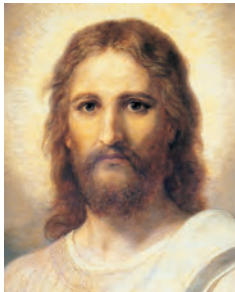
I certify that this participant has completed the requirements listed above.

Facilitator's name

Facilitator's signature

Date

Note: A certificate from LDS Business College may be issued at a later date by the stake or district self-reliance committee.



WILL YOU CONTINUE YOUR PATH TO SELF-RELIANCE?

"Therefore, what manner of men ought ye to be?
Verily I say unto you, even as I am."

3 Nephi 27:27

NOTES



APPENDIX



PERSONAL BUSINESS PLANNER FOR MARK BAILEY

BUSINESS CONCEPT (CHAPTER 2)

Passions and skills I have:

My passions:

- Sports
- History
- Reading
- Travel
- _____

My skills:

- Storytelling
- Researching
- Writing
- Planning
- _____

Customer need or problem I will solve:

Sports fans want behind-the-scenes access.

They want to hear stories they've never heard.

Evidence that my service or product is different or better (competitive advantage):

I have stadium access (worked 22 years at the stadium).

I have contacts at the stadium.

I've experienced many of the stories and can get other stories.

CUSTOMER (CHAPTERS 4-5)

My customer:

- 30- to 60-year-old men and women*
- Die-hard baseball fans*
- Locals, tourists, and travelers*
- People with money to spend on a premium experience*

How will I find and keep my customers?

Find:

- Business website
- Travel reviews website
- Fan forums
- Brochures

Keep:

- Expand to new venues
- Surveys to learn preferences
- Interactive experience
- _____

FINANCIAL (CHAPTER 3)

Resources needed for my business:

To provide a service or product (variable costs):

- Payment for stadium access
- Wages for tour guides
- Snacks
- Pamphlets
- _____
- _____

To operate the business (fixed costs):

- Website
- Security services
- Insurance
- Rent
- Utilities
- Advertising
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Gross Profit Margin Calculation (for one month)

$$\frac{\text{Sales Revenue} - \text{Variable Costs}}{\text{Sales Revenue}} = \text{Gross Profit Margin \%}$$

96,000 - 56,000 = 42%
96,000
 Sales Revenue

Gross Profit Margin %
 Use this amount to fill out part **C** below

Net Profit Margin Calculation (for one month)

$$\frac{\text{Sales Revenue} - \text{Variable Costs} - \text{Fixed Costs}}{\text{Sales Revenue}} = \text{Net Profit Margin \%}$$

96,000 - 56,000 - 24,000 = 17%
96,000
 Sales Revenue

Net Profit Margin %
 Use this amount to fill out part **E** below

Evidence that my business is profitable:

Ⓐ Sales revenue (for one month):	96,000
Ⓑ Variable costs (for one month):	56,000
Ⓒ Gross profit margin:	42 %
Ⓓ Fixed costs (for one month):	24,000
Ⓔ Net profit margin:	17 %



PERSONAL BUSINESS PLANNER

BUSINESS CONCEPT (CHAPTER 2)

Passions and skills I have:

My passions:

- _____
- _____
- _____
- _____
- _____

My skills:

- _____
- _____
- _____
- _____
- _____

Customer need or problem I will solve:

Evidence that my service or product is different or better (competitive advantage):

CUSTOMER (CHAPTERS 4-5)

My customer:

How will I find and keep my customers?

Find:

- _____
- _____
- _____
- _____

Keep:

- _____
- _____
- _____
- _____

FINANCIAL (CHAPTER 3)

Resources needed for my business:

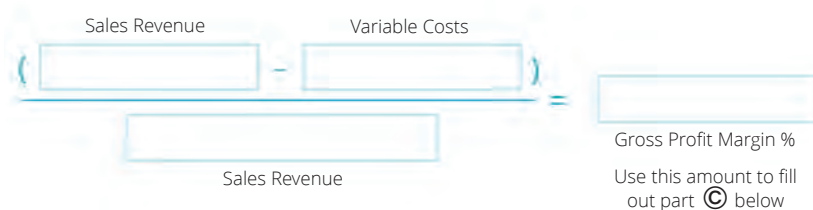
To provide a service or product (variable costs):

- _____
- _____
- _____
- _____
- _____
- _____

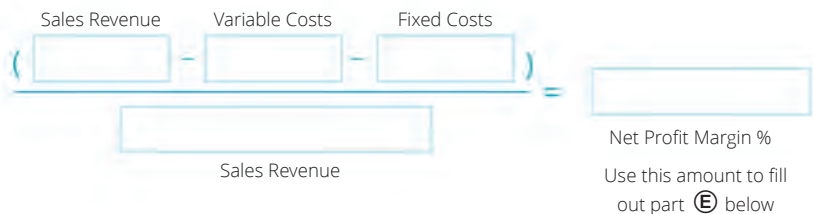
To operate the business (fixed costs):

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Gross Profit Margin Calculation (for one month)



Net Profit Margin Calculation (for one month)



Evidence that my business is profitable:

- Ⓐ Sales revenue (for one month): _____
- Ⓑ Variable costs (for one month): _____
- Ⓒ Gross profit margin: _____ %
- Ⓓ Fixed costs (for one month): _____
- Ⓔ Net profit margin: _____ %



PERSONAL BUSINESS PLANNER

BUSINESS CONCEPT (CHAPTER 2)

Passions and skills I have:

My passions:

- _____
- _____
- _____
- _____
- _____

My skills:

- _____
- _____
- _____
- _____
- _____

Customer need or problem I will solve:

Evidence that my service or product is different or better (competitive advantage):

CUSTOMER (CHAPTERS 4-5)

My customer:

How will I find and keep my customers?

Find:

- _____
- _____
- _____
- _____

Keep:

- _____
- _____
- _____
- _____

FINANCIAL (CHAPTER 3)

Resources needed for my business:

To provide a service or product (variable costs):

- _____
- _____
- _____
- _____
- _____
- _____

To operate the business (fixed costs):

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Gross Profit Margin Calculation (for one month)

$$\frac{(\text{Sales Revenue} - \text{Variable Costs})}{\text{Sales Revenue}} = \text{Gross Profit Margin \%}$$

Use this amount to fill out part **C** below

Net Profit Margin Calculation (for one month)

$$\frac{(\text{Sales Revenue} - \text{Variable Costs} - \text{Fixed Costs})}{\text{Sales Revenue}} = \text{Net Profit Margin \%}$$

Use this amount to fill out part **E** below

Evidence that my business is profitable:

- A** Sales revenue (for one month): _____
- B** Variable costs (for one month): _____
- C** Gross profit margin: _____ %
- D** Fixed costs (for one month): _____
- E** Net profit margin: _____ %

GLOSSARY OF TERMS

accelerator. An organization that provides money, office space, mentorship, or other support to a new business during a defined period of time. In exchange, the accelerator receives a small percentage of ownership in the new business.

accounts payable (A/P). Money that a business owes its suppliers for services or products that the business has purchased on credit.

accounts receivable (A/R). Money that a business is due from customers for services or products that the customers have purchased on credit.

action partner. A group member who supports and holds accountable another group member in keeping his or her weekly commitments.

angel investor. A wealthy investor who provides money and mentorship to a new business in exchange for partial ownership of the business.

asset. An item, tangible or intangible, that a business owns or controls and that will provide a future benefit. The value of a business's total assets is summarized on a balance sheet.

bad debt. A debt that a business incurs when a customer who has received credit from a business fails to pay the money owed. The business writes off the balance owed as uncollectible or bad debt.

balance sheet. A financial statement that summarizes a business's assets and liabilities, as well as the owner's equity, during a defined period of time. On the balance sheet, the business's assets will be equal to the total of its liabilities plus the owner's equity.

best practice. A way of doing something that is regarded as the most effective approach for a certain business or industry.

bootstrapping. The process of a person building a business by doing the work himself or herself.

business structure. A recognized legal entity selected by a business, such as a sole proprietorship, partnership, or corporation.

capital. Business assets, such as cash, equipment, or property, used to produce services or products.

cash balance. The amount of money currently available in an account.

cash flow. A measure of the amount of money that moves in and out of a business during a defined period of time.

cash flow projection. A forecast of cash received and paid over a defined period of time.

competitive advantage. A condition or circumstance that allows a business to operate more efficiently, offer higher quality, or provide greater benefits than other businesses. A competitive advantage enables a business to gain or keep more customers.

core business. The main activity that a business was created to perform. A business should continually work at improving and achieving excellence in this activity.

cost. The amount of money a business spends to produce something or to provide a service.

credit. An agreement between a lender and a borrower that enables a borrower to purchase services or products now and repay the lender at a future date.

crowdfunding. A financing method in which large numbers of people support a business by individually contributing small amounts of money through the internet.

customer. A person or organization who buys services or products from a business.

debt. Money that is borrowed and owed to another person or organization.

demand. The quantity of a service or product that customers are willing and able to buy at a certain price.

depreciation. An accounting method used to reduce the value of an asset over its productive life. The reductions roughly correspond to the expected deterioration in the asset due to it becoming obsolete or wearing out.

distributor. A business that supplies related products to other businesses.

efficiency. Achieving a desired result without wasting time, energy, materials, or money.

engage. To actively involve or encourage participation by another individual or party.

equity. The value of ownership. In many cases, equity is the monetary value of ownership after all liabilities are deducted from all available assets.

expense. Money that a business spends to obtain services or products.

feedback. Helpful information shared to provide perspective and encourage improvement.

fixed cost. An expense a business incurs regardless of how much it produces or sells. Examples of fixed costs might include rent, insurance payments, and administrative salaries.

franchise. A right that allows a business to operate and sell certain services or products at a particular location.

grant. Funds given for a specific purpose that typically do not need to be repaid.

gross profit. The difference between variable costs and sales revenue. Gross profit is important because it reflects a business's core profitability. Gross profit is shown on an income statement.

gross profit margin. The percentage of money a business has left over after its variable costs are subtracted from its sales revenue (and before its fixed costs are deducted). Gross profit margin is important because it allows a business to compare itself with other similar businesses.

income (for a business). The money that remains after expenses are subtracted from revenue. Income is also called net profit or the bottom line.

income (for an individual or family). The money that the individual or family receives or earns.

income statement. A financial statement that summarizes revenue and expenses over a defined period of time and states whether a business has achieved a profit or loss. Also called a profit and loss statement (P&L).

intellectual property. Ideas or innovation whose ownership has been protected legally.

interest. Money that is paid on borrowed funds (or received on loaned funds).

interest expense. The cost incurred for borrowing money.

interest income. Money that is earned for lending money over a defined period of time.

inventory. A summary of all products or materials on hand that a business can sell or use.

invoice. An itemized bill from a business that lists the services or products provided.

liability. A business's debt or obligation. The cost of a business's total liabilities is shown on a balance sheet.

license. Official or legal permission to do or use something.

line of credit. A loan arrangement that allows a business to borrow money as needed up to a specified amount, usually for short-term purposes.

loss. A financial decrease in which revenue minus expenses is a negative amount.

market. People or organizations that have the potential to buy services or products.

mentor. A trusted and experienced adviser who guides and encourages a person with less experience.

microfinance loan. A relatively small amount of money lent by an organization to a business that does not have access to traditional banking services.

milestone. An event that marks and measures the progress of a business.

net profit. The difference between sales revenue and all costs (both variable costs and fixed costs). Also referred to as net income or the bottom line. Net profit is shown on an income statement.

net profit margin. The percentage of money a business keeps after both the variable costs and the fixed costs are subtracted from its sales revenue. Net profit margin is important because it allows a business to compare itself with other similar businesses.

network. A group of interconnected people or organizations.

non-wage employee expenses. Employer-paid expenses associated with an employee, such as taxes, insurance coverage, and other non-wage benefits.

operations manual. A document that contains step-by-step instructions describing how to perform specific business activities.

owner's equity. The value that remains after subtracting a business's total liabilities from its total assets. The value of the owner's equity is summarized on a balance sheet.

partner. An organization or person in alliance with a business to support its business dealings.

patent. A right registered by a business with the government that precludes other parties from making, using, or selling the business's invention.

payment terms. Conditions agreed upon between customers and sellers to complete a sale.

peer-to-peer lending. A method of lending in which individuals lend to an unrelated business owner through an online service.

personal business planner. A template used to continually organize the details and evaluate the practicality of a business opportunity.

profit. A financial gain in which revenue minus expenses is a positive amount.

profit and loss statement (P&L). A financial statement that summarizes revenue and expenses over a defined period of time and states whether a business has achieved a profit or loss. Also called an income statement.

receipt. Documentation acknowledging that a business has received money in exchange for services or products.

regulation. A rule or law established by a government organization.

resource. Anything that is used to help run a business.

retailer. A business that sells directly to consumers.

revenue. Money that a business receives from customers for selling services or products.

revenue and expense log. A financial form used to record revenue and expense transactions.

sales channel. A means through which a business sells its services or products to customers.

search engine optimization (SEO). The process of improving a website's positioning in an online search result in order to drive more potential customers to that website.

seasonality. A regular and predictable pattern in which business activity fluctuates depending on the season or time of the year.

self-reliance. The ability, commitment, and effort to provide the spiritual and temporal necessities of life for self and family.

social media. Online tools used to communicate with, engage, and listen to customers.

statement of cash flows. A financial statement that summarizes cash inflows and cash outflows based on a business's operating, investing, and financing activities.

supplier. A business that sells services or products to another business.

utilities. Public services such as electricity, gas, or water.

variable cost. A business expense that varies based on how much a business sells or produces. A variable cost could be the amount of money spent on raw materials or labor for a product.

venture capital. A large amount of money that a financial firm invests in a business with the expectation of significant business growth and an eventual highly profitable business sale.

vision. A picture of a desired future state.

wage. A regular payment made by a business to an employee, traditionally based on the number of hours worked.

wholesaler. A business that sells large quantities of products to retailers.

workflow. A sequence of repeatable steps or tasks that are performed consistently to achieve a desired outcome. Also called a business process.

NOTES



BUSINESS SUCCESS TOOLBOX



ESSENTIALS

- Keep the commandments
- Live worthy of the Holy Ghost
- Pay tithing first
- Save weekly
- Learn every single day
- Be persistent

BUSINESS STRATEGY PRINCIPLES

- Solve an unmet need
- Differentiate your business
- Start small; think big
- Buy low; sell high
- Purchase in bulk
- Use multiple suppliers
- Negotiate positive payment terms

RELATIONSHIP PRINCIPLES

- Delight your customers
- Keep all promises that you make, no matter how small
- Learn to say no
- Hire slow; fire fast
- Provide adequate training
- Inspect more; assume less

FINANCIAL MANAGEMENT PRINCIPLES

- Keep good records
- Separate your business and personal money and records
- Pay yourself a salary
- Manage cash flow proactively
- Be wise and have integrity in financing your business

IMPROVEMENT PRINCIPLES

- Increase sales; decrease costs
- Work on your business, not just in your business
- Set meaningful business goals
- Use time wisely
- Continually improve your business

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