



# *Financial Process*

Thank You for Attending this

**Results** Zoom Meetings

Live Today and Library Content Soon

Powered by **YOU NET RESULTS**

**Continuing Financial Process Thinking**

**Financial Process is a Process....**

**When Utilizing YOU *TOOLS***

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# *Financial Process*

You Net Results *Premier* Automotive Guide

Brian Gillis





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## About Brian Gillis...

- 25 Plus Years operating auto repair shops in Texas, Georgia and Colorado, multi unit stores
- Hired and Trained over 2000 staff members
- Budgeting and Profits Brian's Specialty
- Smooth as silk with customers
- Polished and Professional
- Seasoned Automotive Veteran
- Owner and Founder of YOU NET RESULTS





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## **YOU *TOOLS.. Confidence***

### **COACHING GROUPS BUILD CONFIDENT LEADERS**

#### **for Auto Repair Shop Owners and Staff**

- Define confidence in you own words
- What do you have to do to become a confident leader?
- What does each of your staff members need to do to be come confident?



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## YOU **TOOLS..** *Why? Results Mantra*

At *You Net Results*, we facilitate *coaching groups* for auto repair shop owners, so you reach a *turnaround point* where you emerge from the experience moving from a *business owner* to a *confident business leader* eliminating your *silent thieves*.

Reaching your *turnaround point*

Emerging from your *experience*

Eliminating your *silent thieves*

**R**eaching – **E**merging – **E**liminating



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## YOU **TOOLS.. Silent Thief**

How long are you going to let **Silent Thieves** rob your automotive repair shop? With **Poor:**

- Leadership and Management Processes
- Front Counter Processes \*How-to Manual
- People Staffing Processes \*Daily Operations
- Financial Processes
- Do **YOU** need to stop the theft of your future?
- Are **YOU** willing to do what it takes? If **YOU** don't fix the **silent theft** – **YOU** might as well put the key under the door...and not come back tomorrow!





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**YNR *BIG THREE*: 1: Counter 2: Staffing 3: Operations**

*Brian's Know-How and Experiential **SIX***

- 1. LD-YNR – 0100 - Leadership Process**
- 2. MG-YNR – 0200 - Management Process**
- 3. GM-YNR – 0300 - General Manager Process**
- 4. FP-YNR – 0400 - Financial Process**
- 5. DO-YNR – 0500 - Daily Operations Process**
- 6. PP-YNR – 0600 - People Process**



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Many have discovered in the past...

- Financial Process can be a process!
- Financial Process can be learned!
- Financial Process be taught!
- Financial Process can be “FUN”!
- Financial Process can be systemic!





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**YOU *TOOLS***

***It's easy*** to build a Financial Process but it's easy not to!

***How-to build*** Your Financial Process

6 Steps

1. Thinking
2. Words
3. Action
4. Habits
5. Perseverance
6. Attainment



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## **YOU *TOOLS***

- Processes and Systems run your business...  
written or unwritten
- People run the Processes and Systems
- Making your business process and systems  
dependent - **Not** people dependent - **Is** the  
major objective of the Manager



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- YOU ***TOOLS.. Agenda for 5.19.20***
- Language Review
- \*TCODB Review
- \*Budgeting for Profit Spreadsheet Review
- \*Snapshot Spreadsheet Review
- \*\*Forecasting with Projections for Trending Spreadsheet
- \*Spent small amount of time on these \*\*No Review



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## YOU ***TOOLS.. Agenda for 7.7.20***

### Turnaround Point Review

- **Checking Under the Hood** (Point 2)  
The True Cost of Doing Business  
Stacking Up Cash  
Interesting items as Expenses
- **Rhett Smith's Email** (See Slide)
- **EIGHT Financial Tools** (See Slide 19 -20)
- **TCODB *QWIK* Calculation** (Using Budget Spreadsheet)
- **Save before you SPEND**



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## **YOU *TOOLS*.. 8.25.20 Agenda**

### *Brian's Know-How and Experiential*

- FP-YNR – 0400 - Financial Process

### *Money Mastery*

- FN-0001 Money Fundamentals (DropBox) (cover next time)
- FN-0010 Your Accounting System (DropBox) (cover next time)
- FN-0020 Financial Statements (DropBox) (cover next time)

### *TurnAround Point Book*

- Takeaways (page 31) (cover next time)
- Gary's Golden Nuggets (page 32) (cover next time)





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## **YOU *TOOLS.. 10.20.20 Agenda***

*Brian's Know-How and Experiential*

- FP-YNR – 0400 – Overall Financial Process
  - SOP Formation and Review and Update*
- FP-YNR – 0401–1-Eight Financial Tools
- FP-YNR – 0402–Budgeting for Profit Spreadsheet **(covered 10.20.20)**
- FP-YNR – 0402–1–TCODB / METER
- FP-YNR – 0402–2–TNP (True Net Profit)
- FP-YNR – 0402–3–Stacking Up Cash
- FP-YNR – 0402–4–Chasing Dollars vs. Dimes
- FP-YNR – 0403 – Snapshot FP-YNR – 0404 – Trending Tool
- FP-YNR – 0405 – Your P&L
- FP-YNR – 0406 – Your Balance Sheet
- FP-YNR – 0406 – Overall Anchor Financial Report



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## **YOU *TOOLS*.. 12.15.20 Agenda**

*Brian's Know-How and Experiential*

- 0400 – Overall Financial Process
  - SOP Formation and Review and Update*
- 0401-1-Eight Financial Tools **(covered 12.15.20)**
- 0401-2-Financial Language
- 0401-3-QuickStart Financial Savvy
- 0402–Budgeting for Profit Spreadsheet **(covered 10.20.20)**
- 0402–1–TCODB / METER
- 0402–2–TNP (True Net Profit)
- 0402–3–Stacking Up Cash
- 0402–4–Chasing Dollars vs. Dimes
- 0403 – Snapshot
- 0404 – Trending Tool
- 0405 – Your P&L
- 0406 – Your Balance Sheet
- 0407 – Overall Anchor Financial Report



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- YOU ***TOOLS The Myth for Cost of Doing Business***  
*Email Message / Content for 4.13.21*
- For starters, your cost of doing business increases, on average, one percentage point every single year from 1992 to 2021. So in 2013, we needed a sixty-three percent; in 2014, it will be sixty-four percent; in 2015, it will be sixty-five; in 2016, it will be sixty-six; in 2017, it will be seventy in; 2021 It won't stop—not for my business, not for yours. You need a true picture of your cost, your market value, and your margins to find the hidden money.



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## **YOU *TOOLS*.. 4.13.21 Agenda**

*Brian's Know-How and Experiential*

- 0400 – Overall Financial Process
  - SOP Formation and Review and Update*
- 0401-1-Eight Financial Tools **(covered 12.15.20)**
- 0401-2-Financial Language **(covered 5.2.20) (covered 4.13.21)**
- 0401-3-QuickStart Financial Savvy
- 0402–Budgeting for Profit Spreadsheet **(covered 10.20.20)**
- 0402–1–TCODB / METER
- 0402–2–TNP (True Net Profit)
- 0402–3–Stacking Up Cash
- 0402–4–Chasing Dollars vs. Dimes
- 0403 – Snapshot **(covered 2.16.21)**
- 0404 – Trending Tool
- 0405 – Your P&L
- 0406 – Your Balance Sheet



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## YOU **TOOLS.. 4.13.21 Agenda**

### *Brian's Know-How and Experiential SOP Formation and Review and Update*

- 0407 – Overall Anchor Financial Report **(covered 11.17.20 Anchor)**
- 0407–1-SOP–Sawtooth Page YTD and Monthly **(covered 12.8.20 Anchor)**
- 0407–2-SOP–Summary of Cost Page YTD and Monthly **(covered 2.9.21 Anchor)**
- 0408-**Top 10** Making Money Made Simple by Brian Gillis  
**(covered 10.24.20 at 360 meeting)**
- 0409-SOP-A Methodical Set of Questions - FINANCIAL STATEMENT  
ANALYSIS - Questions to ask and Observations to make





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- **YOU *TOOLS Turnaround Point***

<b>Point 2</b>	<b>Checking Under The Hood</b>	<b>21</b>
1	<b>The True Cost of Doing Business</b>	22
2	<b>Stacking Up Cash</b>	22
3	<b>Interesting items as Expenses</b>	25
4	<b>The Shop's True Value</b>	26
5	<b>Hidden Money</b>	27
6	<b>Customer Retention</b>	29
	1. Urgency	29
	2. Atmosphere	30
7	<b>Jumpstart Profits and Incentives</b>	31
8	<b>Takeaway</b>	31
9	<b>Gary's Golden Nuggets</b>	32



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## YOU ***TOOLS Email Received 7.6.20***

- My older brother Bill came to me this a.m. & said I need to talk. Very serious... He told me how much was in our reserve account as of last week, & he planned to add more today. Gary, that fully funds the 90 day reserve account. That makes 2 out of 3 done.
- Financials on the mechanical side of our business are showing net profit to-date at a little over 16% for 2020.
- Bill said he didn't understand how. I told him that God owned this business, he had entrusted us to run it according to his will. And I believed he's blessed Jim Smith's Garage accordingly. Now I said we should use it to praise & glorify him.....
- We'll now start to work on the owner's account. Gary thanks again for all you've taught me & others.
- Rhett Smith of Jim Smith's Garage



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**What are? Financial Process *YOU TOOLS***

- They are built for YOUR NET RESULTS
- Designed to help YOU be in Process
- TAP – Turnaround Point Book...Gary Gunn's Voice in Print and Audio (*Point 5 page 61*)
- Moving from business owner to business leader (BO to BL)
- Financial Process Silver Bullets do not exist



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## YOU ***TOOLS***

- Three “P” Triangle People-Process-Profit
- Five **YOUTOOL** Player
  1. Financial
  2. Leadership
  3. Management
  4. Strategic
  5. Tactical
- WOIT – Working on it Tuesday
- Your Perfect Shop by Hunt Demarest ([FREE E-Book](#))



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## YOU **TOOLS** ... *Financial language*

- 1. COG (above the line)
- 2. CODB (below the line)
- 3. Projections + Predictions = Forecast
- 4. Daily Operations **SNAPSHOT**
- 5. Unloaded labor / Loaded labor
- 6. Discounts
- 7. Rolling Budget (Past-Present-Next 3 Month method)
- 8. Variance
- 9. TRUE NET PROFIT (TNP)
- 10. Working Capital (3 times rule)
- 11. Reserve Fund (3 times rule)
- 12. Accrual VS. Cash Accounting
- 13. Chasing Dollars (Sales versus COG = Gross Profit & Staff Pay)
- 14. Chasing Dimes (CODB Expenses)
- 15. 30% rule





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## YOU **TOOLS** *Financial language*

- 16. Mailbox drive by theory
- 17. 1992 story / 42% / in 2013 it is 63% / 1% increase in CODB per year
- 18. GP target in 2016 66% / 2017 67% / 2018 68% / 2019 69% / 2020 70%
- 19. Indexing the labor guide (1.1 or 1.15 or 1.20 or 1.25)
- 20. Indexing your labor rate 50 cents per month
- 21. Labor Factor .25
- 22. Budget is not a Mirror Image of your P&L
- 23. P&L's do lie – Why? How?
- 24. Balance Sheet Cash Leakage
- 25. Green Checkbook story
- 26. Budgeting View of Vital Signs
- 27. TCODB



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## YOU **TOOLS** ... *Financial language*

- TRUE cost of doing business
- + Personnel cost \$ \_\_\_\_\_
- + Operational cost \$ \_\_\_\_\_
- + Building Expenses \$ \_\_\_\_\_
- + Debt payments \$ \_\_\_\_\_
- + Profit \$ \_\_\_\_\_
- + Taxes \$ \_\_\_\_\_
- + Working capital buildup \$ \_\_\_\_\_
- + Reserve amount buildup \$ \_\_\_\_\_
- = \$ \_\_\_\_\_ **TCODB**



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## YOU ***TOOLS EIGHT Financial Tools***

- 1. P \_\_\_\_\_
- 2. B \_\_\_\_\_
- 3. P \_\_\_\_\_
- 4. S \_\_\_\_\_
- 5. B \_\_\_\_\_
- 6. T \_\_\_\_\_
- 7. B \_\_\_\_\_
- 8. A \_\_\_\_\_



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## YOU ***TOOLS EIGHT Financial Tools***

- 1. P&L
- 2. Balance Sheet
- 3. POS Reports
- 4. Snapshot
- 5. Budgeting for Profit Spreadsheet
- 6. Trending Spreadsheet
- 7. Bank Statements
- 8. Anchor Financial Report



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## YOU ***TOOLS***

- **1. P&L**...it lies to you, it is set up to pay taxes, revenue, depreciation, CODB, multiple view, gross and net profit (tax based accounting GAAP, does not tell us the principle paid out on notes, operational expenses, it tells us about COG Cost of Goods, casting auto repair specific chart of accounts and what them in a set manner, such as technician labor as a COG, what are the discrepancies between the POS to P&L, not taking inventory and adjusting COG accordingly,





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- **2. Balance Sheet**...different than the P&L, loan value due, assets, liabilities, cash position, they leak money not showing on P&L, by paying a dividend, by debt retirement of principle position of the loan, inventory values going down, increasing A/R or not written off every 90 days – repost to revenue if collected, warranty and returned goods, cores, draws taken out, rent deposits, balance sheets must balance, capitalized tool and equipment purchases, retained earnings paid out, loaned money to the company by owner and paid back to owner,



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## YOU ***TOOLS***

- **3. POS System** and Reports...sales report, COG, cost of labor, accuracy issues on parts cost and labor cost, gross pay is the labor cost / hours billed in POS = the labor cost per hour billed to be updated at the end of each month, compare POS number to the P&L and determine what it takes to get it closer, significant deviation in numbers must be audited and improved,



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- **4. Snapshot...** This is your Scoreboard...TCODB True Cost of Doing Business used to show or daily TCODB, GP status, closed Repair Orders, share good and what is not so good, zero or above and in I43 cell, TCODB > the story is all about adjustments to be made, how well are we doing, don't have to wait for P&L to come out to know how well you are doing, increasing or decreasing money, staying true to the concept, car count, winning or losing daily, report card, scoreboard, COG column E must be an accurate audit daily, performance indicators, set goals for how many days you want to win, don't pay incentives off of the Snapshot unless audited,



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- **5. Budgeting for Profit Spreadsheet...**historic data, some from the P&L, some the Balance Sheet, come of POS, check register, for profit, taxes, payables, bad debt, all revenue in and all money flowing out, profit as an expense, projection + predictions = forecast is the budget, do above line 47 for tab 3 / 6 / 12 month plus current month budgeting for, input in trending tool analyze, do forecast before moving below line 47, view profit as an expense equal to 10% of sales budgeted, view working capital and reserve buildup as expenses, this is not breakeven,



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- **6. Trending Spreadsheet...** takes numbers off the budget sheet and trends them, input numbers for 3 / 6 / 12 month tabs, year before and in column D with those numbers on the budget form, those transfer to the trending tool, column H now transfers to G on your budget spreadsheet, projections are now done, average versus a trend, we can apply trend to numbers, wants filled now we have a landscape of numbers to review and they will reveal what is truly happening in your business,





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- **7. Bank Statements...**great cash flow statement on your business, money deposited and money taken out, reconcile our bank accounts and we can really see our cash position at the end of every month, stacking up cash, rack all money to the bank and make all vendors and outgoing are to real entities,



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- **8. Anchor Financial Report** (Optional)....side by side comparison of operational numbers, it is not an exact copy of your P&L, combination of number from varies areas of your business, we can now set industry benchmarks with in the reporting shops, setting a certain parameter for reporting and a set of accounts, tell of the tap, compare and analyze where you could improve and where others are, 10 people wanted compare their companies all we was the P&L that would very difficult to do perhaps a very long unproductive process,

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- YOU **TOOLS**
- THE RECESSION RESPONSE
- *The Small Business Economic Crisis Financial Management Plan*
- *RECESSIONRESPONSE.COM*
- *Taken From...*
- How to Manage Your Financial Plan During a Crisis  
by Don Miller and Mike Michalowicz





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- YOU **TOOLS**

## **CASH FLOW**

### **REDUCE CASH OUTFLOW**

- Cancel no/low benefit expenses (e.g. app subscriptions, entertainment)
- Business owners cancel no/low benefit personal expenses (reduces personal income need)
- Renegotiate terms with required recurring and one time expenses (lease, capital equipment)
- Seek new terms/extensions from vendors/suppliers

### **INCREASE CASH INFLOW**

- Proactively address borrower/lender matrix to ensure continued cash flow
- Introduce new payment options (0% financing, credit card, ACH, cash discount, etc.)
- Use the “what can you afford?” strategy with at-risk-for-defaulting clients
- Don’t change your Profit First percentages (yet)



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## **STRATEGIC PLANNING**

### **MAINTENANCE**

- Schedule regular (weekly/bi-weekly) financial debrief with financial/profit advisor
- Evaluate offering mix, focus on high margin products/ services (reduce/remove low margin)
- Evaluate client mix, focus on historically financially well paying clients
- Enhance communication rhythm with clients (more frequent, shorter communication)

### **GROWTH**

- Opportunity to focus recession resistant clients/ opportunities (staples, food, vice, funeral)
- Market to the Transitioning Ten Percent clients leaving large competitors
- Enact “bold” moves – acquiring unprepared competitors, amplify marketing, raising prices





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## **DEBT MANAGEMENT**

### **DEBT CONTROL**

- Don't take on new debt to maintain "business as usual"
- Use extreme caution with debt leveraging (use of debt for high probability returns)
- Use extreme caution with debt bridging (use of debt to cover short term cash flow dips)
- Renegotiate debt for better terms (interest, installment frequency, length of loan)

### **DEBT PLANNING**

- Consolidate and refinance debt
- Maintain excellent personal financial status to keep high credit rating if debt needed
- Avoid credit card debt (avg. APR 17.3%) (0% starts can go to 29%)



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## **ACCOUNTING**

### **PROACTIVE**

- Set up new GL Account(s) for unique circumstances (eases reimbursements and recasting)
- Evaluate inventory turn. Tighten turn on moving product, eliminate non-turning products
- Review accounting system automated invoicing collection sequence (verbiage, frequency)
- **FUTURE PLANNING**
- Conduct comparative analysis of prior years, months (distinguish cause and effect)
- Evaluate client history to proactively determine where you can make terms concessions



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**TAX**

## **PROACTIVE**

- Treat tax estimates as due on April 15, June 15, Sept 15, Jan 15 (even if extension occurs)
- Start or maintain a bank account for TAXES



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## **YOU *TOOLS***

- Slight Edge book by Jeff Olson
- Lotus Code by Mark Yarnell
- E-Myth Mastery Leadership Module
- LWOBAS
- SMS – SBS – STS – SPS
- No Reverse Club



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## **YOU *TOOLS***

John C. Maxwell

- Five Levels of Leadership
- 21 Laws of Leadership
- Developing the Leader With YOU
- Developing the Leaders Around YOU



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## **YOU *TOOLS***

- Go for No by Richard Fenton & Andrea Waltz...  
Go For No Breakthrough Pak ([BUY Link](#)), Hard Copy of Book ([BUY LINK](#)), 2 CD Pack Audio ([BUY LINK](#)),
- Coaching for Improved Work Performance by Ferdinand F. Fournies ([BUY Link](#))



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## **YOU *TOOLS***

- ALL-In ATL Community ([Web Link](#))
- Addicted to Life (ATL) by Rob Rowsell ([BUY Book](#))
- ATL Quarterly Strategic Action Plan
- ATL 8 Step Building Blocks
- ATL Action Guide ([Get it Link](#))

