

THE ONLY BUSINESS BOOK YOU'LL EVER NEED

FOR THE SKILLS NECESSARY
TO BECOME SUCCESSFUL

Featuring

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And Today's Leading Experts



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CHAPTER 35

Plan For Success

By Mikkel Pitzner

By failing to prepare, you are preparing to fail
~ Benjamin Franklin

Why, exactly, do you run your own business or are thinking of starting your own business? Do you crave the feeling of achievement of doing something on your own and creating your own future? Are you looking for a better, more flexible lifestyle? Are you tired of working for someone else? Are you finding it difficult to get a new job? Are you disillusioned with the job you've got or simply can't stand your boss? Do you have a passion that you'd like to turn into a profession and an income stream?

Running your own business can be a wonderful thing. It can provide you with freedom to do things your way, to do the activities of your choice and take something you are passionate about and turn it into an income and even possibly build it up – creating wealth for you and your family.

A business can provide a great income for you and your family and oftentimes for many other families by providing jobs and opportunities for others to be able to share in. But a business can also rip the carpet away from under you and place you in great debt that will burden you for a long time. That is why planning for your success is so important.

So how do you plan for your success in business? Well, besides figuring out your business proposition, i.e., what you are selling or going to sell,

and making certain there is a clientele for it, you estimate the viability of your scheme, then you plan your business by making your budget.

A budget is simply your estimated or projected numbers based on qualified guesses, estimations, experience, past results achieved and research for your projected sales and other revenues in the business, along with the associated costs of running the business.

I know this may sound boring for some, but it really isn't so bad after all, and it does not have to be such an overwhelming task. But it is critical and super important.

As one of the great mentors, Jim Rohn, said; *“Ten years from now you will surely arrive. The question is, where?”*

You need to know where you are going. I have seen businesses small and large that do not work with a budget. That means they are basically running their businesses not knowing where they are going.

When addressing this issue with the business owners or even the CEOs of these companies, the responses I get often go like this: “Well, we just need more sales, then we will have the right numbers and make profits”.

But they are running blindfolded. What if the real numbers would in fact prove that their matrix is faulty, so that costs of achieving their sales along with the costs associated with producing their product or service are higher than the price at which they sell? Well, then their approach simply spells disaster.

And maybe the costs and sale prices are not as badly compiled as the scenario put forth above; and yes, ...maybe just more sales would provide enough cash infusion and profits to the business to produce the right numbers, but what if you cannot afford to run long enough for those sales figures to be achieved? What if your liquidity will not sustain your business long enough for it to be able to reap the rewards?

I have seen many business owners who chased the next cash infusion over and over again – so that they could keep the business alive, and thinking: “if only I had some more money, then...” thinking that the additional money would bring about an avenue of more revenues (which potentially could be purchased), while never bothering to look at the fundamentals of the business they are running right now, and without addressing the dif-

ficulties which were killing their businesses in the first place.

In the process, they are really just accruing even more debt and even greater costs to the financing, and possibly diluting their ownership and certainly the value of their company and business even further.

You see, running a business is really very fundamental. You need your costs of producing, providing and selling your product or service, including all your costs of personnel, location, utilities, financing, etc., etc., to be less than the revenues you accrue from selling your product or service. But you also need the liquidity in place to keep you afloat along the way.

When you start up a business you very often have to bring money to the table by funding its start up. Setting up the business and producing your first product or service and marketing it will probably give you some expenses that will have to be paid for before you get the sale. But even with established businesses, you often have the income stream delayed or spread out over some time from each sale. So in other words, you need to know and arrange for that so you can sustain the business long enough while you deliver your products or services – while waiting to get paid.

So plan for success. Analyze every area of your business from A-Z, possibly having budgets of parts of the business that are subsequently worked into the entire overall budget for the entire business. As an example, you may have a sub-budget showing all of your employee expenses and then incorporate it into the overall budget for the business. Put these numbers on paper. A budget should show your futures estimates for your business over a time period of your choice, but should project for at least a full year, with projections preferably into the subsequent 1-5 years thereafter. The budget should be built up so you can see the numbers at least on a month-by-month basis.

For a start up, you know your numbers may well be just estimated guesses, but even these can be fairly accurate if you have done your research well. And if you learn things along the way that changes certain parts of the calculations significantly, then you may want to revisit and adjust your budget with these changes. For businesses that already have run a year or more, calculating your budget can produce a very precise picture of your future business.

Make sure you take a look at your business numbers by looking at your profits and losses at least monthly, i.e., your P/L statement and then compare with your budget. That means you need to have solid book-keeping in place that keeps all of your numbers up to date at all times.

Continuously monitor your sales and your margins and check how it compares with your budget. Adjust your formula and margins if you do not meet or better your expectations and make such adjustments with a sense of urgency. Stay on top of your market and know that markets can evolve and what you are able to sell today may not necessarily be saleable tomorrow. Look for improvements for every area of your business and push yourself a little harder. Make it a habit and it often will not seem like work.

Think of your budget as your autopilot too. By reviewing your profit and loss statement every month and comparing it with your budget, you can see if you are on track. If you are off your numbers it will help you see where you are not doing the right things and you will be better able to see where you need to make some adjustments in your business.

I recently learned that an auto-pilot does not set you on course from Point A to Point B and then leaves it there, but in fact adjusts your course ever so often, in order for you to arrive at your chosen Point B.

I know that budgets can sound very boring and a tedious task, and perhaps with your entrepreneurial mindset you are more focused on the next project or the excitement you have for your product or service, or the thrill of engagement with your customer, but I am sure we all enjoy when our businesses are thriving and when we can reap the rewards or know that we are doing quite well in terms of our income. Not for the sake of the money or riches, but for what the money can provide us with such as our homes, livelihood, food and security, and well, perhaps all the toys, experiences, travels and not least of all the freedom – and perhaps for what you can contribute to the world with your abundance.

Once you have the budget and you follow up every month, you are able to engage your business and fine tune it even further, cutting unnecessary costs, building and expanding it and growing it all together.

Your budget may tell you to adjust your expenses in a few places. Be willing to make swift adjustments. Sometimes you may need to adjust

in the area of employees. We have all probably heard the sentence “Hire Slow, Fire Fast” ...and I urge you to keep this valuable point in mind. If you are a new start-up business, you will need to try to keep your expenses and overhead as low as possible until you have achieved some traction and can get the sales to support your organization. Firing anybody is not fun to do, and certainly no fun for the employee being let go – but remember it is not personal, and that in saving one employee from drowning you may risk sinking the ship. I meet many businesses and I often see that they are employing ‘way too many heads’ for their business to have a chance of survival when the economy has changed.

Learn from your own mistakes and even more brilliantly, learn from other people’s mistakes, so that you do not have to go and repeat them in your own business.

This brings up the point of learning from others, which I will always recommend to everyone. Again in quoting one of my mentors, Jim Rohn, “Work harder on yourself than you do on your job.” Seek out mentors and learn from them. You will be inspired and you will arm yourself with knowledge that has been acquired over many years of experience by many professionals, and been deciphered and assimilated into great lessons for us all.

Working closely with your budget and your monthly profit and loss statements will lead you to really know your business. Knowing your business can make all the difference. When you know your business well, you can set up systems and ways that will reduce the daily work for yourself, and, along with better business results, you will soon be able to achieve the freedom you probably longed for like most of us.

Far too often though, I see business owners stressing and leading lives in which they are always completely overwhelmed with work and anxiety, and they seem to be running around putting out fire after fire while never getting ahead. Meanwhile, their health is deteriorating and their personal relationships are crumbling.

Knowing your business can put you in a position where you can remove yourself from the daily equation and you can control the business by remote control. You can ultimately become a shareholder, freeing up your time for your hobbies, family, travel or indeed other business pursuits and ventures.

Having run several businesses on remote control as I call it, I am living proof of this being possible, and I am now teaching and helping others do the same. I get very inspired by the good results and huge improvements that I see people achieve when I have helped them. Oftentimes, my advice entails relatively small adjustments that instantaneously take their business to a whole new level. One of the businesses that I looked at recently took one simple idea I gave them and tripled their profits and revenue stream within a few weeks.

It is wonderful to have the extra time when you remove yourself from the business, but removing yourself from the business may not just be in order for you to avoid working so hard, because, hey, maybe you love what you are doing. I am certain, however, that you would love to be able to have the freedom to spend the time on being a more active part of your children's lives or have a more engaging and fulfilling life with your spouse.

With more freedom, energy and time, you can go and explore new business opportunities and ventures, or simply gain a better perspective on your own business if you only have that business, opening up even greater possibilities for you. Multiple streams of income can also aid you in getting rid of debt and building wealth, and whether these streams of income stem from within the same business or multiple businesses, I often find that you will more easily find these opportunities when you have removed yourself from dealing with every little operational part of the business, and have more energy and thought resources available to you.

Having more free time while retaining a business that affords you a great income also makes it even more possible for you to go and seek inspiration, knowledge, connections and possibly even more business, elsewhere. Go to seminars and learn there. Seminar topics and the right teachers can sharpen your skills and hone your skills to perform better in or on your business. At seminars you will find other like-minded people and often people who are very successful themselves. As an added benefit, you may often find new customers there too, as well as future collaborators or affiliates that can bring your business further or to that next level.

Join mastermind groups, even if you have to pay for them. Seek out top professionals who have skills, knowledge, success, connections and

reach. They will help you along with your fellow mastermind participants in expanding your mindset to the possibilities out there, and help you increase your ambitions and your results exponentially.

Ever heard the saying of your income level being an average of the top 5 people with whom you associate or hang out with? If you are serious about taking yourself and your business to the next level, then you need to be serious about masterminding and about the people you are around.

Communicating with other professionals can also help you in gaining a new perspective on your business, which can often be very highly desirable - especially those people who have run their own business for quite some time. They tend to get stuck on one path; sometimes you just need to take a big step back and look at your business from above. In other words, you need to jump onboard a helicopter and fly above your business and get a better view. When you have assembled your new ideas, then consult your budget and see how you can implement them and what the effect will be.

**Planning for success is essential – your budget is
an essential part of that planning!**



About Mikkel

Serial Entrepreneur, professional board member in Denmark, Sweden and the US, social media expert and consultant, small time investor and dreamer *extraordinaire*.

Mikkel Pitzner is a partner in unique marketing and trailer rental company Freetrailer, which currently operates throughout Denmark and Sweden with more countries to come. Mikkel is also a partner in Aksel & Ko, a company that finds that special gimmicks or solutions that corporations need for their marketing purposes.

Originally from Denmark where he used to run what turned into the fourth largest car rental company and a leasing company he led to double its size. Also, up until recently, he owned and operated the largest limousine service company in Denmark whose profits he managed to grow 3200% during the first year of ownership alone. Also, he successfully ran an import and distribution company of scuba diving equipment until that company was sold to a German distributor.

Mikkel is also a best-selling author and speaker, and teaches entrepreneurs how to create a business that will provide you with the lifestyle of your choice, while taking you off the treadmill of your job, so you can spend your time on things of your choosing.

He currently resides in Florida with his wife Olga and one-and-a-half-year-old son Gabriel He is building four new business ventures simultaneously, while helping a local manufacturer in a struggling and challenging economy.