



# MONEY MASTERY

UNDERSTANDING THE MOST  
IMPORTANT NUMBERS IN YOUR BUSINESS

THE  
**RETAIL**  
COLLECTIVE



## MESSAGE FROM SAL

Money - without it, life can be pretty miserable. With it, we can do amazing things!

I grew up in a lower middle class family. My mum and dad both worked full time, then at night would clean offices. We didn't go on holidays or to the movies...we just couldn't afford it.

So once I was in charge of earning my own money, I was determined to make sure I always had money.

Fast forward to running my own business. And money seemed to flow out faster than it came in. I'm pretty frugal, so I knew I wasn't spending it extravagantly. There were no "unnecessary expenses".

So why the heck was my bank balance going down instead of up?

When I cracked the code, it felt like a giant weight lifted off my shoulders. I now had a plan to work to.

You don't have to work harder or longer to make more money.

You just have to start here.

# EXPENSES TRACKER

ITEM	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	ANNUAL TOTAL
<b>TOTAL</b>					

# NON-NEGOTIABLE NUMBERS

**TRACK THESE NUMBERS FOR A SUCCESSFUL,  
PROFITABLE BUSINESS FOUNDATION**

1. Number of visitors
2. Number & total value of sales per day
3. Average order value
4. Customer conversion rate
5. Profit margin



# AVERAGE ORDER VALUE

AVERAGE AMOUNT A CUSTOMER  
WILL SPEND ON EACH VISIT

## CALCULATE:

**TOTAL VALUE OF SALES / NUMBER OF SALES**

TOTAL VALUE OF SALES = \$1,000

TOTAL NUMBER OF SALES = 10

$\$1,000 / 10 = \$100$

**AVERAGE ORDER VALUE = \$100**



# CONVERSION RATE

PERCENTAGE OF VISITORS THAT  
TURN INTO PAYING CUSTOMERS

**CALCULATE:**

**NUMBER OF SALES / NUMBER OF VISITORS**

TOTAL NUMBER OF SALES = 100

TOTAL NUMBER OF VISITORS = 2000

$100 / 2000 = 0.05$

**CONVERSION RATE = 5%**

# BREAK EVEN POINT

THE MINIMUM AMOUNT OF  
MONEY YOU MUST  
TURN OVER TO PAY ALL YOUR  
EXPENSES (FROM PROFIT)

## CALCULATE:

### TOTAL AMOUNT OF EXPENSES MULTIPLIED BY PROFIT MARGIN

TOTAL OUTGOINGS = \$10,000 per month

PROFIT MARGIN = 50%

$\$10,000 \times 50\% = \$20,000$

BREAK EVEN POINT = \$20,000 per month

# PROFIT MARGIN

THE PERCENTAGE YOU MAKE AS A  
PROFIT OVER THE ORIGINAL COST  
OF THE ITEM



**CALCULATE:**

**PROFIT DIVIDED BY SELL PRICE**

COST PRICE OF PRODUCT = \$11

SELL PRICE = \$20

PROFIT = \$9

$9/20 = 45\%$

**PROFIT MARGIN = 45%**



# **QUICK TIPS**

**TRACK YOUR NUMBERS ON A DAILY BASIS**

**THIS WILL ALLOW YOU TO IMPLEMENT CHANGES QUICKLY, MINIMISING REVENUE LOSS AND MAXIMISING SALES**

**SCHEDULE TIME INTO YOUR CALENDAR EVERY WEEK TO TRACK PROGRESS**

