Real Revenue

Box Owners

CASH IS KING UNIVERSITY

The 4 Key Numbers

Real Revenue

- Different than "Total Revenue"
- Makes all businesses comparable

Owner's Pay

- Take home pay
- The cost of your lifestyle

Profit

- What comes back to you because you are the owner of the business
- Also known as "Return on Investment"

Tax

- This can be minimized
- The business generates the burden of the tax so it should be the one that pays the tax
- You shouldn't have to pay the tax out of your lifestyle money.

Real Revenue

> **REAL REVENUE IS YOUR INCOME AFTER YOU PAY FOR COACHES AND OTHER ITEMS YOU SELL.**

QUESTION FROM YESTERDAY
Is a business that collects $1 million in revenue a $1 million dollar business?
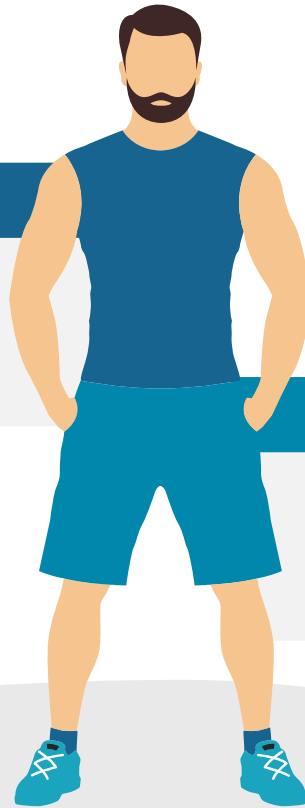
NO

SUPPLEMENTS AND APPAREL

INVENTORY

From an accounting standpoint, inventory is not an expense. It is supps and apparel you have purchased but haven't sold yet

COST OF GOODS SOLD

When you actually sell the supplements or apparel, then you can book your cost as an expense.

Inventory vs Cost of Goods Sold

Boring accounting shiz you aren't really going to need to know

01

So your Inventory increases by $2,000. This is not an expense.

03

Those 25 units cost you $500. So you expense $500 as Cost of Goods Sold. This means your Real Revenue on these 25 units is $750

05

PURCHASE → INVENTORY → SELL → COGS → NEW INVENTORY

You buy 100 5lb Whey Protein units for $2,000.

02

You sell 25 5lb units for $1,250. Total Revenue increases by $1,250

04

You just sold $500 worth of inventory. That means your new inventory amount is $1,500.

WHO CARES!

On the Know Your Numbers Worksheet, don't worry about whether it is inventory or costs of good sold.
Just put your costs (the cash you actually spent) on any supplements and apparel your members could buy.
Only put the years costs. Don't include info on supplements or apparel that has been sitting there for a while.

PAYING COACHES

01

Salary
This cost is the same every month regardless of what the coach does.

02

Per Class
Flat dollar amount per class regardless of the class size

03

% of Other Services
A flat percentage of the revenue the coaches services bring into the box.

PAYING COACHES

01

Salary
Don't worry about this number yet

02

Per Class
Put on Know Your Numbers tab

03

% of Other Services
Put on Know Your Numbers tab