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## UA62/3 March Newsletter

Kentucky Small Business Development Center

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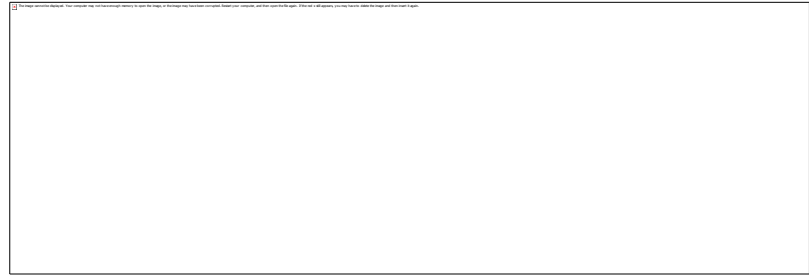
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Issue: # 14

3/01/2010



### Greetings!

I hope you continue to find our newsletter informational and valuable - I'll try to put at least 5 bucks worth of information in each one to compensate you for your time.

Here's the workshop [link](#).

Stay in touch!

**Adam Brownlee**

**Director, WKU SBDC**

[adam.brownlee@wku.edu](mailto:adam.brownlee@wku.edu)

[www.wkusmallbiz.com](http://www.wkusmallbiz.com)

## The Case for Business Ownership

### Build Systems Not Buckets

How much can you sell your job for? Better yet, who has control over when your job is sold and bought? Your employer, right - you're either hired or fired.



After 20 years, how much can you sell your job for?



### In This Issue

[Build Systems, Not Buckets](#)



### Cash Flow Day

#### Do You Like Cash Flow?

Do you get a warm fuzzy feeling when you find an investment that cash flows? Then you should register for our upcoming workshops.

If you own a business, how much can you sell your business for? Either your accountant or the [Small Business Development Center](#) can tell you, correct?

If it involves a building that your business has purchased for you over the years you can perform a comparable market analysis to determine the value.

If you are selling a cash flowing business then the computation used is the earnings approach ... the accounting net profit **plus** excess owner's salary, **plus** depreciation/amortization expense, **plus** discretionary and extraordinary one-time expenses **divided by** a capitalization rate. (the equivalent to the required return on investment on earnings which can range anywhere from 20% to 40% for small business.)

After 20 years, how much can you sell your business for?

Also, where does one receive favorable tax treatment - as an employee or business owner? Robert Kiyosaki author of Rich Dad, Poor Dad provides us with this simple quadrant:

E	B
S	I

On the left side we have Employees and Specialists or Small Business owner's. On the right we have Business Owner's and Investors. To get favorable tax treatment and to accelerate your wealth building capabilities, you want to be on the right side of the quadrant in the B's and I's. An employee is taxed off the top and then spends what is left over. A business owner receives an income, spends and is then taxed on what is left over.

You will learn solid business fundamentals to cash flow and build assets.

Click [here](#) for registration and details.



### Quick Links

[Contact Us!](#)

[Register for a Workshop](#)

[Resources](#)

[whatstob.com](#)

[KSBDC](#)

[SBA](#)

[IRS](#)



Funded in part through a cooperative agreement with the U.S. Small Business Administration.

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The quadrant brings up another point - what is the difference between a Business Owner and an S or Small Business owner? The Business Owner owns a system as illustrated by this simple analogy:

A small town in need of water identifies a quality source, a large lake one mile away. Two budding entrepreneurs start a business to deliver the water to the town. The first gal gets a bucket on day one and starts tenaciously hauling, making about a \$100 a day. The second gal plans for 6 months, visits the [Small Business Development Center](#), writes a business plan, incorporates, secures financing from her banker, meets with the zoning commission, buys insurance, hires employees, builds a pipeline and starts pumping water to the town for about \$1,000 a day.

The first gal seeing this starts hauling two buckets a day, hires her son into the business, starts working 12 hours a day and after 12 months of this, folds and goes back to her day job.

The point is - build systems, not buckets. We can help with this - visit our website and fill out the form under the coaching tab to get queued up in our scheduling system - [click here!](#)

Additionally, WKU offers a number of courses in Entrepreneurship to help you move from the left side of the quadrant to the right - click [here](#) to learn more.

Have a great day!

-Adam

Thanks for taking the time to read our newsletter and for passing it along to folks who might be interested in its content and our services. Please contact us at [wkusmallbiz.com](http://wkusmallbiz.com) if you are starting a small business or if you need a tune-up.

We look forward to serving you.

**Sincerely,**

Adam Brownlee  
Director, WKU SBDC

[adam.brownlee@wku.edu](mailto:adam.brownlee@wku.edu)

[wkusmallbiz.com](http://wkusmallbiz.com)

SBA.

Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact Adam Brownlee, 1906 College Heights Blvd., #61086, Bowling Green, KY 42101. 1-270-745-1905.



## Cash Flow Day

### Get Rich On Your Lunch Break!

Starting this summer, join us every Thursday at 12:00 pm on the hill for workshops, coaching and the game that teaches everyone how to get out of the rat race.

Click [here](#) for directions.

**Save  
100%**

Our one-on-one coaching is free, always.\* If you would like to discuss the above topics, develop a business plan, franchise prototype manual, financial projections or web site or attend one of our workshops, go to [wkusmallbiz.com](http://wkusmallbiz.com), click on "Contact Us," enter your information and a special little message that preferably comments on how cool we are.

Check out our upcoming workshops under the training tab.

\*There is no catch to this. We are grant funded. Our services are free. This is not a teaser rate in which we bait you to sign you up for fee-based services. We do not force you to look at time shares for hours on end in order to receive admission to Disney World. We do not have a water park, animatronic pirates nor a jolly, rodent mascot. We have coffee, and if there is any left, we will offer you a cup.

**Offer Expires: Never**