



Money Wizards

Think of someone you know who seems to have a black belt in business. What makes her different from the rest of us? How does she wind up with so much wealth if she is neither smarter nor more savvy than we? What does she do or know that we don't?

No business owner entirely masters money. But I do know what the real money wizards look like and how they operate.

Here's the money wizard's profile: She's been a business owner more than seven years. This isn't her first business, but it's one she loves. Her business is the most asset on her personal balance sheet, but all her money isn't tied up in it. She knows it is a penny stock not a blue chip when she holds still hold the debt notes. She attacks debt like an enemy, but she knows when to leverage debt to capitalize on an opportunity. She doesn't bury her money; she multiplies it and here is how:

- **Learn to earn.** Embedded in our wizard's consciousness is a keen sense of profit. If we want the business to serve our needs, we must first serve its needs by learning how to earn a profit. The key to profit is tied to four things: selling right, containing cost of goods and cost of sales, getting maximum results but containing the Overhead Monster and using earnings to reward right behavior and right results.

- **Build a culture of wealth.** What's our fundamental orientation to money? Do we consume it or do we invest it? Our organizations will follow our lead and either build for the future or spend for today. The culture of wealth respects money's ability to generate wealth in the future.

- **Gamble smart.** Business is risky, but the money wizard calculates risks. He asks how he can get the same results without the exposure. Every

contract has a back door. The goal is to be debt free and have a plan for getting there. Every move is so calculated that the money wizard doesn't even think he's being risky.

- **Know your enemies.** The playing field of business is full of enemies. For some, we look outward. For others, we look inward. Enemies are found in our choices about debt, the temptation to acquire, the self-deception of experiencing desires and calling them needs. Enemies external to the business may be beyond our control. A move by the competition, political events, even hurricanes can shake the ground under all of us. Another act of terrorism on the scale of 9/11 would do incalculable damage to the economic health of our nation. As you calculate your risks, do you factor in the probability of encountering your enemies?

- **Redefine failure.** The money wizard doesn't look at mistakes as representing money out of her pocket. Instead, mistakes are lessons for which a price was paid. If you aspire to be extraordinarily successful, do what the big guns do: Get a taste of failure.

The smart money wizard would remind us that the healthiest perspective on money is to respect its power but to remain unattached. Question your objectives every time money leaves your hands. But never measure your self-worth by your net worth.

What does the Money wizard know that most of us don't about creating business wealth?