

**HOLISTIC**

**FINANCIAL PLANNING**

**BRANDON**

**HOLISTIC MANAGEMENT**

**A**

**DECISION MAKING PROCESS**

**H M HOW TO:**

**CARE FOR YOUR PEOPLE**

**IMPROVE YOUR LAND**

**MAKE A PROFIT**

# **RESULTS OF H M.**

**1. A BETTER QUALITY OF LIFE**

**2. HEALTHIER LAND**

**3. INCREASED PRODUCTION**

**4. LOWER COSTS**

**5. MORE PROFIT**

**6. LESS WORK**

**H M IS A TRIED AND PROVEN  
PROCESS**

# FINANCIAL PLANNING

Instead of doing something  
and hoping it works out,

we are going to

**plan the results** we want in advance

then **monitor, control and re plan**

to achieve our results.

# OBJECTIVES

1. Profit is possible

**HENRY FORD**

**IF YOU THINK YOU CAN  
OR  
YOU THINK YOU CAN'T**

**YOU ARE**

**RIGHT !**

**TO MAKE SMALL CHANGE  
CHANGE HOW YOU DO THINGS.**

**TO MAKE MAJOR CHANGE  
CHANGE HOW YOU SEE THINGS.**

**CHANGE YOUR PARADIGMS**



# OBJECTIVES

2. Profit is a state of mind

# EXISTING PARADIGM

WE BELIEVE

OUR FARMS

CAN'T BE

**PROFITABLE**

# NEW PARADIGM

FARMS

**can**

and should be

**PROFITABLE**

# OBJECTIVES

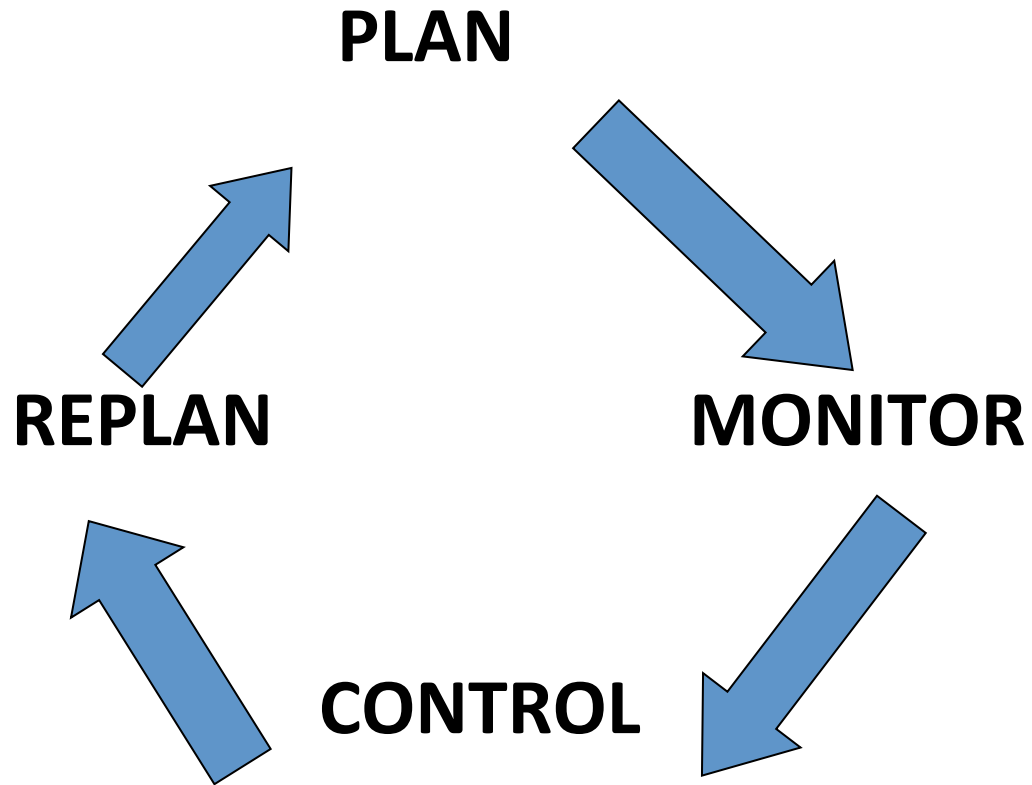
1. Profit **is** possible
2. Profit **is** a state of mind
3. Steps to doing a Holistic Financial plan
4. Power and peace of mind that comes from financial planning

# WHAT'S DIFFERENT ??

1. Always planning for the **FUTURE**.
2. Setting our **PROFIT** up front.
3. Sorting our expenses to spend our money as **WISELY** as possible.
4. Monthly **MONITORING**

# PLAN

A TWENTYFOUR LETTER WORD



# PLAN

The best we can do at a given time

**REPLAN**...does not mean our first plan  
was wrong...**CONDITIONS CHANGED**

.... allows us to reach our goal

.... we are responsible

.... we make it happen

.... what doesn't change is **OUR GOAL**

# Pre Planning Steps

**Log Jam**

**Gross Profit**



**LOG JAM**

**THE ONE THING**

**THAT IS PREVENTING US**

**FROM MOVING TOWARDS**

**OUR GOAL**

**GROSS PROFIT**

**INCOME**(PER UNIT)

**MINUS**

**VARIABLE EXPENSE**

**GROSS PROFIT IS NOT PROFIT  
IT IS MONEY TO COVER  
OVERHEADS.**

**PROFIT  
IS DETERMINED WHEN WE DO  
A FINANCIAL PLAN.**

# EXPENSE

```
graph TD; EXPENSE --> VARIABLE; EXPENSE --> OVERHEAD;
```

## VARIABLE

DIRECTLY RELATED  
TO LEVEL OF  
PRODUCTION

INCREASE AS YOU  
ADD ONE COW  
(ONE UNIT)

## OVERHEAD

NOT DIRECTLY  
RELATED TO THE  
LEVEL OF  
PRODUCTION

# STEPS TO FINANCIAL PLANNING

# SUCCESS

**1. Starting net worth**

**2. Plan income**

**3. Set profit**

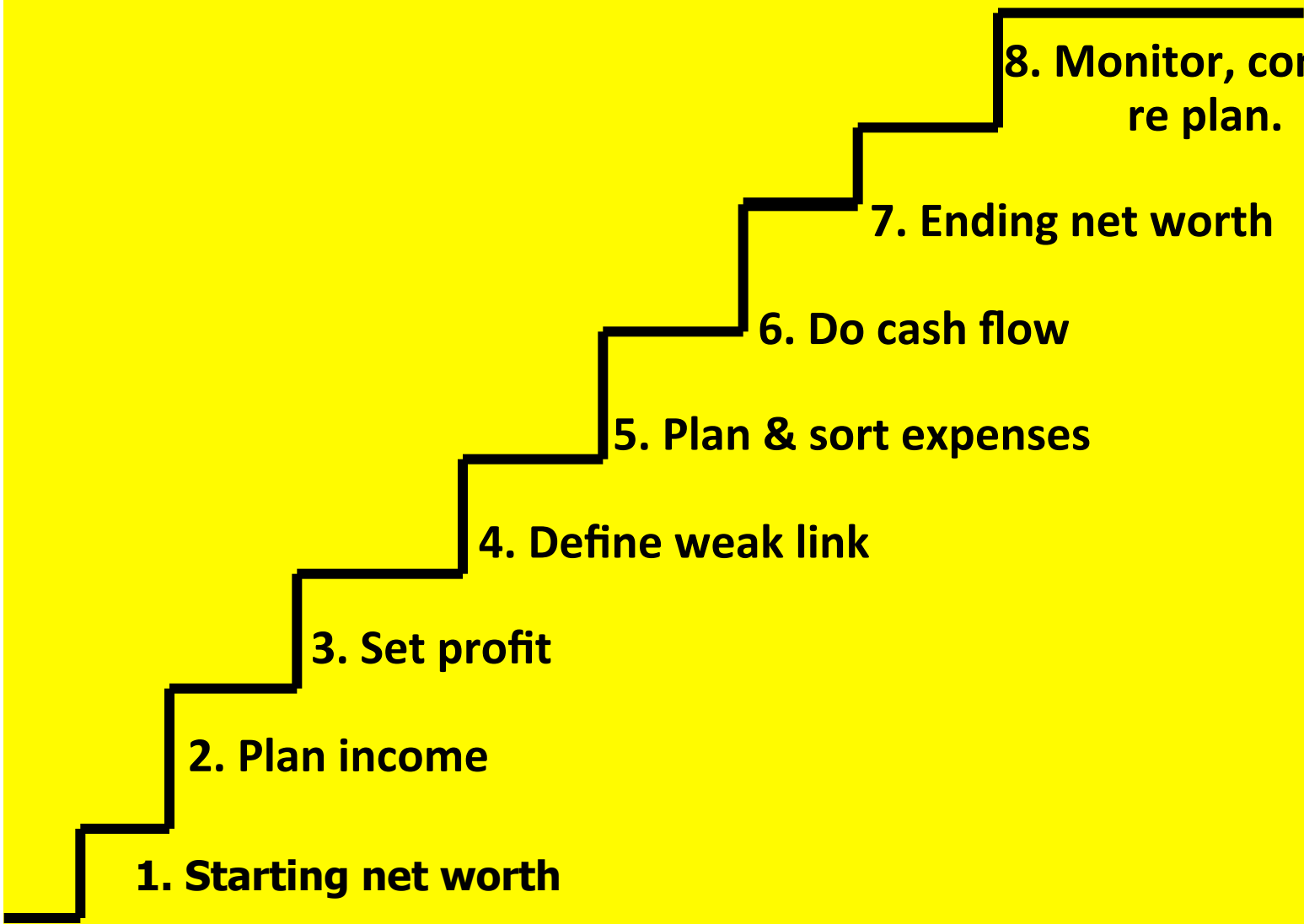
**4. Define weak link**

**5. Plan & sort expenses**

**6. Do cash flow**

**7. Ending net worth**

**8. Monitor, control,  
re plan.**



# NET WORTH

## ASSETS:

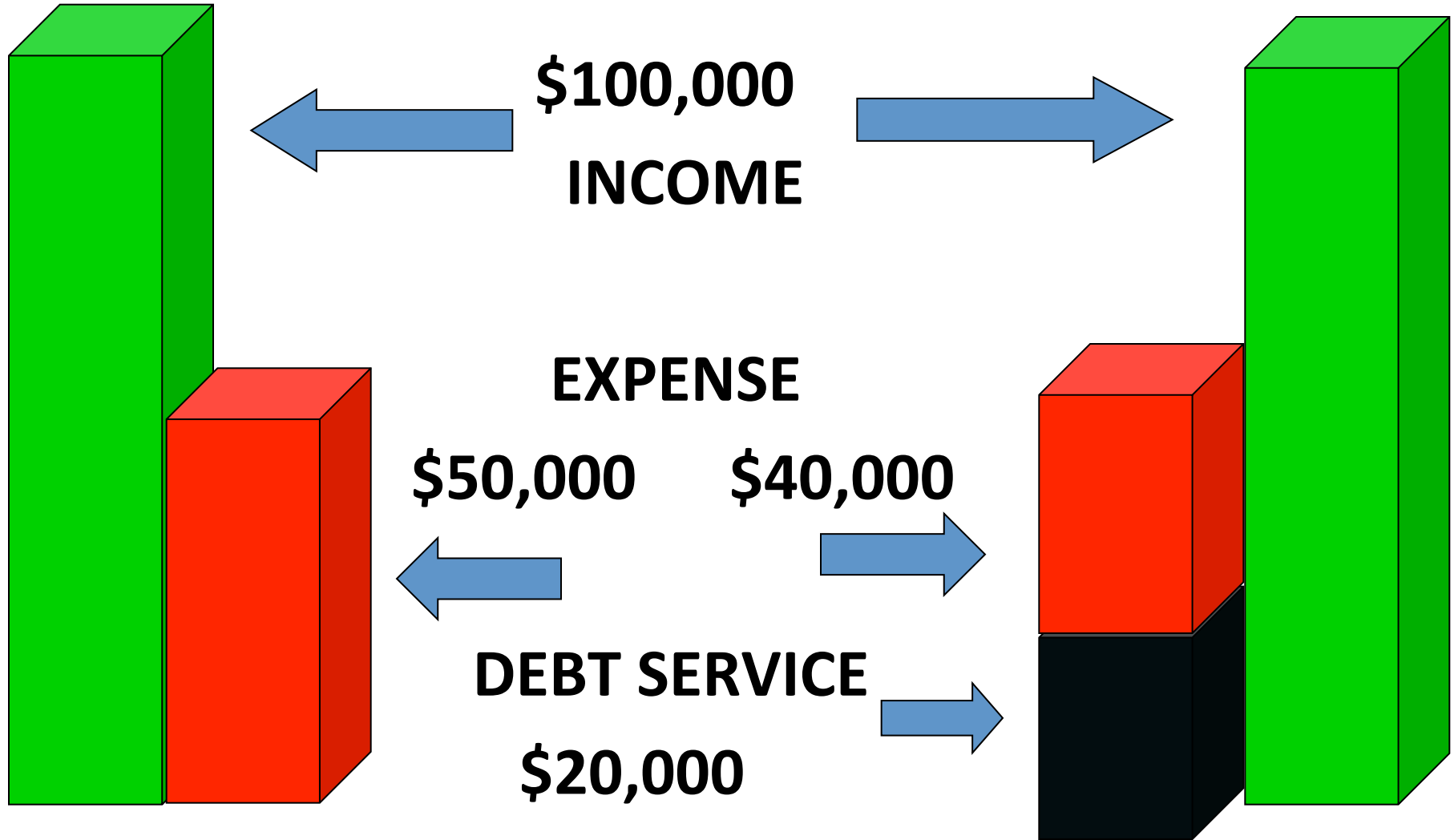
Cows	250 hd. @ \$800	.....	\$200,000
Hay	1500 tons @ \$50	.....	\$ 75,000
Eqpt. (list)		.....	\$ 50,000
Land		.....	\$200,000
<b>Total</b>			<b>\$525,000</b>

## Liabilities:

Bank loan		.....	\$100,000
Op. loan		.....	\$ 25,000
<b>Total</b>			<b>\$125,000</b>
<b>Net worth</b>			<b>\$400,000</b>

<b>Income</b>	A B C	RANCH	Jan. 1/06	Dec. 31/06
Cows	100 hd. cull 10%	10 hd. 1300# @.60	\$780/hd	\$7800 July
Calves	90 hd.	700# @\$1.00	\$700/hd	\$63000A Apr.
			Total income	\$70800

# PROFIT





**PROFIT**

**I**

**WANT A**

**PROFIT**

**OF \$ X**

# WEAK LINK

**RESOURCE  
CONVERSION**

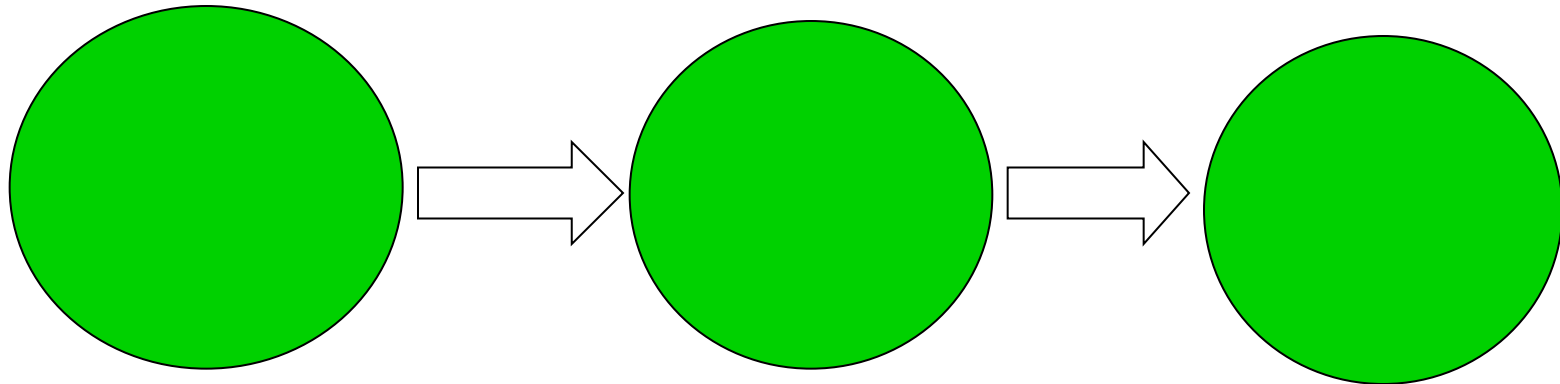
**Growing**

**PRODUCT  
CONVERSION**

**Harvesting**

**MARKETING  
CONVERSION**

**Marketing**



**Sunlight and /or  
raw resources**

**Products**

**Marketing**

**W....GENERATE WEALTH**

**FIX WEAK LINK**

**I....INESCAPABLE (essential & constant)**

**M.... MAINTENANCE...ALL EXPENSES**

**THAT**

**AREN'T W OR I**

# WEAK LINK

## RESOURCE CONVERSION

### W EXPENSES:

- education
- fencing
- water development

# WEAK LINK

## PRODUCT CONVERSION

### W EXPENSES:

- education
- custom graze
- buy cows

# WEAK LINK

## MARKET CONVERSION

### W EXPENSES:

- education
- change enterprises
- time of marketing

# I EXPENSES

- **LAND TAXES**
- **LEASE FEES**
- **LOAN INTEREST**

# **M EXPENSES**

**- living expense**

**- phone**

**- power**

**- repairs**



Expense	ABC	RANCH	Jan. 1 / 06	Dec. 31 / 06
Hay	500 bales	1250# 312.5 tons	@ \$50	\$15625 Sept.
Land tax				\$2500 Aug.
			Total expense	\$18125

**CASH FLOW**

**MONTHLY INCOME**

**MINUS**

**MONTHLY EXPENSE.**

**SHOWS OUR CASH POSITION AT THE START  
AND END OF THE YEAR.**

**SHOWS IF WE WILL NEED AN OPERATING  
LOAN.**

## NET WORTH

<b>ASSETS</b>	<b>START</b>	<b>END</b>
Cows	\$200,000	\$240,000
Hay	\$ 75,000	\$ 75,000
Eqpt.	\$ 50,000	\$ 45,000
Land	\$200,000	\$200,000
<b>Total</b>	<b>\$525,000</b>	<b>\$560,000</b>
<b>Liabilities</b>		
Bank loan	\$100,000	\$90,000
Op. loan	\$ 25,000	\$ 20,000
<b>Total</b>	<b>\$125,000</b>	<b>\$110,000</b>
<b>Net Worth</b>	<b>\$400,000</b>	<b>\$450,000</b>

# **PROFIT**

**AN INCREASE IN NET WORTH**

**IS A RETURN ON YOUR INVESTMENT**

**IS A RETURN TO YOUR  
MANAGEMENT**

**PROFIT = INC. NET WORTH**

**INCREASED**

**\$50,000**

**CAN BE HELD AS**

**INCREASED ASSETS**

**DECREASED LIABILITIES**

**CASH**

**INC. NET WORTH \$50,000**

**START**

**END**

**\$525,000**

**ASSETS**

**\$575,000**

**\$125,000**

**LIABILITIES**

**\$125,000**

**\$0**

**CASH**

**\$0**

# INC. NET WORTH \$50,000

**START**

**\$525,000**

**\$125,000**

**\$0**

**ASSETS**

**LIABILITIES**

**CASH**

**END**

**\$525,000**

**\$75,000**

**\$0**

# INC. NET WORTH \$50,000

**START**

**\$525,000**

**\$125,000**

**\$0**

**ASSETS**

**LIABILITIES**

**CASH**

**END**

**\$525,000**

**\$125,000**

**\$50,000**



INCREASE

IN

**NET WORTH**

PLUS

**LIVING**

ARE

SATISFIED?

# SUMMARY

## FINANCIAL PLANNING



We plan until we get a **result we like.**

Relieves stress, worry and anxiety.

**We are in control.**

**We will make it happen!!!!**

# STEPS TO FINANCIAL

## PLANNING

## SUCCESS

1. Starting net worth

2. Plan income

3. Set profit

4. Define weak link

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re plan

# **CHOICE**

Stumble in the dark

be a victim

or do a

## **Financial plan**

**A map of where we are going**

**A light to travel by.**