



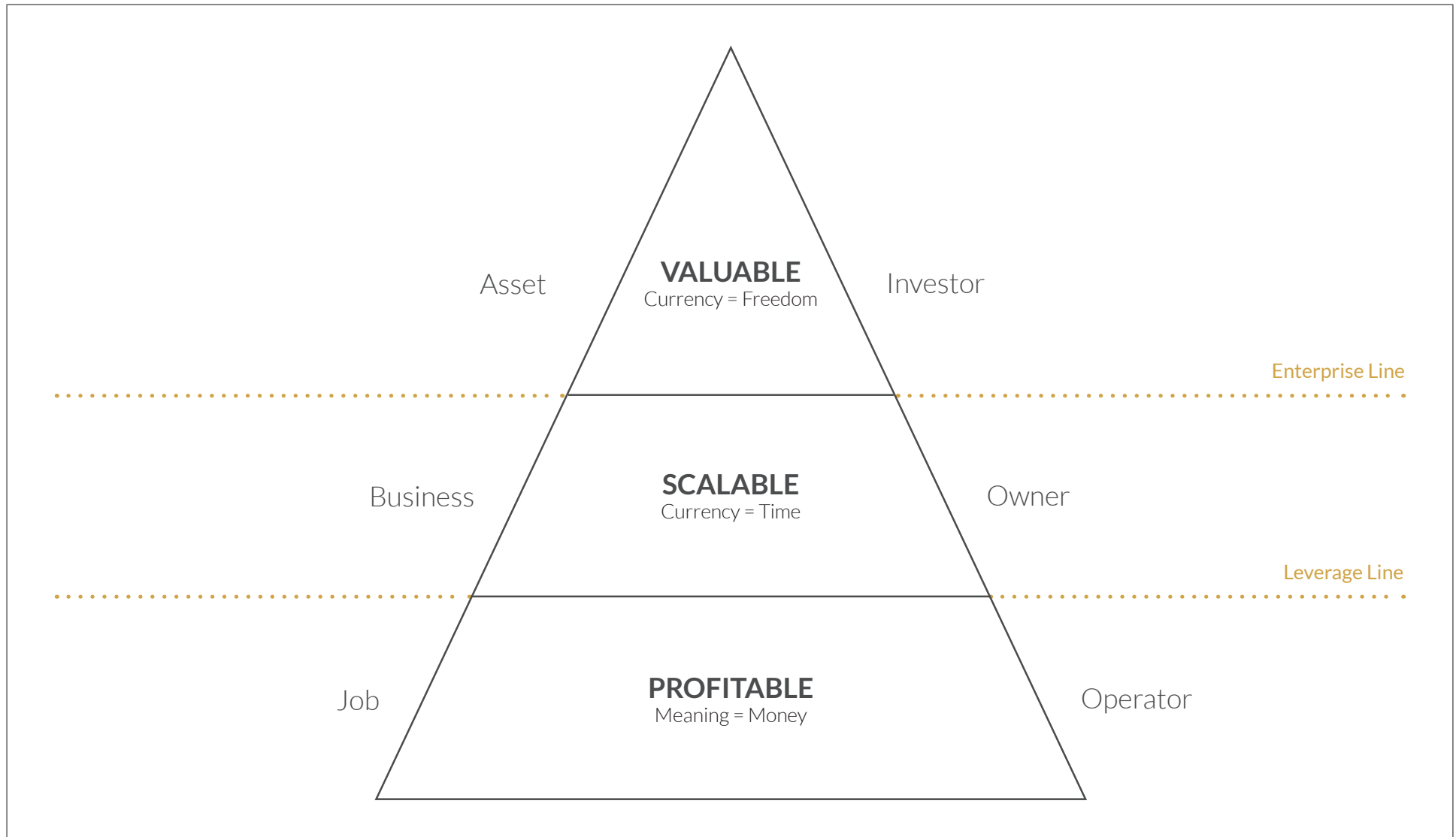
THE PATHWAY TO PROSPERITY



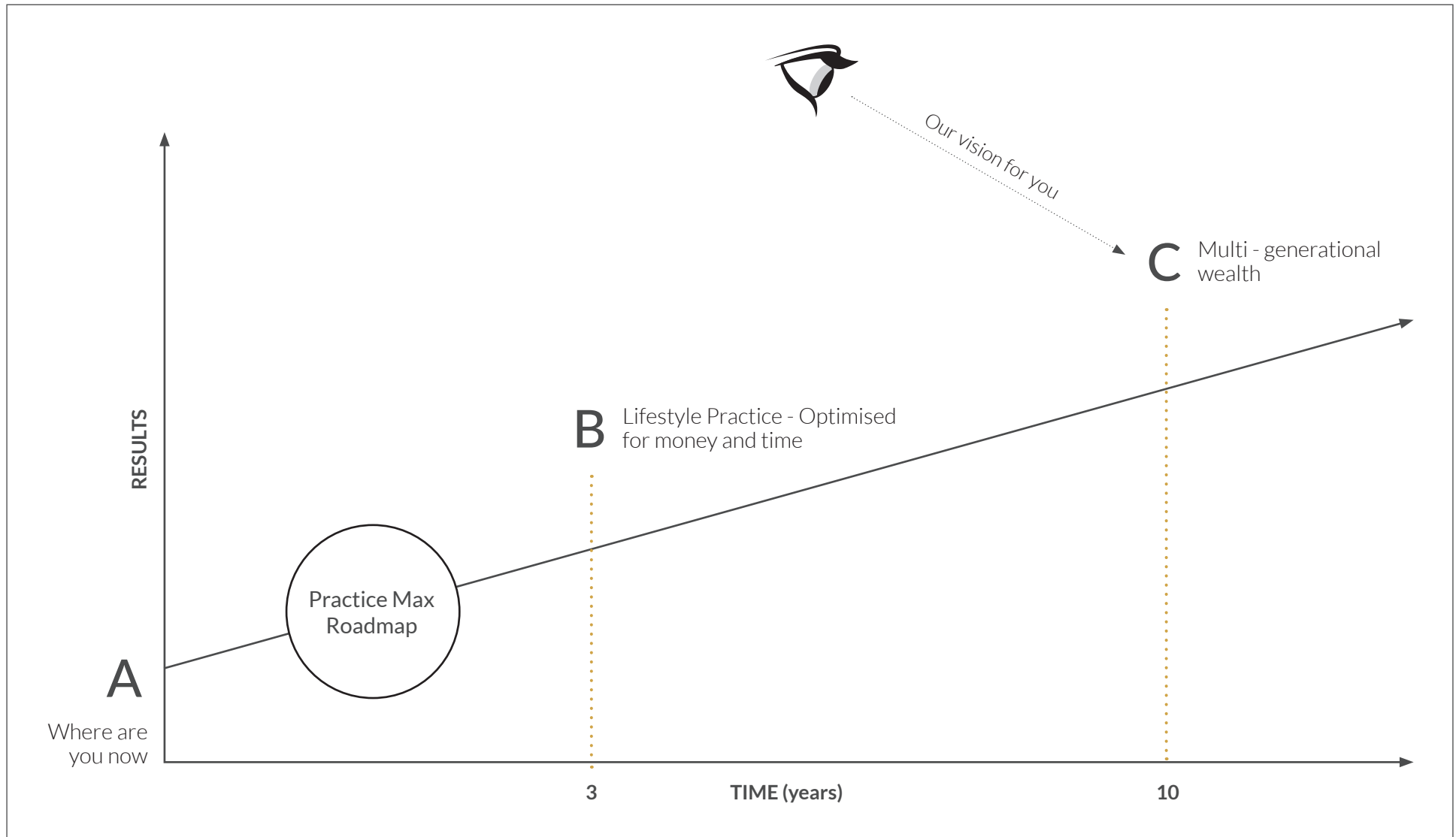
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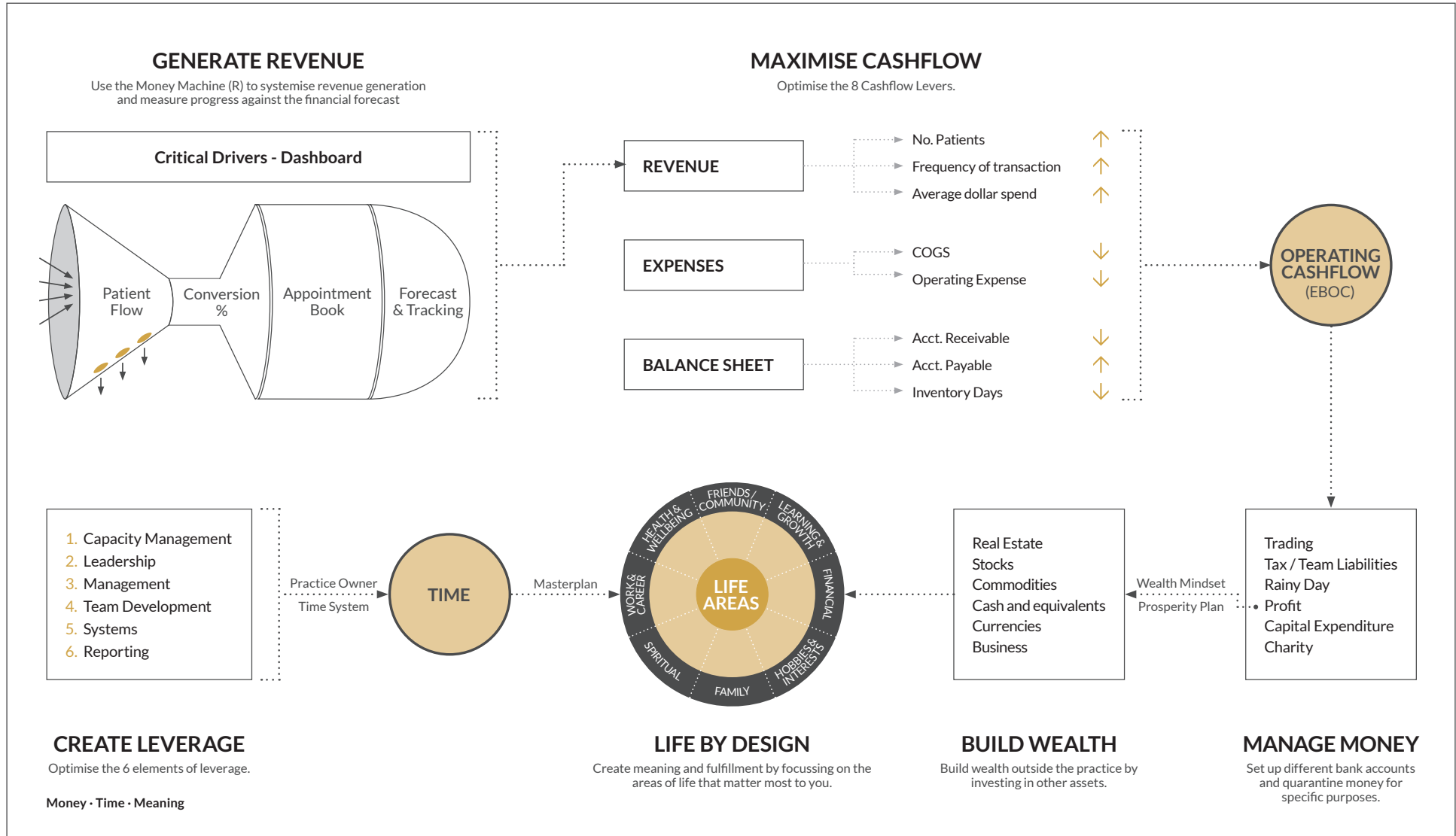
THE SAVVY DENTIST VALUE MODEL™



THE PRACTICE OWNER'S JOURNEY

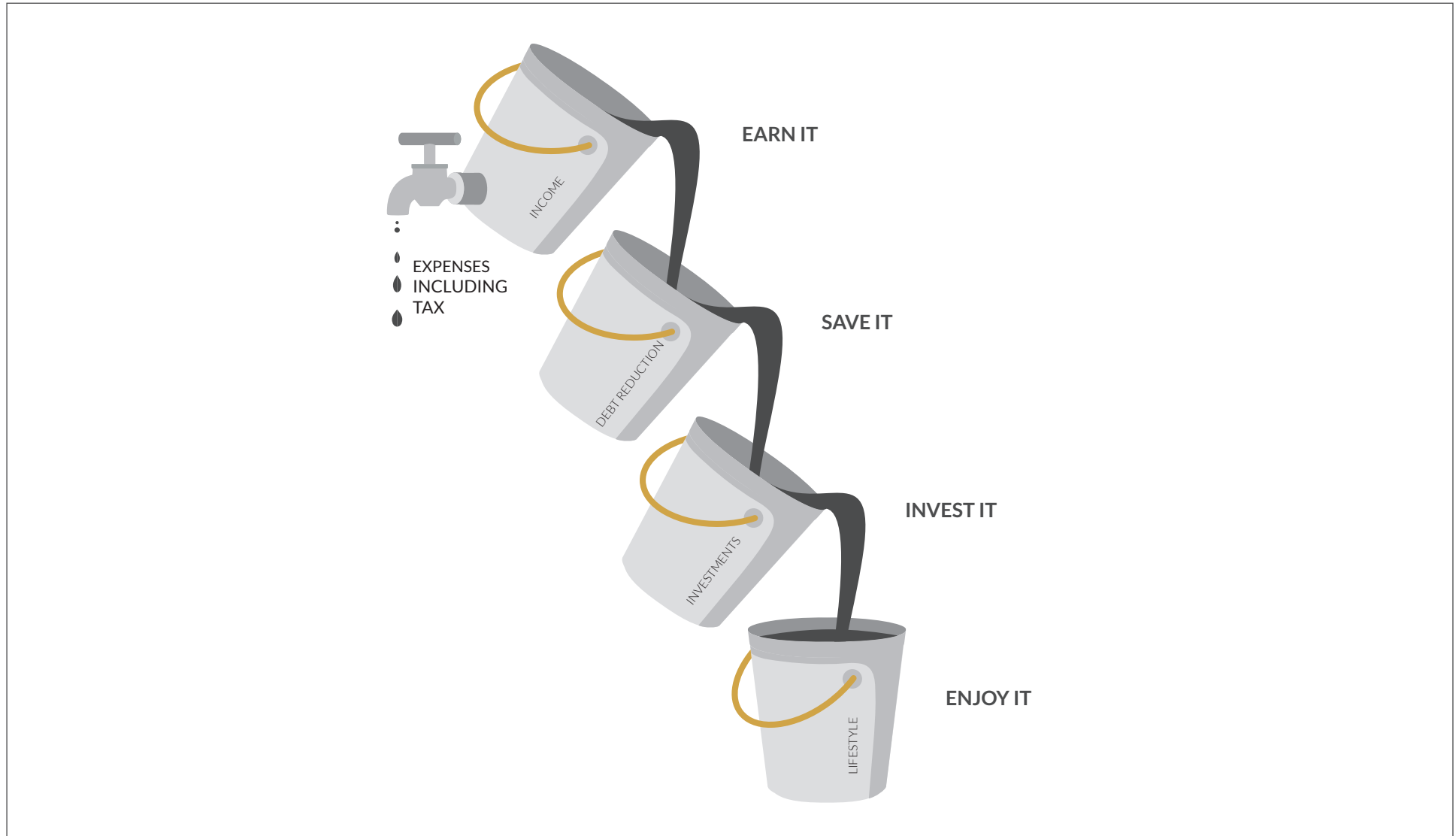


THE PLAN



Adapted from work by Bruce Campbell

THE 4 BUCKETS OF WEALTH CREATION



5 LEVELS OF FINANCIAL FREEDOM



EXERCISE: FINANCIAL FREEDOM CALCULATOR

Calculate your Financial Freedom numbers and transcribe them below. Circle where you are currently up to.

	ANNUAL PASSIVE INCOME	MONTHLY PASSIVE INCOME
Financial Freedom	\$	\$
Financial Independence	\$	\$
Financial Vitality	\$	\$
Financial Security	\$	\$
	Savings (3 Months of Current Expenses)	Monthly Insurance Expense
Financial Protection	\$	\$

YOUR BELIEFS AROUND MONEY

EXERCISE: YOUR BELIEFS ABOUT MONEY

- How do I feel about money now? eg. Careful, prudent, compulsive, unconscious, generous, frugal, etc

- Money is

- Money equals

- People who have lots of money ...

- *My parents taught me that money ...*

- *I'm not financially free, because*

- *I'd love to have more money, but*

- *What patterns, habits and behaviours do I display around money?*

FINANCIAL HABITS CHECKLIST - DENTAL PRACTICE

- Bookkeeping is up to date
- The practice has an up to date financial forecast and measure progress against it each month
- Clinicians are aware of their daily goals and have the resources to achieve them
- I understand the critical drivers that produce my desired financial outcomes
- I use a dashboard to ensure the team and I focus on the critical drivers
- A 'Profit First' approach is taken. Money is quarantined for profit, tax and emergencies
- Loan payments are made on time and in accordance with the schedule of payments
- Interest rates on loans are reviewed and renegotiated regularly
- Invoices from suppliers are paid by the due date
- Terms are negotiated with suppliers including a discount for early payment
- Debt as a percentage of gross profit decreased from last year
- Profit / EBOC will increase by at least 7% this year
- Inventory is actively managed to minimise wastage
- Our inventory of consumable materials has been simplified and rationalised – 1 type of composite, 1 bonding system etc
- The budget for consumable expenses is actively managed
- Fees are reviewed at a minimum of annually
- Our profit margin is actively managed
- I meet with my accountant for active tax planning
- My business structures allow for financial flexibility and asset protection

7 MONEY HABITS OF THE WEALTHY

1. PAY YOURSELF FIRST

Make money GROW by putting it to WORK for you.

Make this a no brainer by setting up an Automatic Investment Plan (AIP), where 10% per month of your gross income is automatically transferred from your pay or bank account into your investments.

2. RE-INVEST YOUR INVESTMENT RETURNS

The Power of Compounding Interest

\$10,000 invested at 8% compounded into \$21,589 in just 10 years

3. RECEIVE AUTOMATIC INVESTOR RATES OF RETURN

Aim for Long Term Minimum 6-8% p.a. ROI
Average ROI Over 10 Years to December 2013:

- ✓ Australian Shares: 9.2% p.a.
- ✓ Residential Investment Property: 6.1% p.a.
- ✓ Australian Fixed Interest: 6.2% p.a.
- ✓ Cash: 3.7% p.a.

4. KNOW WHAT YOUR MONEY IS DOING

“ People who cannot control where their cash is flowing often struggle financially all their lives, regardless of how much money they make. ”

Robert Kiyosaki, Author of “Rich Dad, Poor Dad

5. ADOPT THE NO BUDGET BUDGET SYSTEM

- | | |
|---|---|
| 1 | Automatic Investment Plan (AIP) (10% per month of gross income) |
| 2 | Debt Elimination Plan (DEP) (10% per month of gross income), to have you debt-free in 3-7 years (including car(s) and home) |
| 3 | [Optional] Charitable Giving (10% per month of gross income), as part of the responsibility and reciprocity associated with creating and being a good steward of wealth |
| 4 | Debt Avoidance lifestyle strategies such as only paying cash and restrictions on the use of consumer credit |
| 5 | Spending the rest as you see fit! |

6. FINANCIAL INTELLIGENCE AND RESPONSIBILITY

- ✓ Spend Wisely
- ✓ Max Your Revenue
- ✓ Max Your Investments
- ✓ Get Your Financial House in Order
- ✓ Minimise Tax
- ✓ Protect Your Assets
- ✓ Plan for Retirement

7. AVOID DEBT AND LIVE DEBT FREE

Step 1: NEVER use consumer credit. Only use Credit/Charge Cards if you pay them off completely each month (interest free)

Step 2: Eliminate Existing Debt

DEBT ELIMINATION PLAN

HOW TO PAY OFF YOUR DEBT IN 3-7 YEARS

1	Determine Your Total Amount of Debt (including credit cards, cars, mortgage, etc)	\$
2	Determine Your Total Monthly Minimum Payments	\$
3	10% Extra Monthly Payments	\$
4	Total Monthly Repayments (Minimum + 10% Extra)	\$
5	Use the Calculating Bill Pay-Off Order Form to where to allocate the extra 10% per month repayments. This ensures money is allocated to the bills which can be eliminated the fastest.	
6	Use the Debt - Elimination Time Calculator (page 3) to determine how long it will take you to become Debt-Free. (Use the Numbers from Step 1 and 4 above)	YEARS

CALCULATING BILL PAY-OFF ORDER FORM

The first thing you need to do is gather up all your bills together. Then, fill out the Calculating Bill Pay-Off Order Form in the following manner:

Column One	List the lender or the name of debt
Column Two	Write in the entire balance owed.
Column Three	Put down your minimum monthly payment.
Column Four	Column 2 ÷ Column 3
Column Five	<p>The Pay - Off Priority is determined by starting with the lowest division answer from column four. These numbers are used to determine what order you should go about paying off your bills. The lower the answer the higher the priority. Number each one of your bills starting with 1, 2, 3, etc. until the Pay - Off Priority has been determined for all your debts.</p> <p>Note: Do not be overly concerned with which account has the highest interest rate. This system accelerates debt payments so that you will not be paying enough months of interest for it to make a significant difference.</p>

DEBT - ELIMINATION TIME CALCULATOR

If you have existing debt, use the table below to determine the order in which you should pay-off your debts.

Total Debt Amount	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years
1,000	88	46	32	25	21	19	17
3,000	264	138	97	76	64	56	50
5,000	440	231	164	127	106	93	83
7,000	615	323	226	178	149	130	116
10,000	879	461	323	254	212	185	166
15,000	1,319	692	484	380	319	278	249
20,000	1,758	923	645	507	425	371	332
30,000	2,637	1,384	968	761	637	556	498
40,000	3,517	1,846	1,291	1,015	850	741	664
50,000	4,396	2,307	1,613	1,268	1,062	926	830
75,000	6,591	3,461	2,420	1,902	1,594	1,389	1,245
100,000	8,792	4,614	3,227	2,536	2,125	1,853	1,660
125,000	10,989	5,768	4,034	3,170	2,656	2,316	2,075
150,000	13,187	6,922	4,840	3,804	3,187	2,779	2,490
200,000	17,583	9,229	6,453	5,073	4,249	3,705	3,320
250,000	21,979	11,536	8,067	6,341	5,312	4,631	4,150
300,000	26,375	13,843	9,680	7,609	6,374	5,558	4,980
	Total Monthly Payment Amount						

Source: John Burley

WEALTH - BUILDING / RETIREMENT CALCULATOR

Monthly Investment Amount	5 Years		10 Years		15 Years	
	Principal	Monthly Retirement Income	Principal	Monthly Retirement Income	Principal	Monthly Retirement Income
500	39,041	312/mo	103,276	826/mo	208,962	1,672/mo
1,000	78,082	625/mo	206,552	552/mo	417,924	3,343/mo
2,000	156,165	1,249/mo	413,104	3,305/mo	835,849	6,687/mo
3,000	234,247	1,874/mo	619,656	4,957/mo	1,253,772	10,030/mo
5,000	390,412	3,123/mo	1,032,760	8,262/mo	2,089,621	16,717/mo
7,500	585,618	4,685/mo	1,549,140	12,393/mo	3,134,431	25,075/mo









For Example: If you invest \$ 7,500 each month, for 15 years, you'll have \$ 3,134,431 in total principal and you'll be able to retire at an income of \$ 25,075 per month for the rest of your life without putting another cent in. Assumes average 10% p.a. ROI.

Financial Freedom Focus Board™









Name:

TARGETS	Baseline Income Goal	\$	<input type="text"/>	Ideal Income Goal	\$	<input type="text"/>
	Baseline Assets Invested	\$	<input type="text"/>	Ideal Assets Invested	\$	<input type="text"/>
	Minimum Cash Buffer	\$	<input type="text"/>	Ideal Cash Buffer	\$	<input type="text"/>
	Investment p.m.	\$	<input type="text"/>	Qtr Increase	\$	<input type="text"/>

Financial Freedom:
 When investment income provides enough money to enable you to make choices about what activities you do, when you do them and who you do them with. It means not having to do things because of money.

RESIDENTIAL REAL ESTATE									
	Address	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Purchase Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Purchase Price	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Current Value	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Net Equity	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Net Income p.a.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

COMMERCIAL REAL ESTATE									
	Address	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Purchase Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Purchase Price	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Current Value	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Net Equity	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Net Income p.a.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

STOCKS & MANAGED FUNDS									
	Name	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Purchase Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Purchase Price	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Quantity	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Current Value	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Net Income p.a.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

FINANCIAL FREEDOM FOCUS BOARD™ INSTRUCTIONS

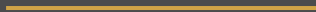
1. Calculate your Baseline Goal.
This number represents the pre-tax amount of investment income required to cover the necessities of life – accommodation, food, utilities, clothing, medical expenses, transport, insurances etc.
2. Calculate your Ideal Goal
This number represents the pre-tax amount of investment income required to fund your ideal lifestyle. It will include the necessities as well as other luxuries – travel, cars, jewellery, toys etc.
3. Calculate your Baseline Assets Invested
This number represents the amount of assets you will need to have invested to achieve your Baseline Goal. You will need to determine what you think is a reasonable rate of return on those assets to achieve the goal.
4. Calculate your Ideal Assets Invested
This number represents the amount of assets you will need to have invested to achieve your Ideal Goal. You will need to determine what you think is a reasonable rate of return on those assets to achieve the goal.
5. Determine the size of your Minimum Cash Buffer
6. Determine the size of your Ideal Cash Buffer
7. Determine how much money you will invest each month.
This will need to be factored into your financial forecast for your practice.
8. Determine how much your investment will increase by each quarter.
This will need to be factored into your financial forecast for your practice.
9. Map your existing investments onto the focus board
10. Identify what investments are required to meet your baseline and ideal financial freedom numbers.
11. Identify your next investment and use the money your practice generates to purchase it.
12. Update your Financial Freedom Focus Board

NOTES

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