

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 did 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 controls the money game. However, there is a certain profile to a money wizard: One who plays it better than the rest.

Here's what I have observed: 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 valuable asset on her personal balance sheet, but all her money isn't tied up in it. She knows her business is a penny stock not a blue chip, especially if she is still indebted to investors. She attacks debt like it's 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 learn to earn a profit. 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 organization will follow our lead and either build for the future or spend for today. The culture, defined by its leaders, respects the importance of delivering returns on the risk and on the equity of the stockholders.

- **Gamble smart.** Business is risky, but the

money wizard calculates risks. He asks how he can get the same results with the least amount of exposure. Every contract has a back door. Every defining move that shapes the business 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 of wrong acquisitions, 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. 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, first, as money lost. 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 and turn them into investments.

The smart money wizard reminds us that the healthiest perspective on money is to respect its power; but never let it define us. It is a fickle bedfellow. 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?