

Video Lecture 9 *(with slides)*

Financial Skills



Fitness in Business

LECTURE

9

Hello, and welcome to Video 9

Financial Skills

Hello, and welcome to Video Number 9 where we're going to be exploring Financial Skills and certain financial terms. When it comes to setting up your business you should perhaps consider whether your business is going to be successful.

So think about:

- What do you earn a month and a year at the moment?
- What would you like to earn? You can earn good money running your own business. Running your own business can be very rewarding financially if you are successful. However, it can also be very demanding or it is also very demanding with very long hours and long commitments.
- When you're thinking about your business and when you want to establish it, depending how big or how small it is, you really want to have an idea of how much money you want to make?
- How many clients do you want to take on board? Don't be afraid to set high expectations, high numbers, as long as there's a pathway to obtain these. There are a lot of people in business who don't have any estimation of actually how much they want to earn?
- What are the costs going to be as you anticipate growth and invest in growth options as well? These are some really good considerations to think about before moving forward.

I want you to think about projected cash flow and certain terminologies. All business is involved in financial transactions, with money coming and money going out – bills. In order for a business to make profit, the money coming in must be greater than the money going out. You may want to start thinking about different ways in which a fitness business, or then potentially your personal training business, can bring in money.

- What are going to be the revenues, the finances?
- What will be your main one?
- What will be supportive ones?
- What will be the growing ones as well?

Most businesses may have to consider that if you're going to have facilities, what is going to be the cost for your facilities?

- Are you going to be renting?
- When will you pay yourself a salary?
- What are your business costs going to be?

If you don't have staff, you may have support groups, such as someone doing your marketing, maybe someone doing your graphic design, someone doing your website.

You may even hire someone to help you with your social media platform, so you may want to think about how you are going to invest your money for long-term sustainability and growth in your business. Just have a real good handle on what's coming in, what's going out; where and why.

Cash Flow.

If you're running a business, you can declare your own taxes on your business. It's good to keep a good financial record of what's coming in and what's going out.

You should really be recording everything:

- Cash inflows: ie money made from coaching, timing of inflows: days, dates, months.
- Cash outflows: money spent on equipment, on staff. If you've got certain capital, eg car, venue, large equipment. Money from making additional sales. You could be even doing class instruction and different disciplines. You may be actually buying wholesale stock: equipment that you could be then giving to your clients, or be doing that at a cost. Plus any types of loans and repayments that you may be having to make as part of your initial startup.

How would you record your cash flow? Think about how you're going to control the data. There are lots of new apps and information that you can use.

Keeping receipts, automatic storing, and calculations of receipts comes at a cost. You may want to consider where your costings are going and for what, and if you're at a point where you need additional support or whether you could still be doing it all yourself.