

# Millionaire **INSIDERS**



Real Millionaires - Real Action

with Jaime Tardy, The Eventual Millionaire

Many have faced financial difficulties in their business lives. When creditors begin calling the fear and stress can seem insurmountable. Jerrod is no different. He tells us how when he was faced with tough financial times he buckled down and came back from the crushing financial problems he faced. He also tells us to prepare for financial troubles by having cash reserves for such situations. His process is only to be used as a last resort.



## **Millionaire Interview with Jerrod Sessler**

## □ UNDERSTAND YOUR FINANCES

The first step to take when in a cash crisis is to get a full understanding of where you stand financially. It should only take a few hours, possibly with the help of your accountant, going over your profit and loss statement. You should look at income and really analyze how secure that income is and brainstorm ways that you can increase your profit. You also need look at what expenses you may be able to cut. Get everything in order so you understand your finances completely.

## TAKE ACTION NOW:

Create a profit and loss sheet and go over it to make sure you understand your finances.

## □ NEEDED EXPENSES

Jerrod explains that now that you understand your income and expenses it is time to take a hatchet to your expenses. He explains his process of going through expenses and highlighting all the expenses that have to be paid in order to keep the business open. This means if the business will not have to close doors if it is not paid then it does not get highlighted.

### **TAKE ACTION NOW:**

Highlight your critical expenses (remember these are only the expenses that your business cannot survive without).

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## □ CUTTING EXPENSES

Now that you have just the bare necessities highlighted Jerrod tells us to stop paying anything that is not highlighted. At this point you can expect that collection phone calls will begin. Jerrod explains that what he did before he stopped paying was to update all his contact information that creditors and companies had for him. If you don't want them to contact you through email, like him, give a bogus email. He also only gave one phone number, which was his cell phone, to keep the point of contact down to only one way.

### **TAKE ACTION NOW:**

List those expenses that are not critical to keeping your business open and stop paying them.

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## □ CUTTING STAFF

Now that necessary staff has been identified you need to talk to your staff and explain the difficulties and let those people go that company can survive without. Jerrod explains that you shouldn't drag the problem out. Do it quickly. Once done bring your remaining staff together to pull them together and explain the how the company is going to move forward.

## TAKE ACTION NOW:

Let go those that are not critical to your operation.

## □ FIXED EXPENSES

At this point you should only have the basic expenses you need to survive left. List these out to see the new cut down list. Make sure that there is nothing left that you can cut. Truly considered what ramifications losing a certain service will have. We all believe that we need internet but could your business still actually survive without it. Make some tough decisions.

## TAKE ACTION NOW:

Double check your critical fixed expenses to ensure that there is nothing left that can be taken off. If you find something, eliminate it.

## □ ASKING FOR GRACE

Now that you see your fixed expenses and you have cut everything possible it is time to swallow your pride and start making some phone calls. Call and ask for things like rent discounts and payment deferment. You may be surprised how much people and companies will work with you if you put your pride away and tell them just what your situation is. They don't want to lose income and will often work with you to keep you as a customer.

## **TAKE ACTION NOW:**

Call everyone on your list of fixed expenses and see if they will work with you to lower payments, defer payments, or any other way they might help.

## □ ASSETS

Now make a list of all the assets that your business owns. Look over this list and yet again see which assets are critical to keeping your doors open and the ones that you could live without. This again is really tough but keep in mind that taking a few steps back may just save your company.

### TAKE ACTION NOW:

Make a list of all the assets that your company owns.

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## □ SELLING ASSETS

You can probably guess at this point what Jerrod is going to tell us to do next. Take those assets that are not critical to your business and sell them. Jerrod's rule is if you don't need it, sell it.

## **TAKE ACTION NOW:**

Start selling off non-critical assets.

## □ CRITICAL ASSETS

Now look at those critical assets that you still have left. Analyze what they do for the company and make sure they are truly critical to the continuation of your business. If you find you can live without something sell it. Get down to the bare minimum for survival.

## **TAKE ACTION NOW:**

Review assets again. Decide if there are any that can be eliminated.

## □ LOCATE OUTSOURCING

Look at your critical assets yet again. Can any of the tasks performed by these assets be outsourced to make the sale of the equipment possible? That \$20,000 piece of equipment may be great but the work it does could be outsourced for much less making it possible to sell and get an infusion of cash into your business.

## **TAKE ACTION NOW:**

Review your list of assets yet again. Figure out if any of them can be eliminated if you outsourced.

## □ RESEARCHING OUTSOURCING

Now that you have identified some outsourcing possibilities start researching for ways to make that happen. Get quotes from several sources and find the best price that meets your needs.

### TAKE ACTION NOW:

Research outsourcing opportunities. List outsourcing possibilities, services, and prices.

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## □ OUTSOURCE

Now that you have found ways to outsource some of your work go ahead and take action. Choose the best fit with your company and start outsourcing whatever you can that will allow for the sale of assets.

## **TAKE ACTION NOW:**

Choose the best outsourcing prospect and go ahead and do it.

# CONCESSIONS AND CONSIDERATIONS

Laying people off and not paying others can make you feel really bad. It is awful to end up in a situation where you can no longer do these things. The bottom line is when terrible things happen in life you are still going to wake up tomorrow and life is going to go on. Hopefully if these drastic steps are taken the business can rebound to a place where you can employ them again. If the company closes there are all kinds of repercussions besides

putting people out of work even including lawsuits. If the bankruptcy path is taken than a bankruptcy lawyer will probably follow these same steps but charge you \$1000s of dollars. Jerrod feels that if you don't view bankruptcy as an option then you will go to the ends of the earth to save your business. Just remember that this process can help you save your business but it will take time. It took Jerrod two years to get his business back on track.