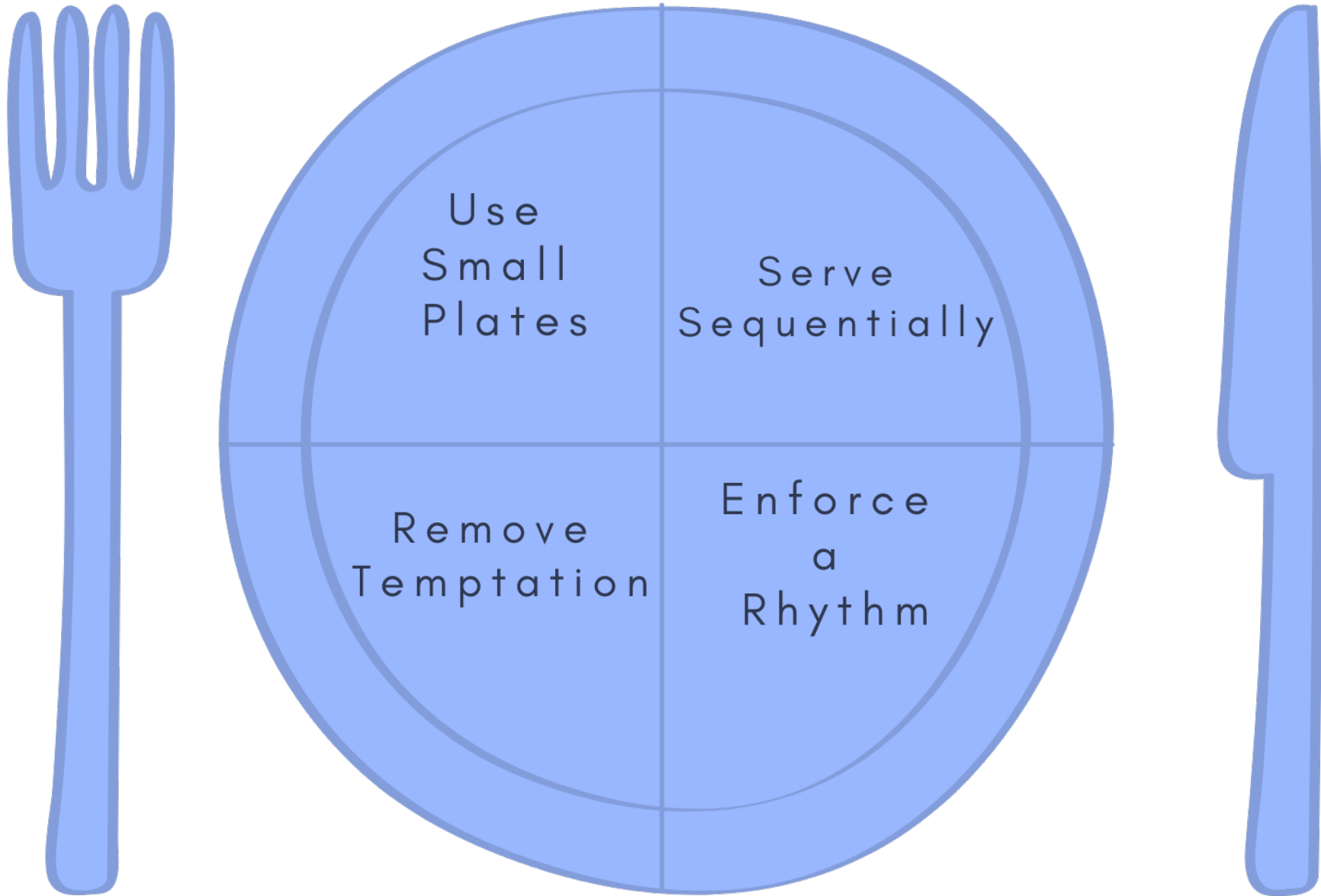
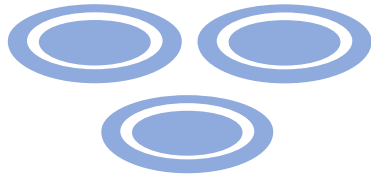


# The Small Plate Philosophy of Finances

Based on the theory by Mike Michalowicz in *Profit First*





## USE SMALLER PLATES

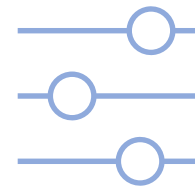
If you use smaller plates, you generally won't eat as much. If you separate your income into different accounts routinely, and then use what is left in your Operating Account to pay bills, you have effectively created a smaller plate from which to eat/operate

You will be in a better position to evaluate expenses and eliminate ones you can't afford!



## REMOVE TEMPTATION

If you've got a big chunk of cake sitting on your plate, you're going to want to eat it before everything else. Removing temptation is essential for keeping a healthy diet, and it is essential for growing your profits. When you take out your Profit, you need to put it in an account that is difficult to access! Don't make it easy to steal from that account to pay for unexpected costs. When you do access that money, it should be as a reward to you!



## SERVE SEQUENTIALLY

Eat your veggies first! If you eat your veggies first and then move on to the other parts of your meal, you will have a more balanced diet. Similarly, if you are using all your income to pay for expenses, you are not balancing your immediate obligations with future obligations/goals—in other words, you are not planning for your long-term success by taking Profit, Tax, etc. And those things are unlikely to just show up unless you are consciously setting them aside. Taking your Profit out of your income first, and subsequently splitting the other parts of your income into different accounts will create a better balance for your business.



## ENFORCE A RHYTHM

Consistency is key. If you wait until you're starving to eat, you'll binge. It's better to create a routine for meals so that you are eating a healthy amount. Developing a routine for how to manage your cash flow will both help you understand it better and create less stress surrounding your entire financial standing.