Lifestyle Entrepreneurship:
A CPA’s Perspective
The Sample Book (Pages 1 – 18)

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Hi, I am Evelyn Ivy a *Certified Public Accountant* (CPA), a Lifestyle Entrepreneur myself and I love my life. I hope you do, too.

To me, lifestyle entrepreneurship is not an end in itself but one of the tools I have learned to use to give me a rewarding life. We live in a world filled with so much beauty and opportunities.

Years ago, I chose to enjoy the beauty and blessings bestowed upon me and made a promise to myself to live a life of significance without regrets.

By significance, I do not mean just traveling the world and living life on my own terms, but a life of significance to others. This is why I have written this book, to help people who would like to excel but never seem to be able to rise above their finances.
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Do you think that living the life you really want is just a dream? As a single parent I used to think that living the life I loved was just a pipe dream, only reserved for those with lots of money. But I was wrong, and if you are thinking the same thing, you are wrong too.

Seven years ago, I started a lifestyle CPA practice that has allowed me a wonderful life and freedom. I have used the framework described in this book to design my business in a way that allows me the freedom I need to enjoy the life I want. Let me show you how to use that same framework to design a business that affords you the freedom to live the lifestyle you desire.

So what is a lifestyle business? A lifestyle business is simply one that affords you the time and money to enjoy the people and things you like the most. A lifestyle entrepreneur is different from other entrepreneurs in that achieving a desired lifestyle is more important than money. This is not to say lifestyle entrepreneurs do not care about making money, they actually do as money is an important part of living the dream life. However, most lifestyle entrepreneurs are usually more efficient and productive when it comes to managing their resources to afford them more time for the people or things they love.

People go into lifestyle businesses for different reasons: some people want the freedom to travel, some want to spend more time with family, some just want more free time to pursue other projects. Lifestyle business is about stepping out of the rat race and not recreating it. It’s about becoming the person you have been created to be. As part of the rat race, it’s hard to see clearly and to create.

What is often missing from lifestyle businesses is a legacy system or a system of acquiring wealth that outlives the founder. A lot of lifestyle entrepreneurs have mastered the art of making enough for today’s needs. However, not much attention is given to twenty years down the road or still having income if they choose to walk away from their lifestyle business. This book hopes to teach you how to build a lifestyle business that not only takes care of today’s needs but also your future needs.

It is important to note here lifestyle entrepreneurship is not the gateway to perpetual laziness. One thing you have to understand is as humans we are always becoming never arriving. So when the becoming process is undermined, there is conflict with the
natural order of things. Work is a big tool used to push us to become and when work is skipped the becoming process is compromised. I do not mean that we should work 80-hour weeks tirelessly. When you truly love the work you do, time is not a factor. There are days you will work only one hour and days when you would have worked ten and not even noticed. There are even stretches of time you will choose to do no work to revitalize your soul. There is no rush in entrepreneurship.

One essential skill needed to build a lifestyle business is the ability to think. There are so many facets that need to be considered: your personal believes and value system, your family, your likes and dislikes.

A lifestyle business will look different for different people as no two people are exactly the same. Stepping out should allow you to see things a little bit clearer. Thinking should not only be in dollars and cents but about making life better for those around you and around the world. It’s about making a sacrifice and not merely fulfilling all your selfish desires.

As a lifestyle entrepreneur, you sacrifice your time to think of ways to make people’s life better, build up your spouse and children and improve the quality of life for others. Serving others could be in the form of a small business, a multinational corporation or a nonprofit. Size is not the issue but how best your purpose is served will determine the size. There are some businesses that only lend themselves to a few customers but they serve those few customers exceptionally well.

Starting a lifestyle business should be done around the very one thing you will do for free. That is your calling, your God given talent.

As a lifestyle business entrepreneur you should be excited to work as you think of the people you serve. They are the kind of people you will otherwise hang out with even if you were not doing business with them.
Until you learn to give, you will never receive.

To have nothing to die for is the same as to have nothing to live for.

To be truly strong, you have to first be weak.

Think first:

Why are you pursuing a lifestyle business? Is it because it is just the next cool thing to do or are you willing to improve the lives of those around you.
The Growth of the Lifestyle Entrepreneur

As a lifestyle entrepreneur, quality of life is more important to you than money. However, we all know that money is necessary to achieve the life we desire. A lifestyle entrepreneur does not start out achieving the life he or she dreams of but undergoes phases of lifestyle growth. In the startup phase, the lifestyle entrepreneur has to be willing to work very hard building systems that will allow him or her to live the dream life. A lifestyle entrepreneur goes through the following levels of growth (Idea evolved from an article in the Harvard Business Review\(^1\) and Watts Humphrey1980s\(^2\):

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Life Style Entrepreneurship: A CPA’s Perspective

Level 1. Growth through creativity: this is the beginning phase. A lifestyle entrepreneur develops a product or service. There is lots of excitement. The lifestyle entrepreneur tries to do everything his/herself and easily burns out. The business structure is very informal. This is the phase where most people give up because they quickly find out its one thing to have a good idea and it is something totally different to run a profitable business. In level 1 growth the business is very chaotic and anything goes.

Level 2. Growth through direction: at this phase, the persistent lifestyle entrepreneur will seek out help. A lot of learning and growth takes place at this phase. They develop a mission, vision and growth and begin to design a direction for the business. After lots of planning, some repeatable processes are defined and implemented.

Level 3. Growth through delegation: The lifestyle entrepreneur realizes he/she cannot do it alone and needs to bring some partners onboard to help fulfill the direction that has been set in step 2. As an entrepreneur, your main job is to optimize the revenue producing potential of your business. Time spent non-revenue generating tasks should be minimized and delegated to subcontractors or employees.

In level 3 phase, therepeatable processes from level 2 are taken up one level. To better deal with the new partners and increasing popularity, procedure manuals are developed; processes are further broken down and more clearly defined. The business as a whole learns to embrace these processes as part of their growth strategy rather than something that is done as an afterthought when something goes wrong.

Level 4. Growth through systemization: The lifestyle entrepreneur monitors its problem areas and develops processes and procedures to address them. Systems will be defined for all key areas of the business. The systems are managed and optimized over time. Metrics are developed as part of the monitoring and optimization tool. In level 4 growth, processes are measured and metrics report the effectiveness of the processes. Processes that do not measure up are re-defined.

Level 5. Growth through a shared vision and mission: other people who share the founder’s vision and mission are brought onboard and the founder has less and less impact on the daily operations. The founder can walk away and live the lifestyle he wants while earning substantial income. Partnering at the CEO level
is the level you become truly financially independent – you can literally walk away from your business and other people are working to keep accumulating income producing assets for you. You get paid dividends as a shareholder or you can take out distributions from your business if you are not a c-corporation. You don’t actively have to worry about what goes on in the business daily.

In level 5 growth the systems are optimized: The lifestyle business would have adopted an attitude of excellence of this stage and will continuously watch its metrics to make sure the processes are meeting the goals they were designed for. There is a mindset of continuously improving the processes in level 5 businesses and everyone learns not to settle for second best.

It should be every business goal to optimize its processes. You have a choice to grow or die: There is no such thing as a stagnant business. A business that is not growing is dying.

Every lifestyle entrepreneur goes through these phases in a different way. Some lifestyle entrepreneurs with more foresight start their business with systems while others don’t get to systems till phase 4. Regardless of how a lifestyle entrepreneur jumps through the steps, most lifestyle entrepreneur will agree that the ultimate financial goal is to walk away from your business and still be able to make good income to support the lifestyle you desire.

Now that we know the stages of growth a lifestyle entrepreneur goes through, let’s discuss what it takes to actually grow between levels:

**Time:** As a lifestyle entrepreneur, you start out with very little resources and will need to start small by providing services and products that are very inexpensive to start. Over time these resources bring in value to the system that can be used to create even greater value. There is a lot of value in time because it builds a wisdom which you cannot get from any other means. In today’s microwave society, using time to grow is seen as a bad thing. On the contrary I think it is a beautiful thing. If we are always in a hurry, we miss a lot of important life lessons along the way. When you use time to reach your goals, the results mean so much more to you.

Moreover, a person who grows too quickly is always moving from project to project, never deriving full satisfaction from any project because he/she feels there is always something better they have to rush to. They may look very successful on the outside, but are not really happy. They may even fool the world into believing they are the happiest people on earth but when all is said and done, they have to ask themselves,
“what is all this for anyway?”. The key is to have a plan, work your plan, be consistent and with time you will reap the fruits of your labor.

**Partnerships:** You have heard it said before, “It is not what you know is who you know.” One of the most popular ways to effectively grow is to use other people’s audience to build your audience. For instance, if you have a product that will benefit the banking industry, you can approach a bank that has 300,000 plus employees to buy your product for all their employees.

Another way to use partnership is to provide free resources to people with huge audiences. If the audience likes what you put out, they will come looking for you and become your customer.

Partnership and time work hand in hand. While partnerships allow you to reduce the amount of time it takes to accomplish your growth goals, building those partnerships takes time. People have to see and trust the work you have done before they pay you any attention. Don’t expect people to partner with you if you have a crummy product or service. Over time when you have demonstrated your commitment to your business, people begin to take notice of you and want to partner with you.

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**Increasing your impact**

This book will not be complete if I do not discuss a system of giving back. As a matter fact, no financial system is complete without mentioning giving as a goal. One great reason to become successful is that you can help more people. The more you give in life, the more you also receive. Do not neglect this step because wealth means absolutely nothing if the world is not better-off for it.

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**Think first**

What growth phase is your lifestyle business experiencing?

Have you given thought to your financial independence goals?

What ways can you use the value of time to grow your business?

Can you find partners to help accelerate your growth?
The System within the System

Have you ever wondered why there is so much information about building a successful business online? This is because the idea of building a business is so complex and there are systems within systems. This book focuses on the financial system which is one piece of the big puzzle.

There is a difference between having a side project, hobby, being self-employed and having a business. A business has systems while the others do not. A business generates income from assets; a self-employed individual generates income directly from customer. Generating income from your business is not the same as being financially independent. However, most people start out with side projects or self-employment and later build entire systems around it. If you intend to build a business it is important to set that goal from the onset.

Being location independent or a lifestyle designer is not the same thing as having a business or even being financially independent. True financial independence comes when your assets are providing enough income to meet all your needs. If revenue is coming directly from customers and you have not built any tangible or intangible assets that produce revenue, then you are not truly financially independent.

The diagram below shows the difference of having a business and being self-employed/freelancer or consultant.
Businesses have systems which aid in the asset accumulation process. Income is derived from assets.

Self-Employment/Freelancer/Consultant - freelancers get income directly from customers.

So what makes a business an asset in order to make one truly financially independent? I am glad you asked. It is the collection of systems that becomes the underlying assets that produces true financial independence. If you have just a product or service you will eventually hit the maturity and decline phase. However, a business that has systems in place has the potential to outlive its founder. **If you want to build a lifestyle business that endures, you need to understand financial systems and how to make the numbers work in your favor.**

**The ABCD’s of a solid financial system**

As mentioned in the earlier, a lifestyle entrepreneur starts out with an idea of a product or service. Couple of months later, he/she realizes that something is missing. Income is
coming in but yet there is no real progress in the business. This normally happens somewhere between the chaotic and repeatable phase. Also, this is the point where most lifestyle entrepreneurs realize they need a financial system if they are going to survive.

The journey from idea to financial independence is never an easy one. It is filled with lots of uncertainties, difficult decisions, impossible paths, etc. While having a financial system will not prevent adversities from affecting your business, it will give you a more solid anchor in handling the adverse events that come your way.

This book takes you on a journey on how to build a system right from the creative phase of growth to the optimized phase. Once your system is optimized, you as a lifestyle entrepreneur can walk away and still make a good living to live the lifestyle you want. If you refuse to build a financial system, your lifestyle business will surely but slowly dissipate. Businesses rarely crumble in a day but slowly and surely overtime, bad decisions eventually catch up: choosing to do nothing is one of the worst decisions you can choose to make. Learn to build systems around your ideas so you can become truly financial independent. Any business that is going to survive the long haul must have a financial system: this is what this book is about. A financial system affects every area of the business, and works hand in hand with the marketing and operational system.

The ABCD’s of a solid financial system are as follows:

A. A mapping system i.e. an overall strategy
   i. Define your business purpose: a business purpose fuels every part of a business. Without a clearly defined purpose, a business might as well not exist. A purpose is the filter that clarifies what opportunities to accept and which ones to reject.
   ii. Develop your map from idea to financial independence

B. A budget
   i. Define your revenue generation system: any business that is going to survive needs customers and needs a system to reach and maintain them (marketing).
   ii. Define your cost structure
   iii. Address cash management issues

C. Invest in an accounting information systems
   i. Generate regular financial reports
      1. Understand basic accounting principles
      2. Understand your financial statements
   ii. Compare financial statements to budgets
D. Optimization
   i. Develop processes and procedures
      1. **Develop your internal business processes**: this is the system that governs the day to day running of the business. It is the vehicle through which the system carries out its purpose. Internal business systems are mostly driven by external forces and as a business owner your choices are to comply, improve or die. As a lifestyle entrepreneur you face the pressures of meeting consumers’ needs, changes in the economic and legal environment, etc. These external changes force entrepreneurs to continuously improve.
   
   ii. **Develop metrics to monitor set goals**: Metrics are the first indicator that something is wrong. When a metric does not give the expected results, investigations will need to be conducted to find out the cause.

**Building a solid financial system**

When your system is optimized then you could effectively partner with others with a shared mission and vision. This allows you, the lifestyle entrepreneur to walk away and still earn income.
The upcoming chapters discuss these steps at a more detailed level.

Think first:

Are you self-employed or do you own a business?

If you are self-employed/ freelancer/ consultant, what steps can you take to building a business?

Do you feel you are close to achieving financial independence?

How do you currently handle your business finances?

Keep reading for ideas on how you could optimize your financial system...
CONCLUSION

In this section

Conclusion
Conclusion

I know I have covered a lot in this book and at this point you might be thinking this is overwhelming, how could I ever do this? So much to know and so much to do! I would like to encourage you not to get discouraged.

The key is to set goals and break them down into achievable steps. Focus on only one thing a day that will have an impact on your business.

We each have our own race to run. Running your race while looking at others may cause you to stumble. The person who wins the race is the one who keeps his eye on the goal and not turning around to see who is ahead or behind. In the game of business, there will be good times and bad times, happy times and sad times, games we win and games we lose, but we do not despair – instead we press on towards the goal.

In the beginning I spent time discussing how George took the time to set his priorities and goals. That ought to be your starting point. If you do not know where you are going, anywhere will take you there.

Moreover, following this plan is no guarantee for success. Just as two cancer patients started out with a diagnosis and both undergo exactly the same treatment, one may survive and the other one does not. Time and chance happens to everyone and if at first you do not succeed dust yourself up and try again.

A lot of times we feel discouraged because we are not running our race. Just like runners are built to run different lengths of race, lifestyle entrepreneurs have different capabilities of building wealth. Some entrepreneurs are wired to do sprints while others are wired as marathon runners. Trying to sprint when you were wired to run marathons could be a very frustrating ordeal.

Part of the beauty of us humans is that we are all created differently, each of us have different strengths, learning capabilities and weaknesses. Imagine how boring life will be if everyone was the same. So if a marathon runner refuses to appreciate his or her unique strengths and insists on running sprints not only will he or she be frustrated but
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he/she will also miss his/her life calling. Always looking ahead and feeling everyone else is ahead of them in the game of life.

This becomes especially hard as the sprint runners devise their own programs on how you can be just like them. You try their program but do not achieve the same results they accomplished as quickly as they did. This only makes you feel more hopeless. At times like this, we have to remember why we got into the race when we started. We are in the race to fulfill our life’s purpose and not to become the best version of someone else. At the end of life, you want to know you have achieved your life’s calling and can die with a smile on your face. Trying to be the best version of everyone else will never get you there.

There is no rush, take your time and learn. When you are always in a hurry you miss life’s most important lessons. As lifestyle entrepreneurs, we are always listening to one podcast or the other, reading every blog, attending every conference, etc. We need to be strategic about what we choose to put in our mind. Like a competitive runner, our eyes should be kept on the goal and those things that do not help us move forward should be disregarded.

We could make money listening to popular opinion but lack satisfaction in the work we do. The money we thought will bring us more happiness only takes us further away from where we first began. Money without purpose is meaningless. If it were not so, people who won the lottery will never go broke and will be the happiest people on earth. It is possible to grow wealth to your own destruction. Wealth gained too quickly has the propensity to bring out our worst selves as we will not have developed any wisdom to go along with the wealth. Worse than destroying yourself with your wealth, is growing wealth with unethical methods or products: This destroys society as a whole. We are here to make the world a better place and not to destroy it.

So now go live your life intentionally. Always remember why you decided to be a lifestyle entrepreneur in the first place. Time and not money is the most precious resource you have. Time once spent can never be repossessed; on the other hand, money spent can always be regained.

Tomorrow is not promised to any of us and so live out your purpose on this day, but do not forget to take time out to enjoy the simple things that life brings.

Think first:

This book has walked you through the process of building a solid financial system from idea to financial independence. Financial independence is well within your reach.
Do not do anything else until you have thought about how you could take one step right now towards your financial independence goal.
Note: The book you have just read is a SAMPLE.

If you like what you have just read and would like to get more information, you can get the:

1. The Complete Lifestyle Entrepreneurship Book
2. The Workbook
3. The Communication Guide
4. The Passive Income Book

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