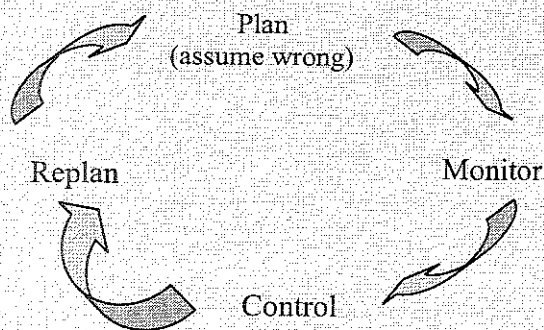


Healthy Profits for a Sustainable Future

Key Distinctions of Holistic Management® Financial Planning

- Harnessing human creativity, logic and rationality to maximize your triple bottom line.
- Gross Profit Analysis that does not include fixed costs
- Profit planning – placing a ceiling on expenses well below planned income
- Classification of expenses:
 - “W”: Wealth generating expenses that will generate new wealth, because they address the weak link, a logjam or factors adversely affecting the whole business
 - “I”: Inescapable expenses
 - “M”: Maintenance expenses (keep the business going but do not generate new wealth)
- All expenses, tools and actions are tested toward your holistic goal to ensure soundness.
- Ownership! Being creative in reaching the desired profit. Redo the plan until you do!
- Financial planning is not complete without the monitoring feedback loop which creates transparency, awareness, and responsiveness within the team.

Financial planning is not an accountant's job but that of the management team. If people are going to be held responsible for generating income or holding down expenses, they should be allowed to come up with the figures under their control.



What is Profit?

Profit is not the same as production.

Conventional planning often has you plan production and associated revenue, plan expenses, and then check to see if there is any profit leftover. The means to achieving the profit may be socially or environmentally unsound. Holistic Management® Financial Planning plans for profit *first* then tests the means of production for social, financial, and environmental soundness. This simple paradigm shift from production to a profitable triple bottom line helps move people from a “maintenance” mode to an “investment” or “strategic” mode that will move them toward their holistic goal.

Exercise:

How do you determine profit? What was the percentage of profit you achieved last year? What would you like to achieve?

MANAGING REQUIRES MAKING DECISIONS:

HOW DO WE MAKE DECISIONS?

OUR CONVENTIONAL
FRAMEWORK

HOLISTIC FRAMEWORK

*DEFINE "WHOLE" BEING
MANAGED*

HOLISTICGOAL

ECOSYSTEM PROCESSES

MISSION/OBJECTIVES/GOALS

MISSION/OBJECTIVES/GOALS

TOOLS: TECHNOLOGY, REST,
FIRE, SMALL ORGS.,
(GRAZING)

TOOLS: TECHNOLOGY, REST,
FIRE, SMALL ORGS.,
GRAZING, *ANIMAL IMPACT*

CHOOSING A TOOL: EXPERT
ADVICE, PAST EXPERIENCE,
FRIENDS, INTUITION, FEAR,
HOPES, BELIEFS, EDUC., ETC.

CHOOSING A TOOL: EXPERT
ADVICE, PAST EXPERIENCE,
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HOPES, BELIEFS, EDUC., ETC.

*TESTING GUIDELINES USED
WITH HOLISTICGOAL*

ASSUME CORRECT

ASSUME MAY BE WRONG

MONITOR RESULTS

*MONITOR FOR FIRST
EVIDENCE OF FAILURE &
ADJUST/REPLAN QUICKLY TO
ACHIEVE DESIRED RESULTS*

REACTIVE/ADAPTIVE

PROACTIVE/REACTIVE/ADAPT

The following pages are an outline of 3 important steps you can follow to begin to think and make decisions holistically. Note that your decisions will hinge on YOUR personal self-interest—how you want YOUR life to be.