Staying Connected

For the Alumni of the:
ECCB Savings and Investments Course
ECCB Entrepreneurship Course
ECCB Small Business Workshops

YOUR FINANCES ... YOUR FUTURE

How do you cope with uncertainty?

Visit us at www.eccb-centralbank.org
When we speak of ‘winning numbers’ we speak of those numbers that are relevant to a specific business that would make that business successful.

Winning numbers include but are not limited to the following areas:

- Budgeting
- Bank contracts
- Risk management
- Investing
- Financial planning
- Financial marketing
- Inventory control
- Marketing
- Advertising

There are many other areas that time would not permit me to highlight.

Too often in business all we are concerned with is the money going into the bank. Well not to say that that is not important, however that only tells the sales story.

What is also important is what transpired at our place of business to generate the sales. How many of which items were sold to generate our end of day receipts?

For instance, if we have 100 of a particular item in stock and we sold 5 of that item per day, then we would have to reorder a next shipment as the order cycle is 21 days. So you would realise that it is not just a sales story, it is an inventory/sales story, because if we don’t do the math, we are going to run out of that item.

Winning numbers is about the information that helps to drive good decision making.

In business what this means is that we have to decide for example, should we only stock item X, or should we only stock item Y...or should we stock X and Y? In this case the decision we make depends on the winning numbers presented to ensure that
we have enough information for us to evaluate what the sales represent.

In today’s business environment information is extremely important. We need to have our fingers at all times on the pulse of the business.

Here is a story that brings you inside a situation that you should never encounter if you are running your own business.

A friend sent a business man to my office one day for help. The gentleman indicated that he was of the view that I would be able to help him with some financial issues he was having. I thought he wanted a loan. However, he quickly clarified that what he wanted was to find out why every time he bought a container of items, when the items were sold he did not have enough money to pay for the next container of items. He rightly noted that something was wrong. I then asked ‘what price are you charging for the items?’ He gave a figure which we will refer to as Y. The next question I asked was ‘how did you arrive at that price?’ His response, ‘Company X is selling for y +25c so I set my price at y.’

I went on to ask him how long it takes him to sell a container of the items, to which he responded four months.

How much do you spend on electricity, wages, social security, packaging, plastic bags, rent and other expenses relevant to that business?’ I asked. Keep in mind that all these numbers represent winning numbers.

At the end of the discussion the gentleman realised that he was underselling the items and decided that he would close the business and was left with a significant amount of debt. What was missing in his business was proper budgeting, pricing, etc. If he had the proper financial tools to identify the winning numbers he would not have found himself in such a financial mess.

Needless to say the gentleman is a very intelligent person. He graduated from The University of the West Indies with a degree in finance about three years ago and is now working in one of our local financial institutions.

In today’s business environment information (winning numbers) is vital and there are a lot of companies that make the work of getting information easy for us. Cash registers don’t just count cash any more, they do so many other things like inventory, forecasting, cash flow analysis, risk management and generate other financial information that businesses require.

If you are working a regular job but selling barbeque on the side of the road to earn extra money, it may not be as big a problem because you have a regular job which provides you with a steady
income. However, if you were selling barbeque to make an income to pay your bills, you would have to pay special attention to all the small details, as this job is your only source of income. Those winning numbers are very important.

If you are in the restaurant business you need to know what your winning numbers are, in the following areas:

1. food and paper cost - anything below 33% is a winning number
2. wages percentage of sales – anything below 20% is usually a winning number
3. sales relative to the previous year - anything above 100% is a winning number
4. budgeting – keep within 2 to 3 percentage points

Financial planning is a must. This cannot be overstated.

Seven years ago not paying attention to the winning numbers at KFC almost cost me my life and the life of two others.

We received our container with supplies and realised we were short 150 cases of chicken. I failed to act when I should have, so we were on the verge of running out of chicken. It came down to a final decision where St. Maarten was the best viable option financially, so I charted a fishing boat and went to St. Maarten to collect 150 cases of chicken that I purchased from the local KFC. On the return trip the boat sank at 11:00 pm leaving the three of us who were on board floating in very cold water for 3 hours. The coast guard was notified and found us about 2:00 am. We lost all the cargo. Sure bet that I learned the hard way about the cost of not paying attention to the winning number. Since then, I pay special attention to chicken stocks and that winning number for chicken is 150 cases.

As in business, winning numbers are also important in investing. It is extremely important that you understand clearly what the winning numbers are when you start getting into the financial markets. Please do your research. Have an idea of the company you are investing in and most of all stay on top of the news to find out what the trends are and where they are taking your money. Remember the old saying ‘don’t put all your eggs in one basket’. The fancier term - ‘diversified portfolio’. Granny knew what she was saying. She simply put it into layman’s terms.

We have gotten better these days with the smart phones and tablets that we take around with us everywhere we go. Some of us stay on top of our winning numbers by employing modern techniques and using the latest technology. These gadgets can keep us on point and keep us winning with numbers by providing us with the information that we need to stay ahead in business and in investments.

In my hand I have such a gadget that tells me most things that I need to know about my business by using various apps that are readily available. I can see sales, sales trend, number of customers served, how many customers each of my cashiers have served, each and every transaction they make, when they go for break, when they return, if they stayed too long on break and much more from this smart device in my hand.

You too can win with numbers.
ECCB Savings and Investments Course
2803 ECCU graduates and counting...

Visit us at www.eccb-centralbank.org
My dreams are slipping away...
free falling
depressed and defeated.

Life is hard. Times are rough.
I’ve been waiting for my tide to turn.
I’ve been trying to stick it out,
but I don’t think I am tough enough.

I keep on waiting, waiting on the world to change
I keep on waiting, waiting on my world to change

This life.
Somebody, anybody
Can I please get a break!

Dear Lord, Help! Help!
Help me to cope.

Cause I keep on waiting, waiting on the world to change
I keep on waiting, waiting on my world to change
“My child”, He whispered
“Didn’t I create you in my own image?
Didn’t I breathe life and brilliance into your very essence?
empowering you from the womb to come forth, create your opportunities and stake your claim on the universe?

Didn’t I bestow on you limitless energy and drive so that you could do more than just keep hope alive?
so that you could optimise your life, pursuing your dreams and aspirations with a spirit that refuses to stay down?
Why are you facing the world eyes wide-open, mind closed-shut?

Open your mind, My child
Opportunities are all around you.
Look... Seek your possibilities
Embrace your Opportunities

That My child is how you COPE.
Create Optimise Pursue Embrace Opportunities.

You’ve got to stop waiting, waiting for your world to change
You’ve got to stop waiting, waiting for your world to change

The power to chart that change is within you!”
Congratulations to the 17 graduates of the ECCB Savings and Investments Course, St. Kitts - Cohort 15