What to Do With Your Business Profits

THE BIG IDEA

It's not what you make, it's what you keep. Make your money decisions once, keep your risk in the business, and stop paying taxes you never had to pay.

Part 1: Investing the extra

The skills that make money can lose it on the other side.

01 **Take risk in the business, not with the savings.**
Build a safe "fortress" with the extra. It frees you to take bigger bets in the business. 15—20% a year is good; chasing 100% turned into 0%.

02 **Passive for you means active for someone else.**
Your time earns more in your own business. Let a skilled manager run the investing.

03 **Treat deals like leads.**
Look at many and pick the best one. A bad deal usually means a bad operator, not a bad kind of investment.

04 **X-ray every investment.**
Score it out of 25 on each: protects your money, saves taxes, pays cash while you hold it, grows. Use the four to ask the pitch hard questions.

05 **Size every bet on purpose.**
Sizing is the number one mistake. Owning a bit of everything isn't a plan.

Part 2: Keeping more of it

Matters more as profits grow. Work with a pro.

01 **Know the law, follow the rules, document the truth.**
Every dollar saved in taxes drops straight to your bottom line.

02 **The tax code rewards what it wants built.**
Tax breaks are incentives to invest, not loopholes. Learn the ones that fit you.

03 **Plan when income and expenses count.**
With your accountant, legally timing revenue and expenses can defer taxes, especially while you grow fast.

04 **Hire a tax strategist, not just a preparer.**
One files your return. The other works to lower the bill. A weak finance hire is the most expensive one you'll make.

05 **Plan in January, not at Christmas.**
Last-minute planning means prepaying expenses and draining cash. Don't let the tax tail wag the cash-flow dog.

> **“We don’t want to risk the empire for a pot of gold.”**
>
> Alex Hormozi, quoting Sharran Srivatsaa

DO THIS WEEK

- ☐ Write your money rules: what stays in the business, what goes to the fortress.
- ☐ Score your last or next investment with the 4-part X-ray.
- ☐ Book a planning meeting with a tax strategist now, not in December.

Ask before every check: What else will this dollar do for me?

Source: Alex & Leila Hormozi with Sharran Srivatsaa, *YouTube*, “If You Only Watch One Wealth Video, Make It This” • General education, not tax advice