

# ProfitMancer

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## MONEY MASTERY

### Opportunity Triage: Picking the Winners

TRANSCRIPT

## Introduction

Welcome back to the money-making Olympics, dear entrepreneurs! Today's episode in our ProfitMancer Money Mastery journey is called "Opportunity Triage: Picking the Winners." I'm your host, Sharon, here to guide you through the jungle of opportunities with a machete of wisdom and a shield of snark.

In the words of the great Warren Buffett, "The difference between successful people and really successful people is that really successful people say no to almost everything." And that, my friends, is what we're diving into today – learning the art of saying "no" so you can say "YES!" to the real gold mines.

## What We'll Cover

Opportunity Triage isn't about being in a constant state of "pick me, pick me" but rather, sharpening your focus to spot those glittering chances that align with your goals, values, and, yes, your financial destiny. In a world where every email ping could be the next big thing, how do you decide which opportunities deserve your time, energy, and resources?

- **Understanding Your Goals:** Your opportunities should map directly back to your goals. If they don't fit, they must acquit – from your to-do list, that is.
- **Evaluating Opportunity Cost:** Every "yes" is a "no" to something else. What are you sacrificing to chase this new shiny object? We'll dissect how to measure what's worth the trade-off.
- **The Alignment Check:** Just because it sparkles doesn't mean it fits your crown. We'll explore how to check opportunities against your business's mission and values.
- **Risk vs. Reward:** No, we're not talking Vegas-style gambling, but a calculated look at what you stand to gain versus lose. Spoiler alert: Not all risks are created equal.
- **Intuition's Role:** Sometimes, it's not all about spreadsheets and pros & cons lists. We'll talk about tuning into your entrepreneurial gut feeling. Yes, it's a thing.

As you see, we'll be circling back to much of the work we've done so far in the Money Mastery odyssey.

## Why It Matters

In the marathon of entrepreneurship, you need to pace yourself. Sprinting after every opportunity will only leave you winded and far from the finish line. Mastering Opportunity Triage helps you conserve energy for the sprints that matter – the ones that lead to victory laps.

"Don't be afraid to give up the good to go for the great." – John D. Rockefeller. A reminder that sometimes, letting go of a decent opportunity makes space for the extraordinary.

## Understanding Your Goals A Deeper Dive

In Module 6, "Carving Out Your Financial Destiny: Goal-Setting Galore," where we embarked on a journey to define not just what you want your bank account to look like, but the broader scope of your entrepreneurial ambitions. We discussed setting tangible, ambitious, yet achievable goals that serve as the backbone of your financial strategy and overall business direction.

Why is this alignment crucial? Because every opportunity that knocks on your door comes with a cost – time, energy, resources, and sometimes, a piece of your sanity. Not every shiny object deserves a spot in your treasure chest.

### Here's how to sift through the glitter

- **Revisit Your Goals:** Before evaluating any new opportunity, take a moment to revisit your goals. Are you aiming to expand your product line, break into new markets, or maybe streamline your operations for better efficiency? Your goals aren't just landmarks on your journey; they're your compass.
- **The Litmus Test:** For an opportunity to pass the litmus test, it should resonate with at least one of your core goals. Does this new venture promise to bring you closer to your market expansion goal? Can it introduce efficiencies that align with

your streamlining objectives? If the answer is a resounding "yes," you've got a contender.

- **The Misalignment Red Flag:** Beware of opportunities that seem appealing but don't directly contribute to your objectives. These are the distractions in disguise, the ones that promise short-term gains but diverge from your long-term vision. Remember, if it doesn't help you progress towards your outlined goals, it's merely a detour on your path to success.
- **Prioritization is Key:** Sometimes, you'll encounter opportunities that align with your goals but to varying degrees. This is where prioritization becomes crucial. Rank your goals based on their importance and urgency. Use this ranking as a filter to evaluate which opportunities are worth pursuing now and which can wait.
- **Flexibility Within Framework:** While it's important to stick to your goals, maintain a degree of flexibility. Sometimes, an opportunity might not align perfectly with your current objectives but offers substantial potential for growth or innovation. In such cases, it's worth considering a strategic pivot, provided it doesn't lead you completely off course.

By rigorously vetting opportunities against your goals, you're not just making strategic decisions; you're ensuring that every effort you put forth is a building block that supports your overarching vision. This focused approach is what separates the dreamers from the doers, the aimless wanderers from the goal-oriented achievers.

So, as you contemplate each new opportunity, remember: if they don't fit, they must acquit – from your to-do list, that is. Keep your eyes on the prize, and let your goals light the way.

## Opportunity Cost Analysis Navigating the Trade-Offs

In the grand chessboard of entrepreneurship, every move you make, every opportunity you pursue, comes at the cost of another. This concept, known as "opportunity cost," is a crucial financial principle that we touched upon in Module 20, "Cash Flow Mastery: Keeping Your Financial River Flowing." But it's not just about money; it's about the holistic view of what you're giving up in the pursuit of something else. Let's break it down:

- **Time Investment:** Time is your most precious commodity. For every new venture you embark on, consider the time it demands. How many hours will it take from your week? What projects or activities will you have to sideline to accommodate this? Time spent on one task is time away from another. Evaluate if the time investment aligns with your goals and if it's the best use of your efforts.
- **Resource Allocation:** Beyond time, resources like manpower, financial investment, and tools are finite. Diving into a new opportunity often means reallocating these resources from existing projects or reserves. Assess the impact this redistribution will have on your current operations. Will it stretch your resources thin? Is the potential gain worth the immediate reallocation of resources?
- **Missed Opportunities:** When you say "yes" to one thing, you're inadvertently saying "no" to another. This is the essence of opportunity cost. What other opportunities are you passing up by pursuing this one? It's crucial to weigh the potential benefits of the current opportunity against those that you might have to forgo. Is there something more aligned with your goals that you're overlooking?
- **Emotional and Physical Costs:** Often overlooked, the emotional and physical toll of pursuing a new venture is a significant part of the opportunity cost. Will this opportunity lead to increased stress, reduced work-life balance, or even burnout? How does that stack up against the potential benefits?
- **Long-Term Impact:** Finally, consider the long-term implications of pursuing this opportunity. It might offer immediate gains or satisfaction, but does it align with where you want to be in five, ten, or twenty years? Sometimes, the real cost of an opportunity isn't apparent in the short term but in how it shapes your future trajectory.

## Conducting Your Analysis

For each opportunity that presents itself, conduct a thorough opportunity cost analysis. Create a simple chart or list that helps you visualize the trade-offs. For each potential cost, ask yourself:

- Is this sacrifice justifiable in the context of my larger goals?
- What am I gaining in return, and is it proportionate to what I'm giving up?
- Can the lost opportunities be regained or replaced in the future, and at what cost?

Remember, every choice has its price, but not every price is worth paying. Your ability to discern and decide wisely is what will navigate your entrepreneurial ship through the turbulent waters of opportunity towards the shores of success.

## The Alignment Check

### Ensuring a Fit for Your Business Crown

In the journey of entrepreneurship, opportunities come adorned in many guises, some sparkly, some subtle. But as we've navigated through "Mindset Gymnastics: Flexing Your Entrepreneurial Brain," one lesson stands paramount: not every glittering chance is gold for your specific venture. This brings us to a crucial stage in our decision-making process—the Alignment Check. Let's dive deeper into how to ensure an opportunity is not just attractive but right for your unique business ethos.

#### Why Alignment Matters

Alignment between an opportunity and your business's mission and values is like finding the missing piece in a puzzle; it just clicks. This harmony ensures that your efforts amplify what your business stands for, reinforcing your brand and driving you closer to your vision. Misalignment, however, can divert your path, dilute your brand identity, and even alienate your customer base.

#### Conducting the Alignment Check

Revisit Your Mission and Values: Start by revisiting your business mission and core values. These are your guiding stars and should be the lens through which you view potential opportunities. Does the opportunity help fulfill your mission? Does it resonate with your values?

- **Assess Cultural Fit:** Consider the cultural implications of pursuing the opportunity. Will it blend with your company culture, or will it require shifts that could disrupt the harmony within your team? The right opportunity should enhance or at least be neutral to your company culture, not undermine it.
- **Evaluate Brand Consistency:** Every opportunity you take shapes your brand's public perception. Ask yourself, will this opportunity enhance my brand's image in the eyes of my target audience? Will it align with the brand identity I've worked hard to build, or could it potentially cause confusion about what my business stands for?

- **Long-Term Vision Alignment:** It's easy to get caught up in the immediate gains an opportunity might present. However, take a moment to project into the future. How does this opportunity fit with your long-term business vision? Will it steer your business in the direction you intend, or could it potentially lead you off course?
- **Impact on Stakeholders:** Consider the impact on your stakeholders—employees, customers, investors, and even the community you operate in. Will this opportunity serve their interests and expectations? An aligned opportunity should ideally benefit all your key stakeholders, not just the bottom line.

## The Litmus Test for Alignment

For an opportunity to truly fit your crown, it should pass the alignment litmus test across these areas. If you find discrepancies or misalignments, it might be worth taking a step back to evaluate whether the sparkle is worth the potential clash with your business's essence.

## Practical Steps for The Alignment Check

- **Checklist Creation:** Create a checklist based on your mission, values, brand identity, and long-term vision. Use this as a practical tool to evaluate each opportunity.
- **Stakeholder Feedback:** Engage with your team, trusted advisors, or even a focus group of customers to get feedback on how they perceive the opportunity aligns with the business ethos.
- **Alignment Scoring:** Assign a score to the opportunity based on how well it aligns with each category in your checklist. This quantitative approach can help clarify decisions that might feel subjective.

## Remember

Choosing opportunities that align with your business's core ensures that each step you take is coherent with the identity and legacy you're building. It's not just about wearing any crown; it's about ensuring it's the crown that fits and enhances the kingdom you're ruling.

As you conduct The Alignment Check for potential opportunities, keep in mind the broader implications of your choices. In the grand tapestry of your business journey, alignment ensures that each thread weaves seamlessly into a cohesive, beautiful picture, true to your original vision.

# Risk vs. Reward Assessment

## Balancing the Scales of Decision

Delving into the "Risk vs. Reward Assessment," introduced in our "Money Smarts: School's in Session" module is about understanding that entrepreneurship is inherently a game of calculated risks. However, not all risks are created equal, nor are the rewards. This section will guide you through a more nuanced approach to assessing the potential upsides and downsides of opportunities that come your way.

### Why It Matters

Every opportunity carries its own set of risks and rewards. Like a seasoned investor, your job is to analyze these factors to make informed decisions that align with your goals and risk tolerance. A well-considered risk can lead to substantial rewards, propelling your business forward, while an uncalculated risk can set you back, consuming valuable resources and time.

### How to Conduct a Risk vs. Reward Assessment

- **Identify the Opportunity:** Clearly define what the opportunity is. Understanding its scope is critical for a thorough assessment.
- **List Potential Risks:** Consider all the possible risks involved. This includes financial loss, time investment without return, impact on team morale, and any other negative outcomes that pursuing this opportunity might entail.
- **List Potential Rewards:** On the flip side, identify what potential rewards this opportunity could bring to your business. This might be revenue growth, market expansion, brand visibility, or new partnerships.
- **Assign Scores:** Using a scale of 1-10, rate both the risks and rewards. A score of 1 indicates minimal risk or reward, while a score of 10 signifies very high risk or reward. Be honest in your evaluation – optimism is a great trait, but realism is your best ally here.
- **Analyze the Balance:** With your scores in hand, compare the risk level to the reward potential. An opportunity with a high reward potential might justify a higher risk level, especially if it aligns with your strategic goals and you have contingencies in place. Conversely, if the risks substantially outweigh the rewards

or if the rewards do not significantly contribute to your business objectives, it might be wise to pass.

- **Consider Mitigation Strategies:** For opportunities with a higher risk level that you're still considering, brainstorm ways to mitigate those risks. Can the financial investment be scaled down? Is there a way to test the market before fully committing?
- **Decision Time:** With your thorough assessment, make an informed decision. Remember, choosing not to pursue an opportunity is as much a strategic decision as going forward with it.

### Applying This Assessment

Let's put this into perspective with an example. Imagine you're considering launching a new product line. The potential reward is high – it could open up a new revenue stream and increase market share. However, the risks include significant upfront costs, potential cannibalization of existing products, and uncertain market demand. By rating the risks and rewards, you might decide that with certain adjustments (like a pilot launch or more in-depth market research), the opportunity's potential rewards justify the risks.

### Your Takeaway

This "Risk vs. Reward Assessment" isn't just a one-off exercise but a crucial part of your entrepreneurial toolkit. Use it to navigate the sea of opportunities with confidence, knowing that your decisions are backed by thoughtful analysis and strategic consideration.

## Intuition Check Harnessing Your Inner Guidance

Venturing further into the realm of decision-making, the "Intuition Check" emerges as a pivotal aspect, initially introduced in, "Mindset Gymnastics: Flexing Your Entrepreneurial Brain." This section is dedicated to acknowledging and leveraging one of your most innate tools: your intuition. While data, analysis, and logic form the backbone of sound decision-making, the subtle whisper of intuition often holds the key to unlocking true potential. Here's how to tune in and trust that inner voice:

## Understanding Intuition

Intuition, often dubbed as 'gut feeling,' is the brain's way of quickly analyzing a situation based on past experiences, patterns, and cues that might not be immediately obvious. It's your subconscious mind communicating its wisdom, sometimes without you even realizing it.

## Why It Matters

In the fast-paced world of entrepreneurship, where not every variable can be quantified and every second counts, intuition can sometimes lead you to decisions that logic alone might take longer to arrive at. It's the spark that ignites creativity, innovation, and sometimes, the courage to pursue paths less traveled.

There's something else to be considered: the more we practice using our intuition, the more we are able to nail down results. It's just like any other skill: practice and then examination of results improves the skill.

## Conducting an Intuition Check

- **Reflect on Your Feelings:** For each opportunity you're considering, take a moment to quiet the noise and really listen to your gut. What are your initial feelings? Excitement might indicate a deep-seated belief in the opportunity's potential, while hesitation could hint at underlying concerns or mismatches with your values or goals.
- **Identify the Source:** Try to understand where these feelings are coming from. Are you excited about an opportunity because it truly aligns with your vision, or because it's simply new and different? Are you hesitant because you're stepping out of your comfort zone in a growth-promoting way, or because something genuinely feels off?
- **Compare with Past Decisions:** Think back to times you've followed your intuition in the past. Were there moments when listening to your gut led you to success, or perhaps times when ignoring it resulted in lessons learned? This reflection can help validate the role of intuition in your decision-making process.
- **Seek Clarity:** If your intuition is sending mixed signals, seek clarity. This might involve more research, seeking advice from mentors, or simply giving yourself more time to process the decision. Sometimes, the best thing to do is sleep on it, allowing your subconscious mind to work through the complexities.

- **Balance with Rational Analysis:** While intuition is powerful, it's most effective when used in conjunction with rational analysis. After conducting your intuition check, weigh these insights against the logical assessments you've made, such as your risk vs. reward analysis and opportunity cost evaluation.

### **Trusting Your Intuition**

Remember, intuition isn't about making impulsive decisions but rather about listening to an informed inner voice that takes into account your experiences, values, and desires. It's about striking a balance between the heart and the mind in the decision-making process.

## **Final Verdict**

### **Rendering Your Decision**

Reaching the "Final Verdict" on potential opportunities is the culmination of a deliberate and insightful journey through understanding your goals, analyzing opportunity costs, weighing risks against rewards, and tuning into your intuition. This stage is where the rubber meets the road, and you render a decision that could significantly impact your entrepreneurial journey. Let's expand on how to effectively use the information you've gathered to arrive at a well-informed verdict.

### **Synthesizing Your Analysis:**

- **Compile Your Insights:** By this point, you've laid out a comprehensive framework evaluating each opportunity through various lenses. Gather your notes, scores, and reflections from each previous step to have a holistic view of what each opportunity entails.
- **Comparative Review:** Place your assessments side by side. How do the opportunities stack up against each other when considering your goals, the costs (time, resources, emotional energy), risks versus rewards, and your gut feelings? This comparison can highlight clear front-runners and identify those that may not be as beneficial as they initially seemed.

- **Seeking Alignment:** The core of your decision-making lies in alignment. Which opportunities align most closely with your business objectives, values, and the financial destiny you're aiming to achieve? Alignment with your overarching strategy and goals is paramount. If an opportunity doesn't directly contribute to these, its appeal may be superficial.
- **The Verdict Categories:**
  - **Pursue:** These are opportunities that align closely with your goals, offer a favorable risk-reward balance, fit within your resource allocation capabilities, and feel right intuitively. They are not only worth the investment but are also primed to propel you forward.
  - **Maybe:** Opportunities that fall into this category may have potential but require further investigation or conditions to be met. Perhaps the risk-reward balance is on the cusp, or there's a misalignment that could be remedied with a strategic pivot. These are to be revisited with additional information or under changed circumstances.
  - **Pass:** These are the opportunities that, upon thorough analysis, do not align with your strategic goals, present unacceptable risks, or just don't sit right with you intuitively. It's crucial to recognize that passing on an opportunity isn't a failure but a strategic decision to focus your energies where they count.
- **Trust the Process:** Remember, decision-making is both an art and a science. Trust in the process you've followed, the data you've gathered, and your capacity to make judgments that serve your business's best interests.

## Your Action Plan

Armed with your final verdicts, draft an action plan for the opportunities you've chosen to pursue. Outline the initial steps, resources required, and any preliminary goals or milestones. For those labeled "Maybe," define what specific information or changes would prompt a reevaluation. For the "Pass" category, document your reasoning; this can be invaluable for future decision-making exercises.

# Your Mission, Should You Choose to Accept It

I've prepared a worksheet for you, designed to transform you into a savvy opportunity assessor. This isn't just busywork; it's your strategic plan to distinguish distractions from genuine opportunities. This worksheet is a bit different than normal. It's something to refer to any time you are considering pursuing one or more opportunities. In the meantime, you can use the worksheet to review current opportunities that are in front of you. So dive into the worksheet, sharpen your decision-making skills, and remember: in the game of opportunity, it's not just about playing the field—it's about owning it.

Until next time, keep triaging, keep winning, and above all, keep mastering that money mindset. See you at the top!