

Understand Your Assets

Written by Steve Marr
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Business leaders should understand the assets under their authority. These assets include human resources, cash, and other physical and Intellectual properties.

In Scripture when the Lord prepared to feed a great number of people and the disciples considered it an impossible task; the Lord responded, “How much bread do you have? . . . Go and find out.’ They came back and reported, ‘We have five loaves of bread and two fish.’”(Mark 6:38, NLT)

The Lord did not focus on what was not there; he focused on what was available. The Lord performed the miracle of feeding a multitude using available assets. It is an important principle to remember.

When I consult with a client, I often determine how much cash to invest in a key area of the business. If there isn't enough money available for the investment, I ask the follow-up question: “How can we get it?” Often there is an option for uncovering hidden assets.

A furniture store had two large delivery trucks. The second vehicle was not used more than two or three times a month, but the owner wanted to keep the vehicle for branding. He wanted customers to see the store's truck pull up to their house with the name of his furniture store on it. I recommended selling the truck and renting when necessary. Then, the owner could use the proceeds from the truck to fund an advertising campaign that would reach more than his branded truck could. The owner agreed. The advertising campaign generated significant new business, something his branded truck didn't do. Even though the owner felt the advertising campaign was unaffordable initially, he found the necessary assets by reassessing what he had.

Sometimes excessive inventory can be sold to raise cash. One business was carrying \$250,000 in inventory which he turned over every four to six months. I showed the owner how to reduce inventory to \$150,000 and utilize an effective point-of-sale system and inventory management. That freed \$100,000 he could use for other purposes.

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All of us in business will have funding issues for investments to help our business grow. A good starting point is to follow the Lord's model. Jesus started by asking what was available rather than lamenting what was not there.