Learn

How to Manage

Business Risk

In 2 Hours

By

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Introduction

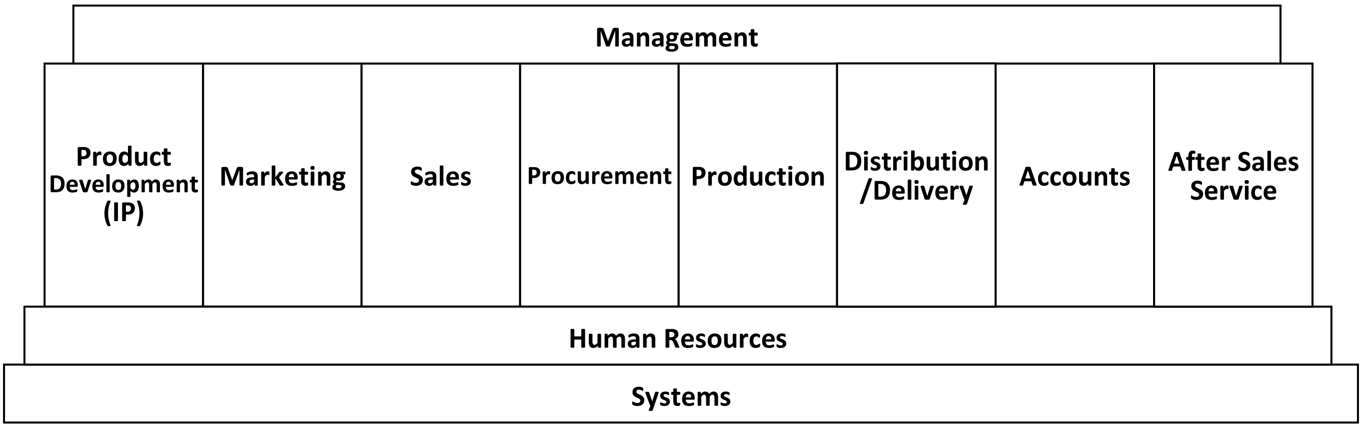
A sobering statistic is that 80% of new businesses fail within 5 years because of a lack of planning. In most cases that means they ran out of capital before the business could be established enough to generate positive cash flow, which means they didn't count the cost (Luke 14:28).

The best way to count the cost is by developing a business plan. However a business plan that does not address the risks involved with the business is not a proper business plan, because addressing the risk is part of counting the cost. Insurance, the cost of risk mitigation strategies and contingency allowances for risks that you can't mitigate should all be budgeted for.

A lot of Christians have failed in business, because they expected God would just come through for them, but the Word says in 1 Thess 4:11-12 to study to work well with your hands and do well in business so as not to be in need. It is a mistake to think that because you have the technical know how to do something, you will be successful in business. ***Note that nothing in this document should be used as a reason for not stepping out in faith (taking risk) to do what God has clearly asked you to do as His assignment for you.***

Business is a skill of its own that needs to be acquired alongside the technical skill relevant to your market niche. Technical know how should be converted into intellectual property (IP) if possible, and there are several interconnecting skill sets that make a strong business once you provide a good product/service.

Generic Business Model



- Product IP — Without a competitive product or a unique selling proposition – you'll struggle
- Marketing — Without leads to sell to – you won't have sales
- Sales — If you can't convert your leads to sales – you won't have clients
- Procurement — If you can't procure the right inputs on time, within budget – production will suffer
- Production — If you can't produce what you promised your client – they'll go elsewhere
- Distribution — If you can't get the product to the client on time – you'll have angry phone traffic
- Accounts — If you can't get people to pay you for your work – you'll go broke
- After Sales — Part of marketing – huge opportunity for growth with referrals and repeat sales
- HR — If you don't know how to get the best people and the best out of people – your business will be inefficient and your bottom line will struggle
- Systems — If you don't know how to systemise all of the above so they interconnect smoothly – find someone who can – or your business will be inefficient and keep making costly, but avoidable mistakes, and eventually clients will find a better supplier
- Management — Without competent management to coordinate all the functions above – well ....

If you feel God has called you to do something it is always a good idea to look at some of his principles before you head off like a bull at a gate with your assignment.

Principle 1 – Have a Business Plan

- Establish your current position - this means work out where you are now in terms of:
    - IP,
    - Business skills,
    - Capital,
    - Other resources including the right people, and
    - Spiritual capital
        - Do you know your God given assignment – the reason He put you on this planet, and
        - Are you operating in line with any confirmed prophecies you may have received.
- Determine where you are going
    - Vision, Goals and Objectives
- Establish the distance (difference) between where you are now and where you plan to go
- Break the journey up into achievable milestones to "eat the elephant one bite at a time".

Principle 2 – Count the Cost

- If not already in positive cash flow, work out where that point is (should be) in your plan or journey.
- Count the cost of getting there.
    - This includes evaluating (measuring) the risks, developing a risk management plan and budgeting for insurance, other risk mitigation strategy resources and contingency plans .
- This is an iterative process. In other words, don't try and get it right to the nearest $10,000 the first time through, because the cost of managing risk will shift the budgetary goal posts, including where the positive cash flow point is. Keep going through the process until nothing much changes.

Principle 3 – Measure and Manage Your Risk in Your Business Plan

The 10 steps to measure and manage risk as follows:

1. Identify possible Risk Events using the business department template on page 1 as a brainstorming tool
2. Quantify the magnitude of each Risk Event – likelihood (probability) and consequences
3. Calculate the nominal cost each Risk Event – probability x cost of consequence
4. Categorise each Risk Event – Hi or Lo Risk versus Preventable, Recoverable or Naked
5. Develop Risk Mitigation Strategies
    a. Reduce the likelihood of risk events and /or
    b. Reduce the consequences of risk events or transfer the costs of risk events (with insurance or hedging) or
    c. Reduce the impact of the consequences of risk events with disaster management plans.
6. Calculate the cost of implementing Risk Mitigation Strategies
7. Evaluate cost effectiveness of Mitigation Strategies – Reduction in Risk Cost / Cost of Mitigation
8. Develop Risk Management Plan – Do killer risks first and then all the nil cost strategies and then the most cost effective mitigation strategies that your budget can afford
9. Implement the Plan – otherwise the whole exercise is a waste of time
10. Review the Plan at least annually as new risks may emerge, old risks may disappear and probabilities, consequences and cost metrics may all change.

Developing a Risk Management Plan – 10 Steps

Step 1. Identify potential risk events.

This is the key step, because the more risks you effectively mitigate the more profit you will make.

The important thing is to come up with a brainstorming mechanism or system that stimulates you to think about all the nooks and crannies of your business and its connections and stakeholders that could create an issue. You can use the Generic Business Model below to stimulate a brainstorm session and create a list of events that you should list in the proforma at Appendix A.

Note that the form at Appendix A has a section for "Spiritual" issues such as attacks of the enemy via well meaning friendly and hostile unfriendly stakeholders. ***This is crucial for righteous businesses, because there are different rules in the spiritual realm for righteous and non-righteous business.*** There is also a section for "Other" issues such as natural disasters, acts of god and war (not usually covered by insurance).

Don't wimp out on putting the spotlight on management, because by definition you are your own business's highest risk. The business reflects its owner and each department reflects its manager. For instance, if you decide not to develop a risk management plan, you are presenting your business with a huge risk. On the bright side, you also have the most control over this risk.

There's no right or wrong in this identification of potential risk events exercise – just effective and not.

Generic Business Model - Stimulation for the Brainstorm

Management							
(IP) Product Development	**Marketing**	**Sales**	**Procurement**	**Production**	**Distribution /Delivery**	**Accounts**	**After Sales Service**
Competition Kingdom Ideas IP Security	Mammon is a big one here	Mammon is often an issue here too	Corruption Warehouse efficiency Pilfering	Safety Efficiency Mistake Rate QC Pilfering	Efficiency Effectivenes	Late Payers Bad Debts Policies	How many clients come back?
Human Resources Recruiting to CV or sex appeal rather than passion, not defining requirements in writing							
Systems Single source of data, interconnecting systems, Disaster Recovery, IT backup & location							

Step 2. Quantify the Magnitude of Risk of each Event.

Risk has two elements that are multiplied together to quantify the risk – as per the table below:

- The **likelihood** of an event occurring – this is a statistical probability, which you will often have some control over – in other words risk mitigation can reduce the likelihood.
- The **consequences** of an event occurring – this is the bit that can really hurt your business if you don't have a contingency plan or a plan to reduce the impact of the consequences on your business.

Simple Risk Measurement Table (Likelihood x Consequence)

LIKELIHOOD				
	Very Likely (3)	**Medium Risk 3**	**High Risk 6**	**Very High Risk 9**
	Likely (2)	**Low Risk 2**	**Medium Risk 4**	**High Risk 6**
	Unlikely (1)	**Very Low Risk 1**	**Low Risk 2**	**Medium Risk 3**
		Low Impact (1)	**Medium Impact (2)**	**Catastrophic (3)**
			CONSEQUENCE	

You can quantitatively measure the magnitude of risk of a specific event with a table like the one above, which uses colour coding, a word description and a magnitude (risk = likelihood x consequence). This is a simplified version of what the professionals use in project management and big corporations.

To put this into common real life terms – What are the risks of driving a car?

- **The likelihood of you having a car accident when you head out today is low – unless:**
  - you are under 25 !!
  - you are drunk or stoned
  - your brakes are about to fail
  - you drive in the rain with bald tires
  - you lose your temper while at the wheel or just before getting behind it
  - etc.
- **The potential consequences of you having a car accident are:**
  - There will be damage to your car, which will cost thousands of dollars to fix
  - There may be damage to other property, which could bankrupt you if it's a Lamborghini
  - There may be damage to your health, which could put you out of work
  - You may be disabled, which could prevent you from ever earning an income again
  - It may cost your life, which could have a huge financial impact on your family
  - There may be damage to other's health, which is covered by third party insurance
  - It may cost other lives, which you will have to live with for the rest of your life
  - You may lose your license and cop a huge fine or even go to jail if you are at fault

Step 3. Calculate the Nominal Cost of Risk of each Event.

The table below assumes an arbitrary situation where no risk event will have a higher probability of occurring than 20% and no consequence will cost more than $500,000, you could measure the **Likelihood** as a probability between 0 and 0.2 (20%) in 20 steps of 0.01 (1%), while **Consequences** could be measured in $ between $0 and $500,000 in 20 steps of $25,000.

Risk Measurement Table Quantified in Dollars

LIKELIHOOD			
0.20 / 0.18 / 0.16 / 0.14	**Medium Risk Up to $33k**	**High Risk Up to $67k**	**Very High Risk Up to $100k**
0.12 / 0.10 / 0.08	**Low Risk Up to $22k**	**Medium Risk Up to $44k**	**High Risk Up to $67k**
0.06 / 0.04 / 0.02 / 0.00	**Very Low Risk Up to $11k**	**Low Risk Up to $22k**	**Medium Risk Up to $33k**

$0 $100k $200k $300k $400k $500k

CONSEQUENCE

When establishing the probabilities of risk events, if you don't have access to your own actuary (which is most likely) then it's a good idea to use a group technique. This is where you get several people to estimate the likelihood and list the consequences of each risk event. If the various answers are all about the same, just average them, but if there is a wide spread then you need find out the reasons for the different answers. If the reasons of outliers are invalid then exclude them from the average calculation, but if they are valid and others hadn't thought of them, get the group to re-estimate the probability of the risk event.

Multiplying the cost of the consequence by the likelihood probability gives you a $ figure that you can add to all the other risks in the risk register, to come up with a total budget that you would need to cover your initial risk assessment. Not all impacts have a direct cost, but impacts such as depression or injury will have an indirect cost to the business.

Step 4. Categorise Your List of Risk Events

There are 3 categories of risk events that require different types of mitigation strategies. So it makes sense to categorise them so appropriate departments can be separately deployed to developing the strategies.

- **Preventable -** meaning you can eliminate or reduce the likelihood of a risk event occurring by ***documenting and implementing better governance, policies, training, pay, conditions, recognition, processes and/or procedures***.
- **Recoverable** – meaning you can implement a ***contingency plan*** to recover from the consequences of a risk event, such as a PR campaign, legal action or, the most common one, insurance.
- **Naked** – meaning there's nothing sensible you can do to reduce the likelihood or the consequence, so you'll have to wear the impact of the consequence if it materialises. These events may need a ***Disaster Recovery Plan.***

Risk Categorisation Table

	PREVENTABLE	RECOVERABLE	NAKED
HI RISK	* Better systems * Maintenance * Training * Market research * Better conditions * Etc	* Insurance * PR campaign * Legal Action	* Drunk driving * Act of God * Act of war
LO RISK	* May not be worth the cost of mitigating	* May not be worth the cost of recovering	* May be an acceptable risk

Step 5. Develop Risk Mitigation Strategies.

This element of the development of a Risk Management Plan (RMP) is as important as the first step of identifying the risk events. Once again, this is best done via a group brainstorming session and the strategies you come up with here will form the heart and soul of your RMP. The level to which you can innovate and draw on kingdom ideas as well as identify all the obvious things that you should be doing, but aren't, will largely determine the quality of your RMP. Add your ideas into Appendix A.

Ideally, you should brainstorm as many different mitigation strategies as you can. You can then evaluate the risk post strategy implementation of each idea to see which produces the best risk reduction. It may also be possible to meld or piggy pack strategies. Don't discard the least effective strategies, because they may come into play if the most effective strategies turn out to be too expensive to implement.

There is no end to the innovation you can employ here, but effective risk management strategies documented and implemented into your governance policies, IT and business processes and training for everyday procedures will turbo-charge your business and add value to your equity.

As alluded to in Step 4, you will likely require different teams with different expertise to implement preventative strategies such as IT processes, documented procedures, governance policies, various insurance policies, contingency plans, disaster recovery plans, etc. **See Appendix C for additional notes.**

As a guide for the different categories of risk, we can use the example of the risk event of a car accident:

- **You can reduce the likelihood of an accident by:**
  - Not driving as much or not driving in difficult environments (this is the principle behind why Youi insurance can be cheaper – have you seen the TV ads?)
  - By keeping the brakes and tyres well maintained
  - By having ABS, traction control, etc
  - By professional driver training and driving carefully and defensively
  - By controlling your temper
  - By not having the music so loud that you can't hear other cars' horns
  - By not using the mobile phone while driving

- **You can reduce the consequences by:**
  - Having a car with a high safety rating
  - Having air bags
  - Wearing your seatbelt
  - Wearing a helmet and leathers in the case of a motorbike

- **You can reduce the impact of the consequences by:**

• Having health insurance	to pay for injury consequences
• Having third party car insurance	to cover the cost of injury to others
• Having comprehensive car insurance	to cover property damage and your car
• Having life insurance	to look after your family if you are killed
• Having trauma insurance	to cover costs of trauma recovery
• Having TPD insurance	to cover income and costs of being disabled
• Having income protection insurance	to replace income if you can't work for a while
• Having business protection insurance	to cover business costs when you can't work

Step 6. Calculate the Cost of Implementing Your Risk Mitigation Strategies.

This step is fairly self explanatory, but to be clear, at this stage we are keeping it simple and only calculating the cost of implementing the strategy. If this requires new key person insurance, purchase of additional IT hardware and software, purchase of other equipment, pay rises, allowances, additional staff, etc, these will all be costs. They need to separated into CAPEX (once of) and OPEX (recurring) for your budget. If your current staff have the capacity to document procedures and processes, over a reasonable period of time, within their current work day, then that is not a cost to the business. However, if overtime or additional staff will be required, then clearly a cost will be incurred. This is a "once of" and should ideally be categorised as CAPEX (procurement of procedures) or a once of OPEX, because if it gets listed as recurring, it will distort the benefit of the strategy.

Multiplying the cost of the consequence by the likelihood probability gives you a $ figure that you can add to all the other risks in the risk register, to come up with a total budget that you would need to cover your initial risk assessment. However, if you reduce the likelihood of a risk with a likelihood mitigation strategy, such as hiring an expert consultant, and you reduce the impact of another risk with insurance, then the nominal cost of your risk will reduce. So the reduction in risk cost can be subtracted from your risk management budget. However, the cost of the consultant and the insurance premium needs to be added to your budget. At the end of the day, it's only the cost of risks that you **can't** eliminate that need to be added to your contingency budget.

Step 7. Evaluate the Cost Effectiveness of Your Risk Mitigation Strategies

Disaster recovery plans aside, if your risk mitigation strategy is effective, it will have either drastically reduced the likelihood (probability) of an event occurring or the impact of it occurring or both. To evaluate the cost effectiveness of the strategy:

- Establish the revised probability and consequence (risk cost) of the risk event after the mitigation strategy has been implemented and subtract it from the initial risk cost.
- Divide that cost by the cost of implementing your risk mitigation strategy.
    - If the answer is less than one, your strategy costs more to implement than it will save and it's not worth doing
    - If the answer is more than 5 it is a very effective strategy.
    - Rank all the strategies you brainstormed for each risk event and list them in order of return on investment and their implementation cost. This information is needed in the event that budget limitations on the RMP require you to implement a cheaper, but less effective strategy this year.

Step 8. Develop Risk Mitigation Plan

The first step here is to know what your budget is for implementing the RMP. There are a couple of rules of thumb to keep in mind when setting the budget as most of the OPEX implementation cost at least should be covered by the impact of the reduced risk.

- Any risk mitigation strategies that have recurring costs (OPEX) must produce efficiencies from increased sales, lower error rates, lower staff turnover , etc that produce greater savings than the cost of the mitigation strategies.
- The business case for any significant CAPEX investments for risk mitigation strategies must be able to show a positive return on investment over 5 years or less.
- There should also be intangible benefits such as improved reputation, greater esprit de corps (staff morale), less stress on management, etc.

If you have a limited budget for the RMP implementation phase, you need to:

- Implement all strategies that don't cost you anything.
- Firstly implement the strategies for the risk events that have the ability to bankrupt or really hurt your business.
- If there are any funds left over, implement the strategies that produce the best return on investment.

Review the strategies that didn't make it into the budget to make sure that there aren't any "gotchas" that you missed.

Document your Risk Mitigation Plan with Appendix A and B proformas as Annexes. The intent of these appendices is best programmed as a data base or transferred to Excel Spreadsheets, which don't suffer from the limitations of an A4 page size.

Step 9. Implement the Plan

Unless your business was already in good shape, you will need to appoint a project manager to implement the RMP. ***<u>When changes to IT applications and business processes and procedures are involved, it is always wise to run a change management project in parallel, that actually commences prior to the main project.</u>*** The reason for this is to ensure "buy in" from the staff, because a lack of staff "buy in" is highly likely risk to the success of the implementation project. The RMP project should ideally be part of the change management project, particularly the brainstorming focus groups during Steps 1 and 5.

Step 10. Review the Plan

- Markets change, stakeholders change and government regulations change.
- The other key thing that will change is your intelligence on the probabilities of risk events and the cost of consequences, because you should have set up systems to gather the data to produce this intelligence. Refining these metrics will increase the effectiveness of your plan.
- The only thing that doesn't change is the existence of change. So you need to review the plan at least once every year.

Summary

A key to being successful in business is to:

- Have a good business plan
- Count the cost
- Develop a Risk Management Plan as part of the business plan. The steps are:

1. Identify possible Risk Events using the business department template as a brainstorming tool **Key Activity**
2. Quantify the magnitude of each Risk Event – likelihood (probability) and consequences
3. Cost each Risk Event – probability x cost of consequence
4. Categorise each Risk Event – Hi or Lo Risk versus Preventable, Recoverable or Naked
5. Develop Mitigation Strategies **Key Activity**
    a. Reduce the likelihood of risk events and /or
    b. Reduce the consequences of risk events or transfer the costs of risk events (with insurance or hedging) or
    c. Reduce the impact of the consequences of risk events with disaster management plans.
6. Cost Mitigation Strategies
7. Evaluate cost effectiveness of Mitigation Strategies – Reduction in Risk Cost / Cost of Mitigation
8. Develop Risk Management Plan – Do killer risks first and then all the most cost effective mitigation strategies that your budget can afford
9. Implement the Plan – otherwise the whole exercise is a waste of time . **Key Activity**
10. Review the Plan at least annually as new risks may emerge, old risks may disappear and probabilities, consequences and cost metrics may all change.

REMEMBER

Nothing in this document should be used as a reason for not stepping out in faith (taking risks) to do what God has clearly asked you to do as His assignment for you, because obedience is better than sacrifice.

Develop a Risk Profile for Your Business

APPENDIX A

- Make a list of the key stakeholders associated with each business function.
- List everything you think could go wrong, using the business functions and associated stakeholders in the first 2 columns for prompts.
- Then fill in the Likelihood, Consequences and Risk Level columns using the Risk Measurement Table as a guide.
- Finally brainstorm ways to reduce the risk using the last 3 columns. Be Creative. Note that Insurance effectively transfers the cost of the risk to the insurance company.
- This might take you a few hours and is best done with several people, but at the end of it you will have the makings of a risk management plan for your business.
- This makes it hard for the enemy to surprise you and you will have a response for most possible events.

Business Function	Stakeholders	Potential Risk Events	Likelihood (Probability	Consequences	Risk Level	Ways to Reduce Likelihood	Ways to Reduce Consequences	Ways to Transfer Cost of Consequences
Spiritual		1. 2. 3.						
Product Development (IP)		1. 2. 3.						
Marketing		1. 2. 3.						
Sales		1. 2. 3.						
Procurement & Production		1. 2. 3.						
Distribution & After Sales Service		1. 2. 3.						
Accounts		1. 2. 3.						
Human Resources (HR)		1. 2. 3.						
Systems		1. 2. 3.						
Other (eg acts of god)		1. 2. 3.						

Create a Risk Register for Your Entity or Venture **APPENDIX B**

- Give each risk a code or number and record the risk name, likelihood, consequences and the risk mitigation strategy(s).
- Record your reasons for the magnitude of the likelihoods and consequences that you gave each risk and the assigned cost of the risk mitigation strategy or contingency.
- What this does is provide a record of the Risk Management Plan (RMP) baseline so that when you revisit the plan on a regular periodic bases (could be every board meeting), you can make a judgement as to whether the risk environment has changed and make adjustments to the risk register accordingly.
- I suggest that you keep this in electronic format so that instead of overwriting Risk # 13, you leave it there and insert a row below called Risk # 13 (a) to which you add the revised risk metrics. That way you have a history of your organisation's risk journey.

RISK REGISTER										
Risk #	**Risk Description**	**Likelihood (Probability)**	**Justification Notes for Likelihood**	**Consequence Impact $ cost**	**Justification Notes for Consequences**	**Risk Mitigation Strategy**	**Revised Likelihood**	**Revised Impact $**	**Assigned Cost of Risk or Mitigation $**	**Effectiveness Ratio**

ADDITIONAL NOTES APPENDIX C

- If there is a high or very high risk that you have no mitigation strategy available in terms of reducing the likelihood, the consequences or the impact of the consequences, then you need to seriously consider not proceeding with the purchase. If you already own the business, then prepare a contingency or disaster management plan (as appropriate) that you can fall back on if the worst does occur. Waiting until you are under the stress of a disaster to react is not a good plan, because you won't make good decisions in that state.
- Make a list of Action Items you need to do to reduce/eliminate your risks and assign responsibilities.
- Cost each action item and record it in the Risk Register.
- Decide whether you can afford the total cost of the plan and budget for what you can afford.
- Are there areas where you can share the cost with other stakeholders who would benefit?
- Can you afford to self insure if a risk event does occur?
- Once again – be creative – for instance Gold Coast city council self insures it's vehicles, because it has 3,000 of them and the cost to insure them is about $3,500,000 a year. So, they can keep the insurance premium and afford about 100 write offs per year. Any less than 100 and they 're in front.

Some Key Risk Management Strategies

- Key man insurance for people with special skills that might be difficult to replace.
- Buy/Sell agreement with Life and TPD insurance for partnership buyouts in case of death or disablement – get professional advice to do it right to avoid CGT issues
- Good Estate and succession planning
- **Pay first fruits and tithes to honour God - brings favour and covering of His blessing – Listen to David Leslie's Gold Coast KI Podcast from February 2016 – some key points were:**
  - Read Numbers 18:11-26, 31:41, Deuteronomy 14:22-29, 26:12-19
  - **First Fruits (Terumah)** is 1/50th to be given to your priest / apostle on the Sabbath after every new moon to be waved as a wave offering by them on the following Sunday. Deut 14:22, Num 18:11-20, 31:41, Ex 44:30
  - **First Tithe (Ma'aser Rishon)** is 1/10th to be given to the storehouse. Num 18:21-26
  - Don't sow these, because they aren't yours to sow or give – the Bible says to bring your tithe – not give it – if you don't tithe you are stealing from God (see Malachi 3:7-8) - In a way tithing is a form of spiritual insurance against curses and for blessing (see Malachi 3:9-10).
  - However, don't treat it like an insurance expense. Bring them with a cheerful heart-you don't have any trouble paying a friend's loan back if you want to stay tight with him, but God gave you everything and only expects 12% (including first fruits) of the increase he gave you back.
  - Look at it this way - the bank wants more than 200% back (including interest) of a 30 year house loan, but God only wants 12% of what he's given you – so that's a pretty good reason to be thankful and not grudging. Everything you have, including every heart beat, comes from God.
  - **Second Tithe (Ma'aser Sheni)** is 1/10th and is to be used for your family to attend the Lord's feasts and to be invested for an inheritance for your grandchildren. Deut 14:23-27
  - **Third Tithe (Ma'aser Ani)** is1/10th and replaces the second tithe every 3 years for the sojourners, widows and the poor. Deut 14:28-29, 26:12-15. It is very clear from both the Toray and Jesus's words in the gospels that the poor and broken hearted are dear to the heart of God and "as much as you give to the least of them you have given to Him".
- **Be obedient to God's Logos and Rhema Word – obedience is better than sacrifice 1 Sam 15:22**

- **Feed the poor – this is where the sacrifice and sowing comes in – see Third Tithe previous page**
    - I believe the reason why a rich man getting into the kingdom is like trying to get a camel (a beast of burden) through the eye of a needle is that - your spirit will go through anything, but if it's tied to your worldly possessions (burdens) – if you can't give up all your possessions and problems for the one who gave up everything for you, its like the monkey with his fist in the peanut jar. He would rather be captured than let go of the peanuts. A rich man would rather go to hell than be prepared to give up all his worldly possessions for God.
    - God doesn't begrudge us a decent living and wants us to live in abundance, but he didn't gift business people with the ability to create wealth so they could hoard it for themselves. Duet 8:18 is so often quoted out of context. Read Duet 8:11-20 and you'll get the idea that the whole passage is more about being obedient and doing God's will than making lots of money.

- **Seek first the Kingdom of God – what does that mean? Read all of Mat 6 – not just verse 33**
    - Vs 1-4 Give to the poor in secret – don't do it openly to big note yourself – and God will reward you openly
    - Vs 5-6 Don't grandstand when you pray, but pray secretly in your closet (car, bedroom, when exercising) and God will reward you openly.
    - Vs 7-13 God already knows what you need before you pray so don't use vain repetitions but use the Lord's Prayer as a guide to how to pray.
    - Vs 14-15 Be forgiving or God won't forgive you
    - Vs 16-18 Don't big note yourself or try to appear spiritual or holier than thou – be yourself and honest with God and with men and God will reward you openly.
    - Vs 19-21 Don't hoard wealth on earth but in heaven, because your heart is where your treasure is or with what you value the most.
    - Vs 22-24 What your eye focuses on is what you serve – you can't serve God and wealth/status.
    - Vs 25-32 Don't worry about yourself or how you are going to be fed, clothed and housed like the heathen do, because God knows what you need and he doesn't need your help to organise it, He just needs your friendship and obedience.
    - Vs 33-34 Seek first the kingdom of God and all that you need will be given to you, so don't worry about tomorrow, because God has already taken care of it.

Seeking first the Kingdom and being prepared to give up all your earthly possessions and problems is not an easy thing to do for the flesh, but if you do, God will give you access to everything He owns.

Please don't take this out of context. I am not saying you should go home tonight and give away all your possessions and your seed (that which is surplus to your tithe), which should be sown wisely. However, you need to be prepared to give away all your possessions if that's what God asks of you. Your surplus should be invested to create a funding pipe of cash flow, not a private dam. Flowing funds are like a siphon, they just keep coming – but be prepared for the enemy to test you while you're testing God in this.

Why do some heathen prosper without doing the kingdom thing?

As I highlighted in Step 1 of the RMP process, there are different rules for righteous and non-righteous businesses, because they are operating in two different kingdoms under two very different kings. To whom much is given much is expected (Luke 12:48) – and you have been given revelation and eternal life that the heathen don't have. You will find that many heathens are successful either because they put kingdom principles into effect or because the enemy is blessing them in return for their allegiance. That is not going to end well for them even if they look like they are living the high life now.