

Worksheet

The Edge Team Training

Module 2 – Session 3

Here are some keys as you lead your team through this exercise:

1. Our goal is to help everyone in the team understand the Triple Bottom Line.
2. When we use the Rule of 3 we can allow our team to see the numbers without compromising confidentiality.
3. Share information with your full-time team – not seasonal or intermittent contractors.

Step 1. Profitability

Rule of Three – Part 1

EXERCISE 1.

The first group of 3 tells us how profitable our products & services are:

Revenue: \$_____

Cost of Goods: \$ _____

Gross Profit: \$_____ and as a percentage: _____%

Step 2: Efficiency

Rule of Three – Part 2

EXERCISE 2.

The second group of 3 tells us how efficient we are with the money we made:

Gross Profit: \$_____

Expenses: \$_____

Net Profit: \$_____ and as a percentage: _____%

Step 3: Environment

Rule of Three – Part 3

EXERCISE 3.

The last group of 3 shows the impact of the business environment that we operate in. The taxes and depreciation are real costs to the business:

Net Profit: \$_____

Depreciation & Taxes: \$_____

Net Operating Profit: Net Profit: \$_____ and as a percentage: _____%

Step 4: How many people did we reach?

Our products and services represent the value we are creating in other people's lives. A business is nothing more than one group of people providing value to other people. Not all businesses are creating value for their customers.

EXERCISE 4. Discuss with your team:

Specifically, what is the real value we bring to people?

How can we make it better?

How can we make it more convenient?

Step 5: Make it Permanent

When the team understands the economics of the business, they will know how to build it.

- How can you share the Rule of Three with your team?
 - Who should have access to it? _____
 - Who will create this simple report? _____
 - How often will you share it? _____
- How many people are we reaching:
 - Who should have access to it? _____
 - Who will create this simple report? _____
 - How often will you share it? _____