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**\$ Profit Builders Inc.**

**BUSINESS  
CONSULTANT**

*Good solutions for your business!*

Helping You Out-Think, Out-Perform and  
Out-Earn the Competition-Risk Free & Guaranteed!

## The Money Tree Formula

According to Robert Allen, the first step to picking the right income stream is to pass them through the filter of the money free formula – the nine essential characteristics of the ideal business.

Having a money tree assumes that you have an inexhaustible, effortlessly generating stream of cash flow that requires little or none of your presence. In order for this to occur, you must be in a position to create, control, and own that stream of income. Another way of saying the same thing is you must become an entrepreneur – a business person. You may still retain your employee position, but on the side, as a way of protecting your long-term financial future, you need to create additional streams of income – ASAP.

### **M** in the Money tree Formula Stands for Multiple Streams of Income

The first goal in starting your own home-based business is to add another stream of income to your life as a safety net in case other streams of income dry up. The home-based business you select should be a source of more than just one stream of income. It should eventually become a source of multiple streams of income.

For example, suppose you're considering buying an existing restaurant. What is the potential for growth? Can you add more shops? Is your idea franchisable? Can one of your food entrees be sold nationwide as a frozen item? Can you license your special cooking secrets to other restaurants? What about bottling and selling your special sauces? Get the drift? Don't even consider a business that doesn't have expansion potential for additional streams of income. That is why the first M in the formula is intended to remind you of multiple streams of income.

### **O** in the Money tree Formula Stands for Outstanding

If your product, service or information isn't distinguishable excellent or unique it will eventually become a casualty of competition. The goal of creating a money tree is to do the work once and to have the money flow for the rest of your life. What good does it do to create a business and eventually have it succumb to competition? In order for your source of income to survive through the next 10 recessions (as there will be many more recessions in your lifetime), you must select a product, service or source of information that has the possibility to be permanently and perpetually profitable. When times get

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tough, people gravitate to either price or quality. Don't get stuck in the middle. That's a sure formula for disaster. And don't compete with the rest of the world on price. Make sure the quality of your product is outstanding – the best you can offer at a fair price. This will give you a good chance of succeeding in the long term.

### **N in the Money tree Formula Stands for Nothing Down**

Why nothing down? Well, a down payment doesn't have to be completely zero but as little of your own money as possible. If you're like most people, you probably don't have a couple hundred thousand dollars lying around to invest in your business. But what if you do have a nice chunk of cash? Should you run out and find a business to match your money and launch it? We think one of the greatest curses is to have a lot of money to put into a new business.

Suppose you want to buy a franchise. It might cost you \$100,000, and that is just for franchise rights. Then you need to purchase inventory, leasehold improvement, and special equipment. And what do you get? For most franchises, you get the right to be tied to a business 12 hours a day to manage a lot of undereducated, under motivated employees, and make a steady paycheck for yourself. In a sense, you are just buying yourself a job. Why spend tens of thousands of dollars of your own money just to buy yourself a job with a lot of risk?

We'll show you a business you can launch with little risk, little or no money down, and the possibility of creating what we call "walk-away" cash flow – money that flows to you whether or not you show up.

### **E in the Money tree Formula Stands for Employee-Resistant**

That's right you don't want employees. Employees are dangerous? They begin to feel they are entitled to their jobs. ("You can't fire me. I own this job.") The rapid increase in employee/employer litigation should be enough to convince you that you want to find a home-based business that you can do by yourself, with a very low employee-to-income ratio.

### **Y in the Money tree Formula Stands for Yield**

The streams you choose should be high-yielding, high-profit cash cows. A few years ago, a friend of ours started a home-based business. In less than a year she was making about \$10,000 per month. What's more, this business is a money tree business. It would generate cash flow even if she stopped working! But why stop when she is having so much fun? Today, after six years, she has grown her business till she now nets over \$1 million a year.

What is the yield on that kind of business? It is equivalent of having \$20 million in the bank earning 5 percent interest! That is our idea of yield. We'll be showing exactly what our friend did, and we'll look at other businesses that offer the same kind of money tree characteristics.

### **T in the Money tree Formula Stands for Trend and Timing**

Starting a business against the trend is like swimming upstream. Running a business is hard enough without trying to swim against the current. When you choose a business that is with the trend, it's like floating downstream with the current.

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How do you select a business that's on trend?

The biggest wave of our century is the baby boom – 76 million people born between 1946 and 1964. This generation is four times the size of the previous generation. As this mass of humanity rolls forward through time, it creates a huge demand wave. Picking businesses at the leading edge of this age wave has created thousands of fortunes. You need to make sure that your new business is leading this trend and not following it. It can make a huge difference in your lifestyle.

### **R in the Money tree Formula Stands for Residual**

**Residual Income:** means: The amount of income that an individual has after all personal debts, including the mortgage, have been paid. This calculation is usually made on a monthly basis, after the monthly bills and debts are paid. Also, when a mortgage has been paid off in its entirety, the income that individual had been putting toward the mortgage becomes residual income.

#### Why Residual Income Is Smart Money - And Ways You Can Earn It

Residual income (also called passive or recurring income) is income that continues to be generated after the initial effort has been expended. Compare this to what most people focus on earning: linear income, which is "one-shot" compensation or payment in the form of a fee, wage, commission or salary.

Linear income is directly proportional to the number of hours invested in it (40 hrs. of pay for 40 hrs. of work), but one of the great advantages of residual income is that once things are set in motion, you continue making money from your initial efforts, while gaining time to devote to other things... such as generating more streams of residual income!

There are a variety of ways residual income can be earned. Following are some examples.

- 1) Transfer the rights to a book you wrote, a software program you created, a gadget you invented, or a song you recorded, to a company that agrees to pay you a percentage of each copy of your work sold in the future.
- 2) Become an actor and draw residual income from each of your movies, TV shows, or commercials, each time they run.
- 3) Let an oil company drill a well on your property in exchange for a percentage of the revenue.
- 4) Purchase an office building or other real estate that earns you recurring income through lease or rental payments.

The above ways of earning residual income generally aren't that easy to implement. Following are some that are more attainable for the average person:

- 5) Start a savings and investment program that pays you residual income in the form of interest or dividends.
- 6) Join associate programs or network marketing.

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Call them what you will: referral, reseller, affiliate, bounty or associate programs, they are very popular on the Internet. Some of them offer similar opportunities for earning residual income.

Companies arrange such programs to compensate IBOs, reps, resellers, dealers, associates, affiliates (or whatever the designation used) for promoting their products and services.

IBOs are generally given a unique I.D. number and/or web page or site, so the company can track the source of each sale and compensate the proper IBO.

Keep in mind that many associate programs only pay one-shot commissions, rather than recurring, residual compensation for your efforts.

7) Create and market your own information products.

Self-publishing your own information products has several advantages over marketing through other publishing companies:

- You, as info-product creator, get 100% of the profit, versus a small percentage of royalties through traditional publishing companies, if they decide to publish your work at all.
- By gaining complete control over the marketing of your information products, you can profit from them for as long as enough viable markets (willing, able and accessible buyers) exist.
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Conversely, traditional publishers usually have so many new titles by other authors vying for their marketing budgets and attention that unless an author is well-known, or the work is a top seller, the author's work is not given much priority and is pulled from the market within year or two, thus fading into obscurity.

## **Last Words...**

The best types of residual income are usually those that you have exclusive rights to or otherwise control. They may be harder and more time-consuming to develop or acquire as opposed to promoting products and services of other suppliers, but the rewards are usually greater, and the income more stable.

I'm not against earning some good, honest, "one-shot" linear income, but given a choice, which would *you* rather do: work hard and get paid only once, through linear income, or get paid continuously - perhaps for years or even the rest of your life - for hard work you perform only once, through residual income?

Do You Presently Have a Residual Income or Smart Money that You Are Always Earning?

When you go to bed tonight, ask yourself this question, "What percentage of my day did I spend creating residual income?" If the answer is zero, you're in trouble. You'd better wake up tomorrow and get busy. For now, I hope you see why it's such a vital part of our money tree formula.

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### **E in the Money tree Formula Stands for Essential**

Whichever home-based business you select, try to pick a product or service that's essential, or is perceived as essential, by a large and very motivated segment of society! Let me give you the real reason that health has always been a great wealth-creation vehicle and a prime source of residual income for hundreds to thousands. It fits the money tree formula. Check it out for yourself and you'll see why.

Whatever product you choose to market, just make sure it's essential. The more people who need it and the more often they need it the more successful your business can become.

### **E in the Money tree Formula Stands for Enthusiasm**

You've got to love what you do. If you hate what you sell, you'll never be any good at all at it. The prime admonition from Gary Halbert, one of the all-time great marketing gurus is this: Sell what you love. Truth is you'll never be truly great unless you do.

*Well there you have the nine major characteristics of the money tree formula.* These nine characteristics are essential to the kind of hands-off hassle-free business that creates lifelong streams of cash flow. On this website, we explore in depth practical business techniques and businesses that fit this formula perfectly.

[If you would like to know how to create your own money tree please contact us. Thank you.](#)