5 Financial Questions Leaders Should Be Asking

Jeff Wright

1.What Is the Mission and Vision for Yourself and Your Organization?

- "Ultimately as a leader I believe finances and all things financial are simply a resource you steward towards your mission or your objective."
- "That's (your mission and vision) is going to your guiding principle, your North Star and that's going to be the foundation of any decision you make or plan you make or anything you do financially."
- "I encourage everyone listening to develop a personal mission statement."
- "If you don't have a vision, if you don't define success, success won't happen on accident."

2.How Do I Plan Finances in Support of That Mission and Vision?

- "Every person, every family, every business, every organization has limited resources."
- "Finances is so easily measured."
- "Determine beforehand, preplan, where each dollar goes… You determine where it goes based on that mission or vision statement."

3.What Are My Personal and Organizational Financial Risks?

- "Ask what could go wrong? You can't eliminate, mitigate, or manage risk if you don't know what the risk is."
- "What could go wrong? Where could it go wrong? How could it go wrong?"
- "We can't control everything that happens in the world, in the economy, in the markets, in our industry, but we can control how we prepares for those things."

4.How Do I Mitigate or Fix Those Risks?

- "I like to think of risk in three ways:
- What's likely to go wrong that you almost expect?
- What's the probability of that happening?
- What's the absolute catastrophic unrecoverable event?"
- "The first thing you have to do is eliminate that catastrophic one completely. This is the basics of diversifying."
- "You have to take risks in order to get reward."

5.How Do I Make Financial Decisions in Light of The Above?

- "The difference between an investment and an expense. We all have some of both."
- "The investment is where can I put this extra dollar that's going to result in a return in the future that supports that mission."
- "Almost every one of these decisions we have talked about financially can be viewed from the lens of is this an investment towards my mission or is this an expense I'm never going to get back?"
- "You have to define success so you can steward resources toward that success."