

THE ULTIMATE BUSINESS Playbook

**The 8 Essential Building Blocks
to Become a Successful
Entrepreneur**



RICH  DAD.

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BEST-SELLING BOOKS

BY ROBERT T. KIYOSAKI

Rich Dad Poor Dad

What the Rich Teach Their Kids About Money –
That the Poor and Middle Class Do Not

Rich Dad's CASHFLOW Quadrant

Guide to Financial Freedom

Rich Dad's Guide to Investing

What the Rich Invest in That the Poor and Middle Class Do Not

Rich Dad's Rich Kid Smart Kid

Give Your Child a Financial Head Start

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Rich Dad's Prophecy

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And How You Can Prepare Yourself and Profit from It!

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Who Followed the Rich Dad Lessons

*Rich Dad's Guide to Becoming Rich
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Why Slow Investors Lose and Fast Money Wins!

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Learn How Money Works and Become a Rich Kid

Rich Dad's Before You Quit Your Job

Ten Real-Life Lessons Every Entrepreneur Should Know
About Building a Multimillion-Dollar Business

Rich Dad's Increase Your Financial IQ

Get Smarter with Your Money

Robert Kiyosaki's Conspiracy of the Rich

The 8 New Rules of Money

Unfair Advantage

The Power of Financial Education

Why "A" Students Work for "C" Students

Rich Dad's Guide to Financial Education for Parents

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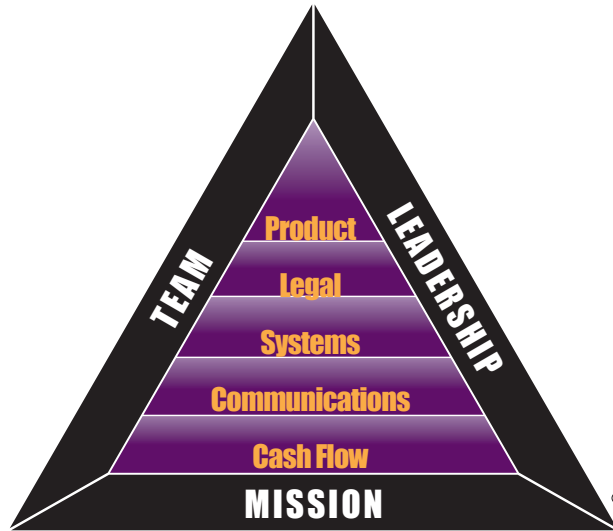
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BUILD THE LIFE OF YOUR DREAMS



Whether you're just starting your career or have been climbing the professional ladder for years, you might find yourself asking: *Is this really it?*

The world told you that the key to success was simple: work hard, get a stable job, and everything would fall into place. Yet, whether you're at the beginning of your journey or already entrenched in the grind, you may sense that something is missing. Perhaps it's the monotony of a daily routine that feels more like surviving than thriving, or the realization that your financial security is controlled by forces outside your grasp.

What if there was a way to take control of your future, build true financial freedom, and create something meaningful—not just for yourself, but for the world around you?

This isn't about quitting your job tomorrow or throwing caution to the wind. It's about finding a smarter, more fulfilling path to freedom—one that allows you to transition from employee to entrepreneur at your own pace. Whether your goal is to replace your income entirely or to build a business alongside your 9-to-5, this playbook is here to guide you.

Why it's Time to Think Differently

The world has changed. The promise of “work hard, retire comfortably” isn’t just outdated—it’s a gamble. Corporate loyalty is a relic, and retirement accounts aren’t enough to shield you from inflation, economic instability, or layoffs. If you’re depending solely on your job to secure your future, you’re putting all your eggs in a very fragile basket.

Here’s the good news: you don’t have to rely on your employer, the economy, or even luck. You can take control of your life and your financial future by leveraging the skills, experience, and knowledge you’ve gained so far. With the rise of technology and countless opportunities to create side businesses, it’s never been easier—or more necessary—to build an income stream you control.

What This Playbook Has to Offer

This book is not about dreaming big without direction. It’s about actionable steps. You’ll discover how to:

- Transition from employee to entrepreneur without risking your financial stability.
- Use the B-I Triangle, a proven framework for building successful businesses, to turn your ideas into real income streams.
- Align your business with your values so that your work not only pays the bills but also fulfills your purpose.
- Overcome fears, develop entrepreneurial skills, and create systems that free your time and grow your income.

Why You're the Perfect Candidate for This Journey

At this stage of your life, you’re not starting from scratch. You bring experience, perspective, and skills that many younger entrepreneurs don’t have. You understand what it takes to persevere and have already built relationships, knowledge, and expertise that can serve as a foundation for your entrepreneurial journey.

Now, it’s time to apply those assets to something that truly excites you, something that gives you the freedom to live life on your terms while providing security and fulfillment.

B-I TRIANGLE

Explaining the B-I Triangle

Rich dad called the following diagram, the B-I Triangle, the key to great wealth.



The B-I Triangle was very important to rich dad because it gave structure to his ideas. As he often said, “There are many people with great ideas but few people with great fortunes. The B-I Triangle has the power to turn ordinary ideas into great fortunes. The B-I Triangle is the guide to taking an idea and creating an asset.” It represents the knowledge required to be successful on the B and I side of the CASHFLOW Quadrant.

Robert Kiyosaki's rich dad was about 40 years old, and he was amazed at how he could run several different companies, all in different industries. For example, he had a restaurant business, a fast-food business, a convenience-store chain, a trucking company, a real estate construction business, and a property-management business. Robert knew rich dad was following his plan to have his businesses buy his true investments, which for him was real estate, but it was amazing how many businesses he could run all at the same time. When Robert asked him how he could start, own, and manage so many businesses, his response was to draw the B-I Triangle.

Mission

Rich dad said, "A business needs both a spiritual and a business mission to be successful, especially at the beginning." When rich dad explained this diagram to his son and Robert, he always began with the mission since he thought it to be the most important aspect of the triangle, which is why it was at the base. "If the mission is clear and strong, the business will weather the trials every business goes through during its first ten years. When a business gets big and it forgets its mission, or the mission it was created for is no longer needed, the business begins to die."

Rich dad chose the words "spiritual" and "business." He said, "Many people start a business only to make money. Just to make money is not a strong enough mission. Money alone does not provide enough fire, drive, or desire. The mission of a business should fill a need that the customers want. And if it fills that need, and fills it well, the business will begin to make money."



When it came to the spiritual component of the mission, rich dad said, "Henry Ford was a man driven by a spiritual goal first, and a business goal second. He wanted to make the automobile available to the masses, not just the rich. That is why his mission statement was: 'Democratize the automobile.' When the spiritual mission and business mission are both strong and in line, the combined power builds huge businesses."

Rich dad's spiritual mission and business mission were closely in line. His spiritual mission was to provide jobs and opportunities for many of the poor people to whom he served food in his restaurants. Rich dad thought the mission of a business was very important, although it was hard to see and to measure. He said, "Without a strong mission, a business is not likely to survive its first five to ten years." He also said, "At the start of a business, the mission and the entrepreneur's spirit are essential for the business to survive. The spirit and mission must be preserved long after the entrepreneur is gone, or the business will die. The mission of a business is a reflection of the spirit of the entrepreneur. General Electric was a company founded from the brilliance of Thomas Edison, and it has grown by preserving the spirit of the great inventor by continuing to invent new and innovative products. Ford Motor Company has survived by continuing in the tradition of Henry Ford."

Today, The Rich Dad Company believes that Bill Gates's spirit continues to drive Microsoft to dominate the world of software. By contrast, when Steve Jobs was pushed out of Apple and a management team from the traditional corporate world replaced him, the company went downhill rapidly. As soon as Jobs was brought back into Apple, the spirit of the company rebounded, new products came forth, profitability increased, and the share price went up. Although the mission of a business is hard to measure, impossible to see, and for all practical purposes intangible, most of us have experienced it. We can identify the mission of someone who is trying only to sell us something for a commission just as easily as we can tell when someone is trying to help meet our needs. As the world becomes crowded with more and more products, the businesses that survive and do well financially will be businesses that focus on serving and fulfilling the company's spiritual mission - their customers' needs - rather than just increasing the company's revenues.

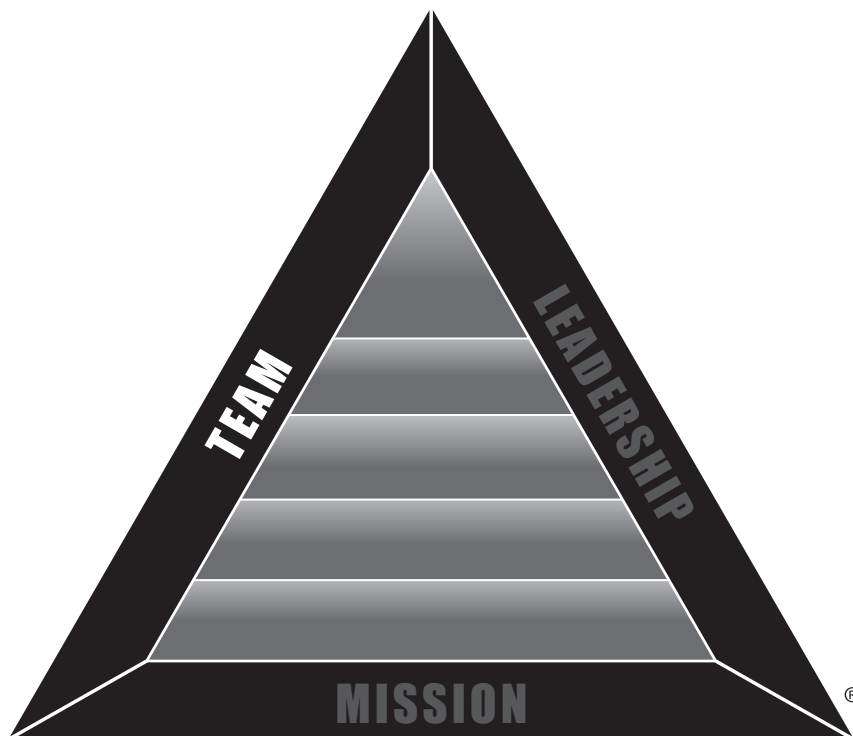
The Rich Dad Company, the company that Robert and Kim Kiyosaki created, has the following mission: "To elevate the financial well-being of humanity." By being clear and true to the dual spiritual and business mission of this company, we have enjoyed great success. By being clear on our mission, we attract individuals and other groups aligned with a similar mission. Some people call it luck. We call it being true to our mission.

Over the years, Robert and Kim have come to believe that rich dad was right about the importance of having the spiritual mission and business mission be strong and in line. In fact, it's one single two-pronged mission.

Team

Rich dad always said, "Business is a team sport." He went on, saying, "Investing is a team sport." He would also say, "The problem with being in the E and S quadrant is that you as an individual play the game against a team."

One of rich dad's strongest criticisms of the educational system was: "In school, they train students to take tests on their own. If a child attempts to cooperate at test time, it is called 'cheating.' In the real world of business, business owners cooperate at test time, and in the world of business, every day is test time."



A Very Important Lesson

For people considering building a powerful and successful business, Rich Dad believes this lesson on teamwork is crucial. It is one of the primary keys to Robert and Kim's financial success. Business and investing are team sports, and remember that every day in business is test time. To be successful in school, you had to take tests alone. In business, success comes from taking tests as a team, not as an individual.

Many investors today are trying to invest as individuals. We see and read about thousands of people who are doing online day-trading. This is a perfect example of an individual trying to trade against well-organized teams. That is why so few of them succeed and why many lose their money. Robert was taught that when it comes to investing, you should invest as a team member. Rich dad would say, "If people want to become sophisticated investors and more, they must invest as a team." On rich dad's team were his accountants, his attorneys, his brokers, his financial advisors, his insurance agents, and his bankers. We use the plurals here because rich dad always had more than one advisor. When he made a decision, it was with his team's input. Today, Robert and Kim do the same.

How Do I Afford a Team

At Rich Dad, Robert and Kim are often asked, "How can you afford to pay for this team?" That question usually comes from someone in the E or S quadrant. Again, the difference goes back to the different laws and rules for the different quadrants. Business owners pay their business expenses first before they pay taxes. That means they have more money before taxes to pay their team, and have less net income left over for the government to tax.

There is also a difference between the B-quadrant business owner and the S-quadrant business owner. The B-quadrant business owner does not hesitate to pay for these services because the business system, the entire B-I Triangle, is paying for the services. S-quadrant business owners are often paying for the services out of their own sweat and blood, so most of them cannot afford to hire a full-time staff because they often do not earn enough to cover their own financial needs.

Building a Business is Risky

When people say, "Building a business is risky," they often speak from a point of

view of doing it alone, a habit they learned from school. In our opinion, not building a business is risky. By not building a business, you are failing to gain priceless real-world experience, and you are failing to get the best education in the world, the education that comes from your team of advisors. As rich dad would say, "People who play it safe lose out on the best education in the world and they waste a lot of precious time. Time is our most valuable asset, especially as you get older."

Employees and Teams

We are often asked, "What is the difference between a B-quadrant business and an S-quadrant business?" Our reply is, "The team."

Most S-quadrant businesses are either structured as sole proprietorships or partnerships. They could be teams, but not the kind of team we are talking about. Just as people in the E quadrant often bind together as a union, people in the S quadrant often organize as a partnership. When we think of a team, we think of different types of people with different skills coming together to work together. In a union or partnership, such as the teachers' union or a law partnership, the same kinds of people and professions often come together.

A well-managed business will have excellent employees. In this instance, we say the E stands for both "excellent" and "essential" because the employees are responsible for the day-to-day activities of the business. The E also stands for "extension" because the employees are the extension of the business owner and represent the business to the customer.

The specialists are typically from the S quadrant. The S stands for "specialized" because each specialist will guide you, based on his or her area of expertise. While specialists may not participate daily, their guidance is invaluable in keeping your business moving in the right direction.

The structure has a better chance of being stable and enduring if the four points are working in concert. While the investors provide the funding, the business owners must work with the specialists and employees to develop the business and make it grow so there will be a return on the investors' original investment.

A Team is Made Up of Different Levels

One of the first things we advise people to look at as an investor is the team behind the business.

If the team is weak or lacks experience and a proven track record, we recommend thinking very hard before you invest. We hear about many people who are running around trying to raise money for their new product or business. The biggest problems most of them have are that they personally lack experience and they have no team behind them, a team that inspires confidence.

Many people want Robert or Kim to invest in their business plan. One of the recurring things they say is, "Once this company is up and running, we're going to take it public." That statement always intrigues Robert and Kim, so they often ask: "Who on your team has experience taking a company public, and how many companies has that person taken public?" If the answer to that question is weak, they know they are listening to a sales pitch more than to a business plan.

Another line item Robert and Kim look at in the numbers of a business plan is the line item called "salaries." If the salaries are high, they know they are looking at people who are raising money in order to pay themselves fat salaries. So, Robert will ask them if they are willing to work for free or to cut the salaries in half. If the answer is weak or a definite no, he knows the true mission of their business. The mission of the business is probably to provide them a job with a nice salary.

Investors invest in management. They look at the team within the proposed business and want to see experience, passion, and commitment. It is hard for Robert or Kim to believe that there is a high level of commitment from people who are trying to raise money to pay their own salaries.

Money Follows Management

A Rich Dad Company principle often mentions that "money follows management" in the world of business capital. To succeed, a business must have the proper expertise in key areas.

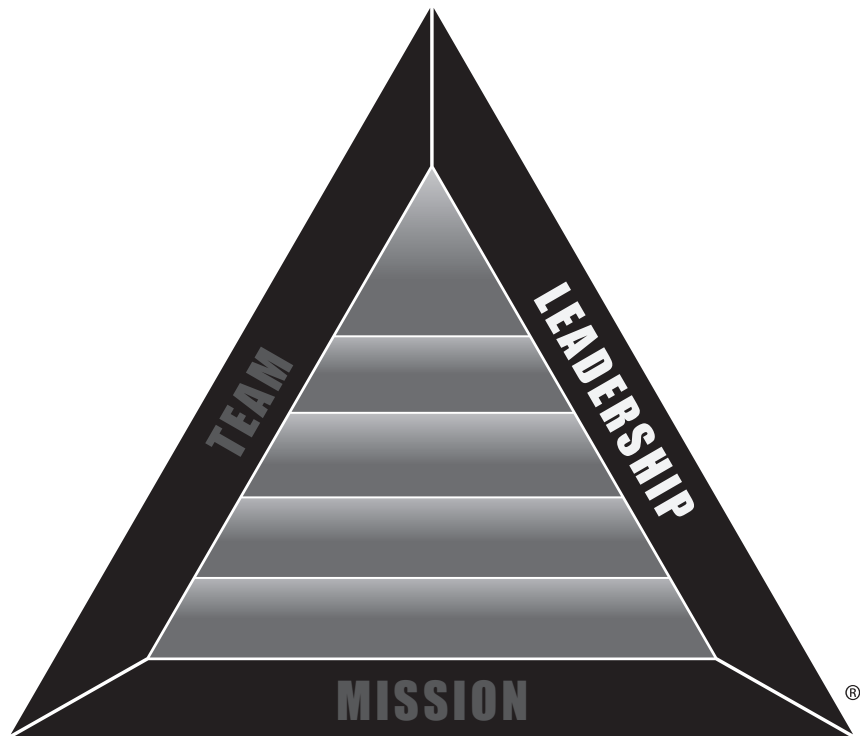
When you do not have the money up front to hire the talent you need, consider attracting the talent as members of an advisory board with the understanding that, once sufficient capital is raised, your team will come on board. Your chance of success is much stronger if your management team has a track record of success in the business or industry of your proposed business.

Your team also includes your outside advisors. Proper guidance from your accountants, tax advisors, financial advisors, and legal counsel is imperative for building a strong successful business.

If your business is real estate, your real estate brokers become an important part of your team. Although these advisors can be expensive, their advice can provide you with an incredible return on your investment by helping you structure a strong business while avoiding pitfalls along the way.

Leadership

And that leads to the next part of the B-I Triangle - leadership - because every team needs a leader.



"True leaders are not born leaders. True leaders want to be leaders and are willing to be trained to be leaders, and training means being big enough to take corrective feedback."

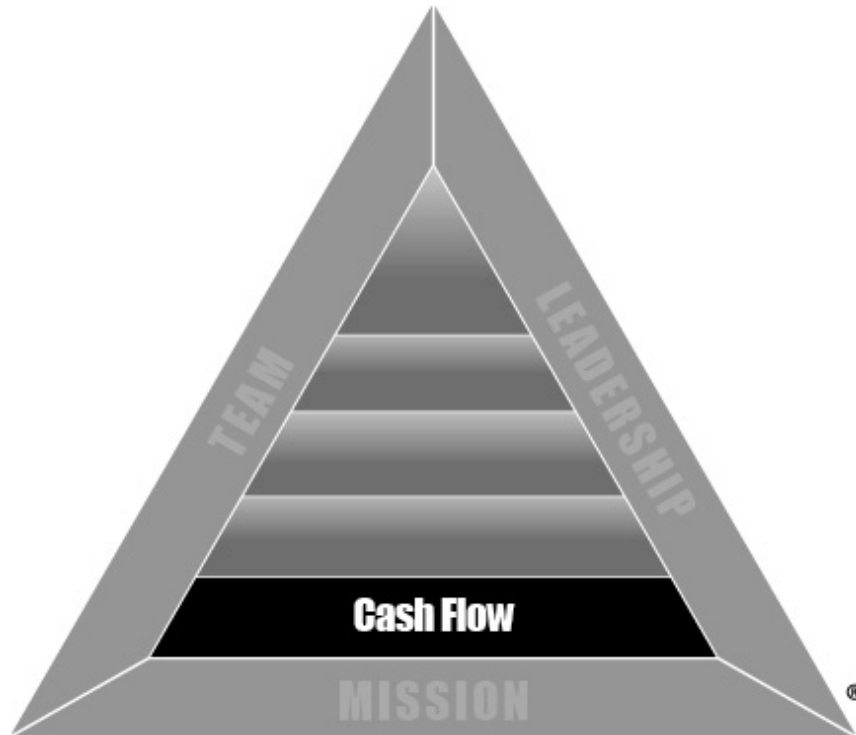
A true leader also knows when to listen to others. Robert has often said before that he is not a good businessman or investor, he's average. He relies on the advice of his experts and team members to help him be a better leader.

Visionary, Cheerleader, and Pitbull

As a visionary, the leader must keep his or her focus on the corporate mission. As a cheerleader, he or she must inspire the team as it works together towards that mission as well as herald the successes along the way. As the pit bull, he or she must be able to make the tough calls regarding issues that distract the team from achieving the mission. The unique ability to take decisive action while maintaining focus on the ultimate mission is what defines a true leader.

With the right mission, team, and leader you are well on your way to building a strong B business. As we said earlier, money follows management. It is at this point that you can start attracting money from outside investors. Five building blocks are essential to developing a strong business: cash flow, communications, systems, legal, and product. Each of these will be discussed separately in the chapters that follow.

CASH FLOW MANAGEMENT



Rich dad would say, "Cash-flow management is a fundamental and essential skill if a person truly wants to be successful in the Band I quadrants." That is why he insisted that his son, Mike, and Robert read financial statements of other companies. In fact, he spent most of his time teaching them to be financially literate. He would say, "Financial literacy allows you to read the numbers, and the numbers tell you the story of the business, based on facts." the numbers tell you the story of the business, based on facts."

If you ask most bankers, accountants, or loan officers, they will tell you that many people are weak financially simply because they are not financially literate. Robert and Kim have a friend who is a respected accountant in Australia. He once said to them, "It is shocking to see a perfectly good business go down just because the owners are not financially literate. Many small business owners fail because they do not know the difference between profit and cash flow. As a result, many very profitable businesses go broke. They fail to realize that profit and cash flow are not the same things."

Rich dad would drum into Robert's head the importance of cash-flow management. "Business owners need to see the two types of cash flow if they want to be successful. There is actual cash flow, and there is phantom cash flow. It is the awareness of these two cash flows that makes you rich or poor."

One of the skills the CASHFLOW® games teach is how to recognize the differences between these two types of cash flow. Repeatedly playing the game helps many people begin to sense the differences. That is why the positioning statement of the game is, "The more you play this game, the richer you become." You become richer because your mind begins to sense the often-invisible phantom cash flow.

Rich dad also said, "The ability to run a company from financial statements is one of the primary differences between a small business owner and a big business owner."

Cash Flow Tips

Cash flow is to a business what blood is to the human body. Nothing can impact a business more dramatically than not being able to make payroll one Friday. Proper cash-flow management starts on the first day you begin your business. When Robert and Kim started The Rich Dad Company, they agreed that no purchase would be made if it were not justified by an increase in sales. In fact, they often chuckle about their strategy for increasing book sales early in 1998 so they could buy a \$300 copy machine. Their strategy worked, and by December 1998 they were able to replace that \$300 well-worn copy machine with a new \$3,000 one. It is this attention to detail in the early stages of your business that will set the tone for your success.

Good cash-flow managers review their cash position daily, looking at cash sources and needs for the next week, month, and quarter. This allows them to plan for any large cash need before it becomes a cash crisis. This type of review is imperative for a company that is growing quickly.

The following are some cash-flow tips that may help you in structuring your business. Each step applies to your business, whether it is an international business, a single rental unit, or a hot dog stand.

Initial Corporate Start Up Phase

- Delay taking a salary until your business is generating cash flow from sales. In some cases, this may not be possible due to an extended development period. However, your investors will be much more supportive if they see that you are sharing in the development process by "investing your time."
- We advise keeping your full-time job and starting your business part time. By delaying taking a salary, you can reinvest sales to help grow your business.

Sales and Accounts Receivable

- Invoice your customers quickly upon shipment of goods or when services are provided.
- Require payment up front until credit has been established. Require that credit applications be completed before granting credit, and always check references. Standard credit forms are available at office-supply stores.
- Establish a minimum dollar amount for orders before granting credit.
- Establish late-payment penalties as part of your terms and conditions- and enforce them.
- As your business grows, to speed up the receipt of cash, you may want to have your customers pay their bills online with direct deposit.

Expenses and Accounts Payable

- Many businesses forget that a crucial part of cash flow is managing their own bill paying. Make sure you pay your bills promptly. Ask for extended payment terms up front. After you have paid timely for two to three months, ask for additional extensions on your payable terms. A supplier will usually extend credit for 30 to 90 days to a good customer.
- Keep your overhead to a minimum. Before purchasing something new, set a goal for increasing sales to justify the expense. Preserve your investors' funds for costs directly related to business operations, not overhead, if at all possible. As your sales increase, you can purchase the overhead-related items from the cash flow- but only if you have set and achieved new higher sales goals.

General Cash Management

- Have an investment plan for your cash on hand to maximize its earning potential.
- Establish a line of credit with your bank before you need it.
- To make sure you can move quickly to borrow if needed, keep an eye on your current assets/liabilities ratio (at least 2:1 is good). Quick ratios (liquid assets divided by current liabilities) should be over 1:1.
- Establish good internal controls on the handling of cash.
- The people who record the cash receipts on the bank deposits should be different from those who post it to the accounts receivable and general ledger.
- Checks should be endorsed immediately "For Deposit Only."
- The people authorized to sign checks should not prepare the vouchers or record the disbursements and post to the accounts payable and general ledger.
- The person who reconciles the bank statement should have no regularly assigned functions related to cash receipts or cash disbursements. (Our outside accountant does this.)

While this may sound very complicated, each step of cash management is important. Call on your accountant, banker, and personal financial advisor for advice in structuring your cash-management system. Once you establish a system for how to manage your cash, ongoing supervision is still essential. Review your cash position and funding needs daily, and prepare early for additional funding that may be required for your expanding business. Many people lose sight of cash management when their businesses become successful. This is a major cause of business failures. Proper cash management (and therefore expense management) is crucial to the ongoing success of any business.

For those of you considering purchasing a franchise or joining a network-marketing organization, you may find much of the cash-management system will be provided for you. With a franchise, you will still need to implement the system and oversee it. Network-marketing organizations often handle the cash management on your behalf. In these cases, the corporate headquarters performs the accounting functions for your organization and sends you a report of your earnings periodically with payment. In either case, it is still important to have your own advisors to help you structure your personal cash management.

COMMUNICATIONS MANAGEMENT



Rich dad would say, "The better at communicating you are, and the more people you communicate to, the better your cash flow will be." This is why communications management is the next level up on the B-I Triangle.

He would also say, "To be good at communication, you first need to be good at human psychology. You never know what motivates people. Just because something makes you excited does not mean it makes others excited. To be good at communication, you need to know what buttons to push. Different people have different buttons." He also said, "Many people are talking, but only a few are listening. The world is filled with fabulous products, but the money goes to the best communicators."

We are always amazed at how little time business people put into improving their overall communication skills. Back in 1974, when Robert first balked at the idea of learning to sell Xerox machines door to door, all rich dad said was, "Poor people are poor communicators." We repeat this negative statement with the intent of inspiring further study and practice of this vast subject.

Rich dad continued, "Cash flowing into your business is in direct proportion to communication flowing out." Whenever Robert or Kim find a business that is struggling, it is often a reflection of poor communications going out, not enough communications going out, or both. In general, they find a six-week cycle between communication and cash flow. Stop communicating today and in six weeks you will see an impact on your cash flow.

However, external communications are not the only communications. Internal communications are also vital. By looking at the financial statements of a company, you can easily see which areas of a business are communicating and which are not.

A public company has increased communications problems. It is like two companies in one: one for the public and one for the shareholders. Communication to both groups is vitally important. When we hear people say, "I wish I had not taken my company public," it usually means that they are having shareholder communication problems.

As a general policy, rich dad would attend one communications seminar a year. To this day, Robert and Kim continue in that tradition. They always notice that soon after they attend the seminar, their income increases.

Raising Capital

Of all of these topics, raising capital interests budding entrepreneurs the most. Most businesses do not get off the ground because the entrepreneur does not know how to raise capital. As rich dad said, "Raising capital is the entrepreneur's most important job." He did not mean that the entrepreneur was constantly asking for money from investors. What he meant was that an entrepreneur was always ensuring that capital was flowing in, either through sales, direct marketing, private sales, institutional sales, investors, and so on. Rich dad would add, "Until the business system is built, the entrepreneur is the system to keep the money flowing in. At the start of any business, keeping the cash flowing in is the entrepreneur's most important job."

At a recent event where Robert was a keynote speaker, a young man came to Robert and asked, "I want to start my own business. What would you recommend I do before I start?" He answered with his usual response: "Get a job with a company that will train you in sales." The young man replied, "I hate sales. I don't like selling, and I don't like salespeople. I just want to be the president and hire salespeople." Once he said that, Robert simply shook his hand and wished him luck. A priceless lesson that rich dad taught Robert was, "Don't argue with people who ask for advice but don't want the advice you're giving them. End the discussion immediately and go on minding your own business."

Being able to communicate effectively with as many people as possible is a very important life skill. It is a skill worthy of annual updating, which Robert does by attending seminars. As rich dad told him, "If you want to be a B-quadrant person, your first skill is being able to communicate and speak the language of the other three quadrants."

Fear of Selling

"Get through your fears and the world will open up. Give in to your fears and your world will get smaller every year."

After Robert began to overcome his fear of selling, rich dad had him join the Toastmasters organization to learn to overcome his fear of speaking in front of large groups. When Robert complained to rich dad, he replied, "Great leaders are great public speakers. Leaders of great businesses need to be great communicators. If you want to be a leader, you must be a speaker." Today, Robert speaks comfortably to tens of thousands of people in convention halls because of his training in sales and his early training from the Toastmasters organization.

If you are thinking about starting your own B-quadrant business, Rich Dad recommends those same two skills. First, develop the skill to overcome your fears, to overcome rejection, and to communicate the value of your product or service. Second, develop the skill of speaking to large groups of people and keeping them interested in what you have to say. As rich dad said to Robert,

"There are speakers that no one listens to, there are salespeople that cannot sell, there are advertisers that no one watches, there are entrepreneurs that cannot raise capital, and there are business leaders that no one follows. If you want to be successful in the B quadrant, don't be any of those people."

The Difference Between Sales and Marketing

While still on the subject of communications, rich dad insisted that Mike and Robert know the difference between sales and marketing. He would say, "Many business owners suffer with low sales or poor communications with staff and investors. If a business has strong and convincing marketing, the sales will come easily. If the business has weak marketing, the company must spend a lot of time and money and work very hard at gathering sales."

He also said, "Once you learn to sell, you need to learn how to market. An S-quadrant business owner is often good at sales, but to be a successful B-quadrant business owner, you must be good at marketing as well as sales."

He said, "Sales is what you do in person, one on one. Marketing is sales done via a system." Most S-quadrant business people are very good at one-on-one sales. For them to make the transition to the B quadrant, they need to learn how to sell through a system, which is called marketing.

In conclusion, communications is a subject worthy of lifelong study because there is more to communication than just speaking, writing, dressing, or demonstrating. As rich dad said to Robert, "Just because you're speaking, doesn't mean anyone is listening." When people ask where to start to build a strong communications foundation, we encourage them to begin with the two basic skills of selling one on one and public speaking to a group. We also advise them to carefully watch their results and listen for feedback. As you go through the process of transforming from a poor communicator to an excellent communicator with these two skills, you will find your fundamental everyday communication skills will also improve. When all three improve, you will see your cash flow increase as a result.

Marketing and Sales

Good first impressions are vital. Your marketing and sales efforts will often be the first impression your business makes on your potential customer. Whenever you are speaking, both your passion for your business and your appearance will have a lasting impact on your audience. Any published or printed material you produce or distribute is also important. It is a public representation of your business.

Marketing is selling through a system. Always make sure you know your audience and that your marketing tool has been designed for that audience. In every marketing or sales effort, include these three key ingredients:

- Identify a need,
- Provide a solution, and
- Answer your customers' question, "What's in it for me?" with a special offer.
- Communicate a sense of urgency for the customer to respond.

External and Internal Communications

Most communication is directed towards external communication, but a business's internal communication is also vitally important. Some examples of each are:

External Communications

- Sales
- Marketing
- Customer Service
- Investor Relations
- Public Relations

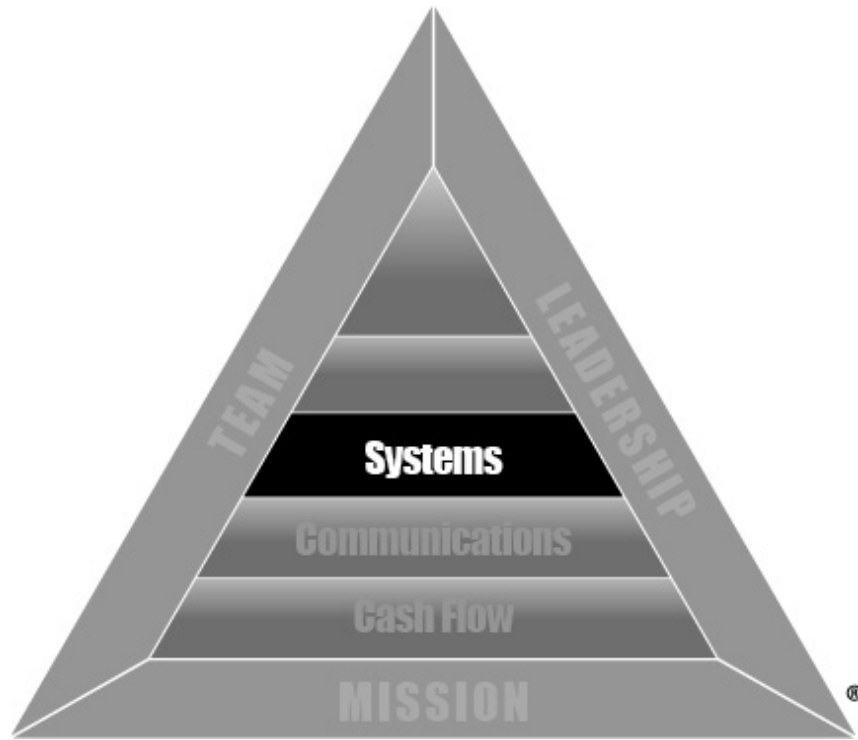
Internal Communications

- Sharing wins and successes with your entire team
- Regular meetings with employees
- Regular communication with advisors
- Human resources

One of the most powerful forms of communication that affects a business is one over which you have little control: the communication from your existing customers to your potential customers. The power of this word-of-mouth advertising is immeasurable. This form of advertising can drive a company to success or failure very quickly. For this reason, customer service is a vital communications function for any company.

The ability to speak is vital to building a successful business. The personal development and mentoring programs offered by select franchises and network-marketing organizations provide wonderful opportunities for personal growth.

SYSTEMS MANAGEMENT



The human body is a system of systems. So is a business. The human body is made up of a circulatory system, respiratory system, digestive system, and so on. If one of those systems stops, there is a good chance the body will be crippled or die. The same is true with a business.

A business is a complex system of interoperating systems. In fact, each item listed within the inner triangle of the B-1 Triangle is a separate system that is linked to the other systems and into the overall business that the triangle represents. It is difficult to separate the systems because they are interdependent. It is also difficult to say that one is more important than another.

For any business to grow, specific individuals must be accountable for each of the systems, and a general overall director must be in charge of making sure all the systems operate at their highest capacity.

When reading a financial statement, Robert likes to compare it to a pilot sitting in the cockpit of the plane reading the gauges from all the operating systems. If one of the systems begins to malfunction, emergency procedures must be implemented. Many small start-up businesses or S-quadrant businesses fail because the operator of the system has too many systems to monitor and take care of. When one system fails, such as when cash flow dries up, all the other systems begin to fail almost simultaneously. It is like when a person gets a cold and fails to take care of it. Pneumonia soon sets in and if it's not treated, the person's immune system begins to break down.

Rich Dad Company believes real estate is a great investment to start with because the average investor gets to tinker with all the systems. A building on a piece of land is the business, the system for which a tenant pays you rent. Real estate is fairly stable and inert, so it gives the new businessperson more time to correct things if something begins to go wrong. Learning to manage property for a year or two teaches you excellent business-management skills. When people ask us where to find the best real estate investments, we say, "Just find someone who is a poor business manager, and you will find a real estate bargain." But never buy a property just because it is a bargain. Some bargains are cleverly disguised nightmares.

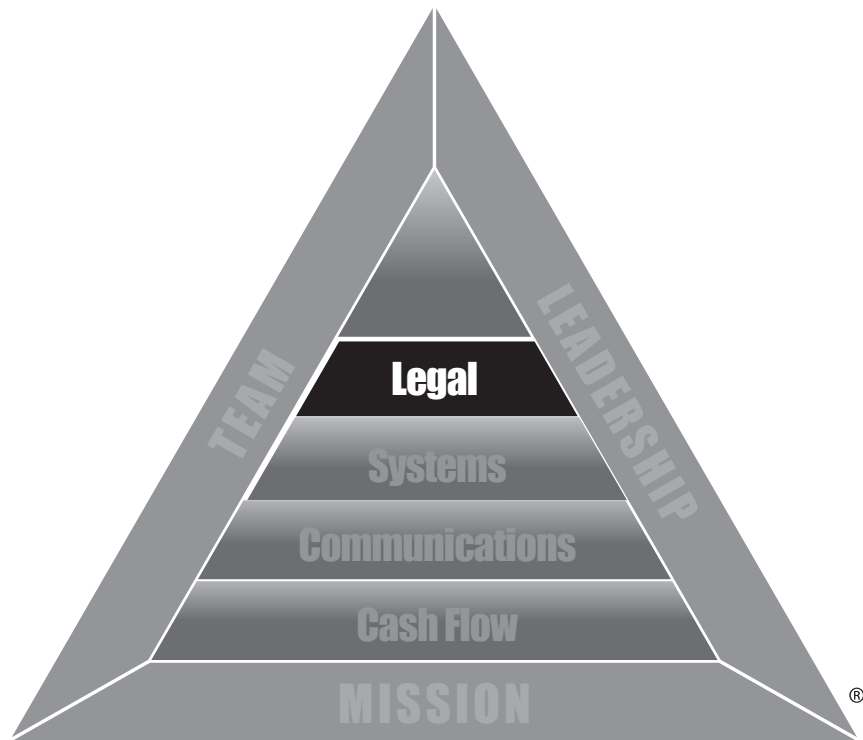
Banks like to lend money on real estate because it is generally a stable system that retains its value. Other businesses are often hard to finance because they may not be considered stable systems. Robert has often heard the following: "The only time a bank will loan you money is when you don't need it." Robert sees it differently. He has always found that the bank will loan you money when you have a stable system that has value and when you can demonstrate that the money will be paid back.

A good business person can manage multiple systems effectively without becoming part of the system. A true business system is much like a car. The car does not depend upon only one specific person to drive it. Anyone who knows how to drive it can do so. The same is true for a B-quadrant business, but not necessarily for an S-quadrant business. In most cases, the person in the S quadrant is the system.

Every business, whether large or small, needs to have systems in place to enable it to conduct its day-to-day activities. Even a sole proprietor has to wear different hats to conduct his or her business. In essence, the sole proprietor is all systems in one.

The better the system, the less dependent you become on others. Look at McDonald's systems: "It's the same everywhere in the world, and it's run by teenagers." This is possible because of the excellent systems in place. McDonald's depends on systems, not people.

LEGAL MANAGEMENT



This level of the B-I Triangle, legal management, was one of the most painful lessons Robert ever had to learn. His rich dad identified a serious flaw in Robert's business. Robert had failed to secure the legal rights to the nylon-and-Velcro products he had designed before he started producing them. More specifically, he failed to patent some of his products (he failed to do so because he believed the \$10,000 in patent attorney fees was too expensive and not important enough to spend that much money on). Another company quickly came along and copied Robert's idea, and he could do nothing about it.

Today, Robert is now an evangelist for the other side. Especially in the Information Age, your intellectual property attorney and your contract attorney are some of your most important advisors because they help create your most important assets. These attorneys, if they are good, will protect your ideas and your agreements from intellectual bandits, people who steal your ideas and therefore your profits.

The world of business is filled with stories of smart entrepreneurs with great ideas who begin selling their products or ideas before protecting them. In the world of intellectual property, once your idea is exposed, it is almost impossible to protect. Some time ago, a company came out with a spreadsheet program for small businesses. Robert bought this brilliant product for my company. A few years later, the company was out of business. Why? Because it had failed to patent its idea and another company, which we will not mention, came along, took its idea, and put it out of business. Today, the company that took the idea is a prominent leader in the software business.

It is said that Bill Gates became the richest man in the world with only an idea. In other words, he did not get rich by investing in real estate or factories. He simply took information, protected the information, and became the richest man in the world while still in his thirties. The irony of it all is that he didn't even create the Microsoft operating system. He bought it from other programmers, sold it to IBM, and the rest is history.

Aristotle Onassis became a shipping giant with a simple legal document. It was a contract from a large manufacturing company guaranteeing him the exclusive rights to transport its cargo all over the world. All he had was this document. He owned no ships. Yet with this legal document, he was able to convince the banks to lend him the money to buy the ships. Where did he get the ships? He got them from the U.S. government after World War II. The U.S. government had a surplus of Liberty and Victory class ships used to haul war materials from America to Europe. There was one catch. In order to buy the ships, the person needed to be a U.S. citizen and Onassis was a Greek citizen. Did that stop him? Of course it didn't. By understanding the laws of the B quadrant, Onassis purchased the ships using a U.S. corporation he controlled. This is another example of the laws being different for different quadrants.

Protect Your Ideas

Robert and Kim's intellectual property attorney is responsible for securing worldwide patents and trademarks for The Rich Dad Company. While we pay him and his firm considerable amounts of money each year, he has made us money and protected our rights to continue making money by protecting what we do and guiding us through some delicate negotiations.

In Summary

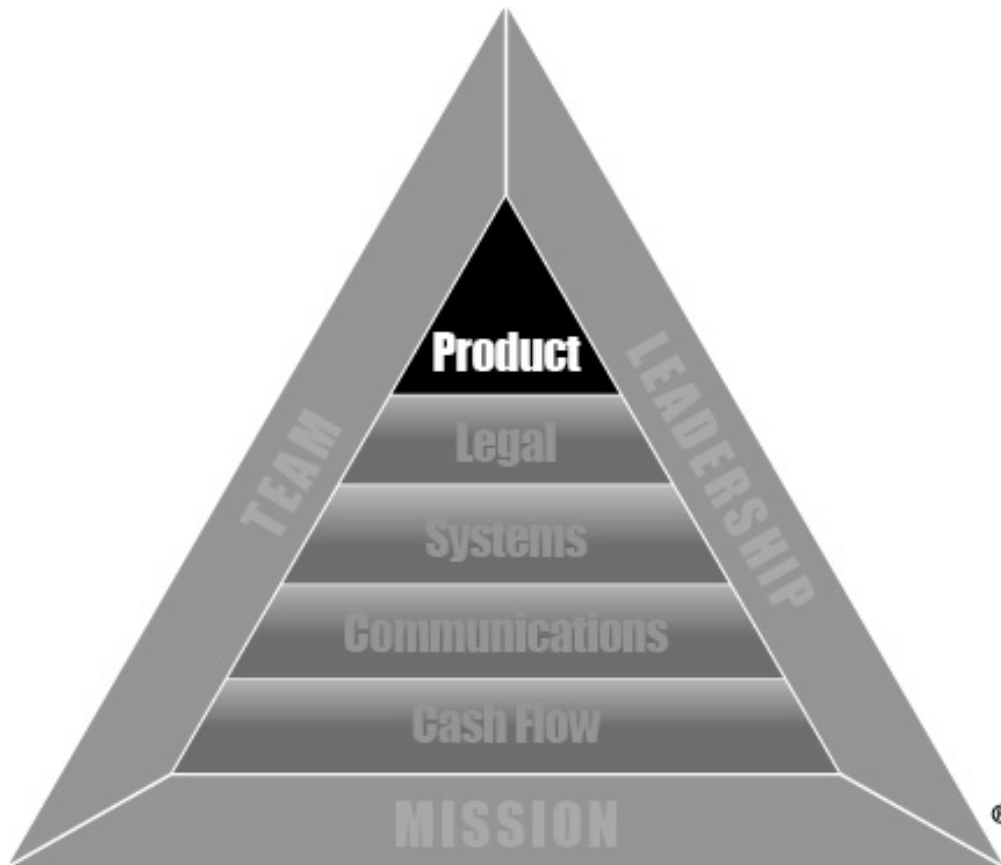
Many businesses have been started and has survived by a simple piece of paper. One legal document can be the seed of a worldwide business.

Some of the most valuable assets you can own are the intangible assets called patents, trademarks, and copyrights. These legal documents grant you specific protection and ownership to your intellectual property. Without this type of protection, you risk losing everything. Once you have protected your rights, not only can you keep others from using your property, but you can also sell or license those rights and receive royalty income when doing so. Licensing your rights to a third party is a perfect example of your assets working for you.

However, legal issues can also surface in almost every facet of a business. Obtaining competent legal counsel is very important, not only as you are forming your business, but as an ongoing part of your advisory team's activities. Legal fees may seem expensive at first. However, when you compare them to the cost of legal fees from lost rights or subsequent litigation, it is much less expensive to set out your agreements properly in the beginning. In addition to the monetary expense, you must also factor in the cost of lost time. Instead of focusing on your business, you may be forced to focus on legal matters.

This is another area where franchising and network marketing can help you jump-start your business. Typically, when you purchase a franchise or join a network-marketing organization, most of the necessary legal documents to start and grow your business will be provided for your use. This saves you not only a lot of money, but also a tremendous amount of time, and it allows you to focus your efforts on developing your business. It is still advisable to have your own counsel review the documents on your behalf.

PRODUCT MANAGEMENT



The company's product, which the customer ultimately buys from the business, is the last important aspect of the B-I Triangle. It could be a tangible item such as a hamburger, or an intangible item such as consulting services. It is interesting to note that when evaluating a business, many average investors focus on the product rather than the rest of the business.

Rich dad thought that the product was the least important piece to inspect when evaluating a business.

Many people come to Robert with ideas for new innovative products. Robert's response is that the world is full of great products.

People also say to him that their new idea or product is better than an existing product. Thinking that a better product or better service is most important is usually the domain of the E and S quadrant, where being the best or highest quality is important for success. In the B and I quadrants, however, the most important part of a new business is the system behind the product or idea, or the rest of the B-I Triangle. Robert then points out that most of us can cook a better hamburger than McDonald's, but few of us can build a better business system than McDonald's.

Rich Dad's Guidance

In 1974, Robert decided he was going to learn to build a business following the model of the B-I Triangle. Rich dad warned him, "Learning to build a business according to this model is high-risk. Many people attempt it, but few accomplish it. However, although there is high risk at the start, if you learn how to build businesses, your earning potential is unlimited. For the people who are not willing to take the risk and don't wish to undertake such a steep learning curve, their risk may be lower, but so will their lifetime returns."

Robert still recalls experiencing the highest of highs and lowest of lows as he learned to build a solid business. He remembers some of the advertising copy he wrote that never sold anything. He remembers some of the brochures he wrote where no one could understand what he was trying to say. And he remembers the struggle of learning to raise capital and learning to spend the investors' money wisely in the hopes of building a powerful business. He also remembers going back to his investors and telling them that he had lost their money. He is forever grateful for the investors who understood and told him to come back when he had another venture for them to invest in. However, through it all, each mistake was a priceless learning experience as well as a character-building experience. As rich dad said, the risk at the start was very high. Yet, as Robert stuck it out and continued to learn, the rewards were unlimited.

At that time, Robert was very weak at every level of the B-I Triangle. He thought he was weakest in cash-flow management and communications management. Today, although he is still not great on any one sector of the triangle, he would admit that he is the strongest in cash-flow management and communications management.

Because he can create synergies among all the levels, his companies are successful. The point he makes is that, even though he was not strong at the start, he continued with his learning process. For anyone who wants to acquire great wealth in this manner, Robert offers encouragement to start, practice, make mistakes, correct, learn, and improve.

When he looks at the 10 percent of Americans who control 90 percent of all the shares of stock in America and 73 percent of the wealth, he understands exactly where their wealth was derived. Many acquired that wealth in much the same way as Henry Ford and Thomas Edison (who was worth far more in his day than Bill Gates was at the same age). The list includes Bill Gates, Michael Dell, Warren Buffett, Rupert Murdoch, Anita Roddick, Richard Branson, and others who all acquired their wealth the same way. They found their spirit and their mission, built a business, and allowed others to share in the dreams, the risks, and the rewards. You can do the same thing if you want. Just follow the same diagram rich dad guided me with—the B-I Triangle. Helen Keller said, "True happiness is not attained through self-gratification, but through fidelity to a worthy purpose."

Expression of the Mission

Product is at the top of the B-I Triangle because it is the expression of the business's mission. It is what you are offering to your customer. The rest of the B-I Triangle lays the foundation for the long-term success of your business.

If your communication to the marketplace is strong and your systems are set up to facilitate production, order processing, and fulfillment, your chances of success and profitability are increased. If your cash is managed properly, you will be able to sell your product successfully and support a strong growth curve for your business.

The B-I Triangle and Your Idea

Rich dad said, "It is the B-I Triangle that gives shape to your ideas. It is knowledge of the B-I Triangle that allows a person to create an asset that buys other assets." Rich dad guided Robert in learning how to create and build many B-I Triangles.

Many of these businesses failed because he was not able to put all the pieces together harmoniously. When people ask him what caused some of his businesses to fail, it was very often the failure of one or more elements of the B-I Triangle. Rather than become permanently discouraged as many people who fail become, rich dad encouraged Robert to keep practicing the building of these triangles. Instead of calling him a failure when his first big venture failed, rich dad encouraged him to continue on and learn how to build new triangles. He said, "The more you practice building these B-I Triangles, the easier it will be for you to create assets that buy other assets. If you diligently practice, it will become easier and easier for you to make more and more money. Once you are good at taking ideas and building a B-I Triangle around the idea, people will come to you and invest money with you. Then it will be true for you that it does not take money to make money. People will be giving you their money to make more money for yourself and for them. Instead of spending your life working for money, you will be getting better at creating assets that make more and more money."

Solving the B-I Triangle Riddle

Rich dad gave Robert another reason to begin mastering the B-I Triangle that he thought was unique. He said, "Your dad believes in hard work as the means of making money. Once you master the art of building B-I Triangles, you will find that the less you work, the more money you will make and the more valuable what you are building becomes." At first, Robert did not understand what rich dad was saying, but after a number of years of practice, he understood more fully. Today, Robert meets people who work hard building a career, working their way up the corporate ladder, or building a practice based upon their reputation. These people generally come from the E and S quadrants. In order for Robert to become rich, he needed to learn to build and put together systems that could work without him. After his first B-I Triangle was built and he sold it, he realized what rich dad meant by the less he worked, the more money he would make. He called that thinking "solving the B-I Triangle riddle."

If you are a person who is addicted to hard work, or what rich dad calls "staying busy in your busyness and not building anything," then Robert would suggest sitting down with other people who are busy in busyness and discuss how working less can

make you more money. He has found that the difference between people in the E and S quadrants and people in the B and I Quadrants is that the E and S people are often too hands-on. Rich dad used to say, "The key to success is laziness. The more hands-on you are, the less money you can make." One of the reasons so many people do not join the 90/10 investor club is that they are too hands-on when they should be seeking new ways of doing more with less and less. If you are going to become the kind of person who creates assets that buy other assets, you will need to find ways of doing less and less so you can make more and more. As rich dad said, "The key to success is laziness." That is why he could create so many assets that bought other assets. He could not have done it if he were like my real dad who was a very hardworking man.

A Summary of the B-I Triangle

The B-I Triangle as a whole represents a strong system of systems, supported by a team with a leader, all working towards a common mission. If one member of the team is weak or falters, the overall success of the business can be jeopardized. We would like to highlight three important points in summarizing the B-I Triangle:

- 1. Money always follows management.** If any of the management functions of the B-I Triangle's five internal levels are weak, the company will be weak. If you are personally having financial difficulty, or not having the excess cash flow that you desire, you can often find the weak spots by analyzing each level. Once you identify your weakness, you may then want to consider turning it into your strength, or hiring someone else with that strength.
- 2. Some of the best investments and businesses are the ones you walk away from.** If any of the five levels are weak and the management is not prepared to strengthen them, it is best to walk away from the investment. Too many times Robert discussed the five levels of the B-I Triangle with a management team with which he was considering investing and he heard arguments instead of discussion. When business owners or business teams are weak in any of the five levels, they will become defensive rather than receptive to questioning. If they do become defensive rather than excited to identify and correct a weakness, he usually walks away from the investment. Robert has on a wall in his house a photo of a pig he took in Fiji. Under it is printed: "Don't teach pigs to sing. It wastes your time, and it annoys the pigs." There are too many excellent investments out there to waste your time trying to teach pigs to sing.

- 3. The computer and Internet make the B-I Triangle more available, affordable, and manageable for everyone.** It has never been easier to access great wealth. In the Industrial Age, you needed millions of dollars to build a car factory. Today, with a used computer, some brainpower, a phone, and a little education in each of the five aspects of the B-I Triangle, the world can be yours.

If you still desire to build a business on your own, there has never been greater opportunity for success. Robert recently met a young man who sold his small Internet company to a major computer software company for \$28 million. All he said to Robert was, "I made \$28 million at the age of 28. How much will I make when I am 48?"

If you want to be an entrepreneur who builds successful businesses or invests in businesses, the entire B-I Triangle must be strong and interdependent. If it is, the business will grow and flourish. The good news is that if you are a team player, you don't have to be an expert at every level of the B-I Triangle. Just become part of a team with a clear vision, a strong mission, and an iron stomach.

IN CONCLUSION

Your Journey Starts Now

You've taken the first step by reading this playbook, and that alone sets you apart. Most people spend their lives waiting—for the right time, the right opportunity, or the perfect circumstances. But as you've seen throughout these pages, waiting doesn't create change. Action does.

The path to entrepreneurship isn't always easy, but it is rewarding. It's a journey of self-discovery, resilience, and growth. Along the way, you'll face challenges, make mistakes, and encounter setbacks. But you'll also unlock opportunities, gain freedom, and build something that reflects your passion and values. That's the trade-off: the temporary discomfort of stepping into the unknown for the lifelong satisfaction of creating your own success.

Why You're Ready

You now hold the tools, frameworks, and strategies to take control of your future. The B-I Triangle has given you a blueprint to transform your ideas into sustainable, thriving businesses. Whether you're still deciding on your mission, assembling your team, or refining your systems, remember: you don't have to get it all perfect at once. Entrepreneurship is a process, and every step forward is progress.

Your skills, experiences, and perspectives—whether you're early in your career or years into a steady job—are all valuable assets. They've prepared you for this moment. Now it's time to apply them, to build something bigger, and to live life on your terms.

The Final Question

So here's the question you need to ask yourself: *What will I do with this knowledge?*

Will you let the momentum fade, returning to the comfort of the familiar? Or will you take the first bold step toward building the life you've always dreamed of? You don't have to leap into the unknown overnight. Start small, start steady—but start. The only thing standing between you and the life you want is the decision to act.