

SUMMARY

MONEY

ROB MOORE



Summary of “Money” by Rob Moore

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**Know More, Make More, Give More: Learn How to
Make More Money and Transform Your Life.**

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Introduction

There are many myths when it comes to money and wealth. One of those is that people believe there is just not enough opportunity and wealth in the world for everyone. This is simply untrue. In fact, in 2017, there were 35 million millionaires in the world. *35 million*. Why is it that you can't be one of them? You see, millionaires come in all forms: rockstars, inventors, even salesmen of the Slinky! Yet, all these people have one thing in common: they turned their personal wealth into financial wealth - that is, they turned their abilities, skills, and passions into money-making ventures. You can do the same.

The reality is, money doesn't always have to be cash. The global economy is flooded with different types of money. According to Mervyn King, the former Bank of England chief states that there is £80 trillion in the global economy and £150 to £180 trillion in stocks and bonds. Estimates also suggest that there is \$8.2 trillion of gold out there. Even more, there are now modern crypto-currencies adding up to about \$38 billion in Bitcoin alone. In other words, the world economy is bursting with wealth, making it possible for anyone to become a millionaire.

The other myth about money states that money doesn't buy happiness. Moore finds this myth to be completely untrue, money absolutely can lead to happiness. Money allows you to do the things you never had time for. Things like being in love, spending time with your family and children, and pursuing creative passions or outdoor activities are certainly the best things in life. But you can't experience these things if you're working 50-60 hours a week in an office. Instead, you need an income that doesn't rely on you working.

How To Build Wealth Using the VVKIK Formula

So if you want to finally take charge of your finances, it's time to focus on the systems that will make you successful. You see, some people focus too much on the details and not enough on the big picture. Others are the opposite, they have a hard time looking at the specifics but understand the overall view. To master your money, however, you'll need both. Luckily, you can use the VVKIK system to help you accomplish that. VVKIK stands for **V**ision, **V**alues, **K**ey Result Areas (KRAs), **I**ncome-generating Tasks (IGTs), and **K**ey Performance Indicators (KPIs).

First, you must build on your vision and values to help guide you toward achieving your goals. You can begin by writing down what matters most to you, that might be family, freedom, success, growth, or even all of these. Next, you will need to determine your KRAs or key result areas. These are the areas you need to focus on to achieve your vision. Begin by choosing three to seven areas that will have the biggest impact on getting you to your end goal. These should be areas like building relationships, marketing, or business planning. Your actions should align with your KRAs, and if someone asks you to do something outside of that alignment, then say no. Stay focused on your KRAs and only do the things that will provide value.

Next, it's time to take a look at your IGTs or income-generating tasks. These are the to-do items from your KRAs that will give you the greatest monetary return for your time. Not all tasks are equal, some tasks might bring you more wealth with less time, and it is these that you should focus on. For example, in professional golf, a single club (the putter) accounts for 40 percent of shots taken. In other words, practicing putting will have the greatest impact on your score. The same goes for business, focusing on the tasks that will have the greatest impact on your wealth will better set you up for success.

Finally, it's time to develop your key performance indicators or KPIs, which are the items you track daily or weekly to show what's working and what needs improvement. This feedback system will guide you on whether your KRAs and IGTs are working to help build your wealth. Once you have this system in place, you'll find your financial life benefits greatly as you'll be focusing on both the big picture and the basic tasks that will get you there.

Maximize Your IGV and Leverage Your Time and Money

Another common myth surrounding wealth is that you must work hard. You have to make sacrifices, hustle and put in the work. It's time to let go of this myth; in fact, merely working hard is not sustainable if you want to become wealthy. You might enjoy your "stable" job with its decent salary, but when you add up all the hours you spend at your job plus the work you take home, you probably aren't making much per hour. Perhaps you're working overtime to earn more money, you're sacrificing your free time to earn just a little more money. Luckily there is a better way to earn wealth.

First, you must determine how much your hour is worth. To do this, you must understand your IGV - your income-generating value. To calculate your IGV, add up the full number of hours you work every week, and not just time spent at your job. Let's say your time adds up to 55 hours after you include any side hustles or asset building. Any time you spend devoted to money counts. Next, you need to calculate how much you earn in a week. This isn't just salary but also income from interest, property, share dividends, or side-hustles. Perhaps that adds up to £1,000 a week. Now your IGV is calculated by dividing 1,000 by 55 which is just over £18 an hour.

This information is incredibly important when you begin building wealth. Now if an opportunity presents itself that allows you to generate more than £18 an hour, then you should go for it! When you accept opportunities like these, you are increasing your IGV. But perhaps something comes up that will generate less than your IGV, in this case, you should ask yourself if you can pay someone else to do it for less than £18 an hour. Your choice is to either ignore it or outsource it. Otherwise, you are only lowering your IGV. Before long, you'll be raising your IGV and be on your way to earning more wealth.

In addition to raising your IGV, you should be leveraging money. For instance, when you stop working, do you also stop earning money? If this is the case, then you are being leveraged to make money for someone else. Instead, you should be leveraging yourself to make money. Leveraging is all about making more by doing less. Millionaires and billionaires understand that they must maximize their time, knowledge, resources, and skills by outsourcing tasks when they can. In other words, you will need to learn how to leverage time to your advantage.

For example, author Rob Moore was once ridiculed by a business partner for running a meeting while he was getting a haircut. However, Moore discovered that if he received a haircut twice a month, that added up to an hour a month, or 12 hours a year. With an hourly IGV of £10,000, that would mean giving up £120,000 a year! For Moore, he gains big rewards on leveraged time. This is why you should also consider how you can leverage your time. For instance, if you spend hours a day on admin, think about how you can outsource those tasks at a lower cost. When you're in the car traveling, make calls or write emails - if you aren't driving! You can even use your gym time to listen to podcasts or audiobooks on personal development.

Not only should you be leveraging time, but you should also be leveraging money. Moore leverages money through debt-funded property investments. For example, say a property is £1 million, and you use £250,000 cash and a £750,000 bank loan to purchase it. Banks will only take the money they lend, plus interest. This means that any growth in the value of the property is yours. And according to Nationwide Building Society, the United Kingdom has seen property values double every ten years since 1952. Therefore, after ten years, the property is now worth £2 million, and the loan has reduced to £500,000. Ultimately, your initial investment of £250,000 is now worth £1.5 million in just ten years!

When it comes to leveraging, you must change your mindset and think like the rich. Instead of thinking, "I should do that," rich people ask, "How can I

outsource that for less?” or “Who can do that task for me?” In the end, you need to use leverage to your advantage.

The Power of Compounding Money

Would rather take \$1 million right now or \$0.01 doubled every day for a month? When you look at the numbers at first, you might be tempted to take the million dollars, right? Well, the way the math works out, you would be losing out on over \$4 million if you took that option! Similarly, take a look at a water lily, which doubles in size every day. After 30 days, it covers the surface of the pond in it's in, yet on the 29th day, it only covers half the pond. The lily grows half of its size in just one-thirtieth of the time! These examples show the power of long-term compounding - the process in which money, like the water lily, grows and accelerates over time.

When you invest your money, your money grows. The gains will only become larger as you add money over time. For instance, Moore once advised a reader, Matthew, on the impact compounding his money would have on his savings. Matthew saved £3,600 a year, so if he could invest his savings and get a return of just 2% above inflation, then he would have £3,782 by the end of the year. After ten years, he'll have just over £43,000. But after 50 years, five times as long, he'll have £438,000 - almost ten times as much money. As money compounds, it grows faster and faster.

There are a few important lessons that we can learn about these numbers. First, be patient and keep going even when you don't see much return in the beginning. The best results come in the long-term, not the short-term. Imagine if Tiger Woods quit his golf career at the age of 18 after becoming frustrated at not yet winning a major championship. Or if Michael Jordan simply quit playing basketball after not making his high school team. They would've lost out on all their long-term success! The second lesson is that compounding should serve as a reminder to watch how you spend money. Every dollar or pound you spend is now one less dollar in your pocket. That dollar has the potential to make many more dollars over the span of 50 years. Applying this mentality will help you master your money and grow your wealth!

Set The Right Price

Money mastery is all about setting the right price for your products and services. Many entrepreneurs make the mistake of setting their prices too low, which will never lead to wealth. Others set their prices too high, which will make sales fall. Setting the right price is all about generating a profit while making your customers feel as if they've gotten a good deal.

The first step is to immediately increase your prices by 10 percent. This may seem intimidating or impossible, but rising prices by 10 percent will cover rising inflation while also earning you a profit. In fact, many people generally accept prices rising and declining by 10 percent. For example, say your investment portfolio jumped 10 percent. You probably wouldn't be overly excited about it. Similarly, you wouldn't become completely depressed if that same portfolio experienced a 10 percent loss. You wouldn't experience a strong emotion either way, right? Well, your customers likely won't react either.

If that's not enough to convince you, then think about how you can increase the sense of value your customers get. To do this, you can provide a perceived benefit to your customers that comes at little or no cost to you. For instance, this is why hotels put chocolates on pillows and why car manufacturers provide free car mats when you buy a car. Neither benefit actually costs the company anything, but they both succeed in providing the customer with a sense of value. Next, it's important to remember that low prices can be just as detrimental as high prices. You see, while high prices will put off customers with little money, low prices will put off wealthy customers who will perceive the low price as low quality.

Therefore, the time is now to increase your prices. Once you do, you'll find that you no longer have to waste time dealing with window-shoppers or bargain hunters; instead, you'll open yourself up to dealing with wealthier people who will benefit your business in more ways than one. Ultimately, you shouldn't be ashamed or afraid to want or ask for more money. After all, that money will buy you happiness!

Final Summary

Learning how to master money is the key to creating wealth for yourself. Anyone can do it, you just need to learn how. Begin by using the VVKIK formula to maximize your earning and wealth potential. Once you identify your key result areas and income-generating tasks, then you'll be able to determine the areas you should focus on that will generate the most wealth. Next, maximize your income-generating value by leveraging your time and money and taking on tasks that will increase your value and outsourcing tasks that won't. You'll also want to unlock the power of compounding and be patient as you watch your money grow and accelerate over time. Finally, setting prices at the right level means that you'll gain a real profit. So don't wait. Become a master of your money today.



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