

BDA Tool Five — Preparatory meditation and writing for conference registrants:

Please read BDA Tool Five in the BDA Tools pamphlet, then spend 15-20 minutes meditating on the details below. Are you willing to make your business spending work for you, to deepen the separation of your personal spending, and to do your due diligence before spending or committing to large sums of money?

BDA Tool Five: “We remain mindful that dollars spent should generate revenue and compare prices before making purchases.”

The first half of BDA Tool Five is a recovery area where many DA and BDA members have an early misunderstanding. Instead of ensuring that “dollars spent should generate revenue,” they ensure that “dollars spent are tax deductible.” Members are often misguided to deduct every expense that they possibly can, whether or not those deductions are legal or defensible. Having done all the work to separate personal and professional banking and reporting in BDA Tool One, some members begin to slip backward here.

Back to the meaning of the first half of BDA Tool Five, this is the internalized portion of the same concern described above. If we love technology and gadgetry, but there’s no need for annual software upgrades and additions of tech in our businesses, we can meet our gadget needs through our personal spending plans. The bottom-line question should always be: “Will this expense, purchase, or service generate revenue”? If the answer is no, then what we’re considering is likely not a rational or viable business expense, even or especially if everyone we know is making the same purchase.

NOTE: Our group has expanded this tool and question beyond “should generate revenue.” Additionally, we believe other valid reasons for business spending include: increasing profits; improving customer service, experience, and satisfaction; increasing operational efficiency; and improving satisfaction and productivity of the business owner, leadership team, and other human resources.

Instead of focusing on the purchasing side now, let’s take a look at the income generation side. If we have put a 30% increase in sales of a specific product or service in our annual plan, what do we need to do to generate that additional revenue? One approach is to add marketing efforts, including networking groups and / or social media outreach. Before spending on either of these items or others like them, we might want to get references. Or we might want to do trial memberships or test marketing efforts. If the new marketing activities increase revenue in the amounts we’re anticipating, then we can decide to make the full investment in a membership or social media marketing program, etc.


Please use the lines below to make note of any current ideas you have for business spending that might lead to increased revenue. Discuss them with your study buddy, sponsor, Step guide, PRG, or any other trusted advisor, and ask for feedback and experience, strength, and hope.

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As for the second half of BDA Tool Five, the market environment in which we now make purchases and contract services has grown much more complicated than the market environments of the past (for instance, when the BDA tools were developed several decades ago). At the time this BDA tool was written, price comparisons between a limited number of competitors who basically sold the same thing was often the norm. Not today. In today’s marketplace, every product and service is niched and nuanced. Price is rarely a competitive factor anymore; it’s simply a filtering mechanism. We filter out all the prices outside of our range of affordability, then focus on quality, related product or service offerings, speed of delivery, and ease and availability of customer service.

Below is an infographic showing a comparison between a handful of unnamed, yet similarly priced and positioned, bank checking accounts. Based on a thorough comparison, Bank 5 is the obvious choice.

We could create a similar comparison matrix for any product or service we might consider for our businesses. In place of “features available,” we could make column one read “features desired,” setting clear intentions for our purchases and putting us in the driver’s seat when spending our business’s money, time, and other resources.

|  Bank Checking Accounts | | | | | |
|--|--------|--------|--------|--------|--------|
| Features Available | Bank 1 | Bank 2 | Bank 3 | Bank 4 | Bank 5 |
| Instant Issue Debit Card | ✓ | ✓ | ✓ | ✓ | ✓ |
| Monthly Service Fee | ✓ | ✓ | ✓ | | ✓ |
| Export Data Option | ✓ | | ✓ | ✓ | ✓ |
| 24/7 Customer Service | ✓ | ✓ | | | ✓ |
| Free Online Banking | | | | ✓ | ✓ |
| Unlimited Transactions | | ✓ | | | ✓ |
| Free Mobile App | | | | ✓ | ✓ |
| 1-1 Consultation | | | | ✓ | ✓ |