Horse Business Management

The Forgotten Part – Financial Management

(As important as, or possibly more important than the horse Management)

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Introduction

The primary reason most horse businesses fail is a business model built entirely on passion rather than sustainable financial planning and management. Financial Management is a function of business that ensures that financial resources are invested and allocated efficiently for maximum returns. Simply put, financial management knows where to put money for maximum profit. Successful financial management in a horse business is as important as the care and management of the other business's tasks and activities including the horses.

The majority of horse businesses are managed or run by people that are highly skilled with horses, but lack business training, financial management experience and business discipline. The majority relies on an accountant, who knows accounting and how to prepare financial statements, but does not understand managing a horse business or has any experience running one. Or worst yet, horse businesses rely on accounting software that's for the general business market and doesn't offer any financial accounts, analysis or management for a horse business – it just records numbers and you lose financial control. Due to the lack of business training and financial management, most horse business people treat their business like a commodity, leading to severe cash flow issues, underpricing, and ultimate physical and financial burnout. If you are willing to understand that your business financials are as important as managing and caring for your business tasks, activities and horses, and you have the discipline and are willing to devote the required time, business success is within your control enabling you to be responsive to market conditions. Financial management is possibly the most important function in any business. It ensures that the business's resources are being used in the best way possible to sustain the business and achieve profitability. If your horse business fails you can probably get up and dust yourself off, but how about the business's horses, employees and customers. Business discipline isn't just fiscal responsibility, it is responsibility to your entire business and everyone and everything involved in its success.

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Five Laws of Financial Management

Good business financial management follows the **Five Laws of Financial Management**.

1. Every Dollar Makes (at least) Two

This is the basic principle of financial management. Any money spent on the business must bring more money back!

2. Business Takes Off On Long Runways

A long, healthy cash runway is an important part of financial management. Businesses should not only have enough money to sustain the business for a long time, but they should also be able to extend that runway continuously by earning profits.

3. Compliance is Key

Financial Management for businesses includes compliance: making sure that the business pays its taxes on time and correctly, and follows all the necessary laws.

4. Forecast Your Future

Risk is inevitable. If business owners and managers do not anticipate and provide for potential risk, they are setting themselves up for failure! Ensuring that there is money kept aside for unforeseen crises is also financial management. Businesses that have this reserve can thrive even in the most difficult conditions!

5. Only the Best Financial Support for Your Business

A big part of financial management is handling money – the biggest part, in fact! A growing business needs a good bank to support its financial management and needs – this is possibly the most important rule of all. But, a good bank wants your business to have a healthy balance sheet and a predictable income statement.

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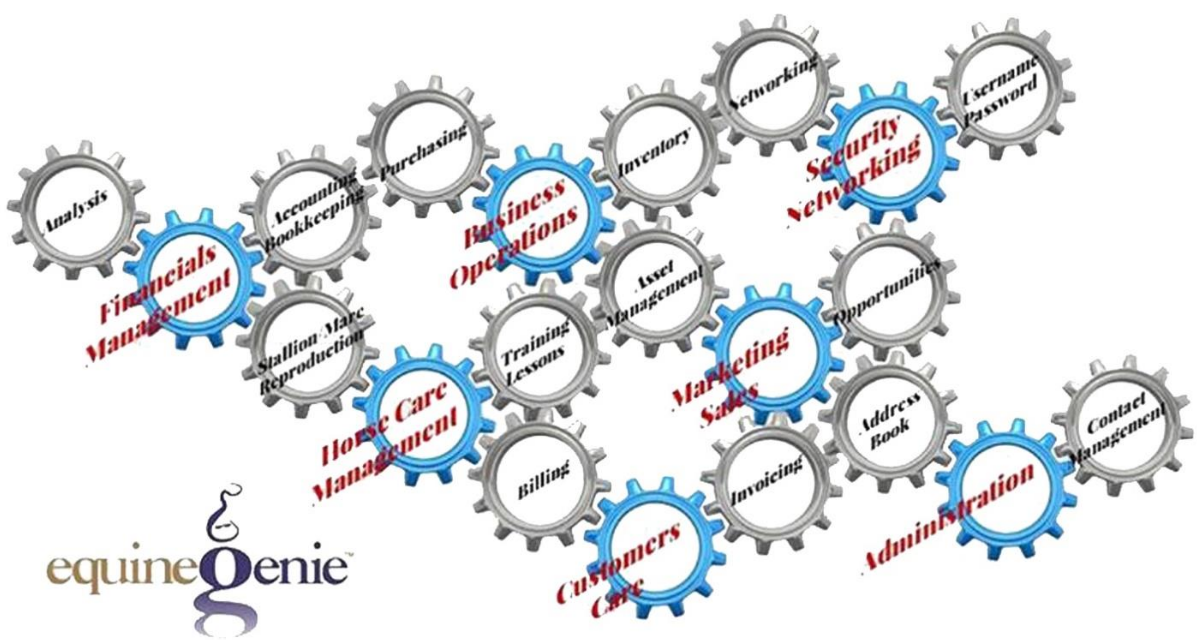
The Right Horse Business Management System

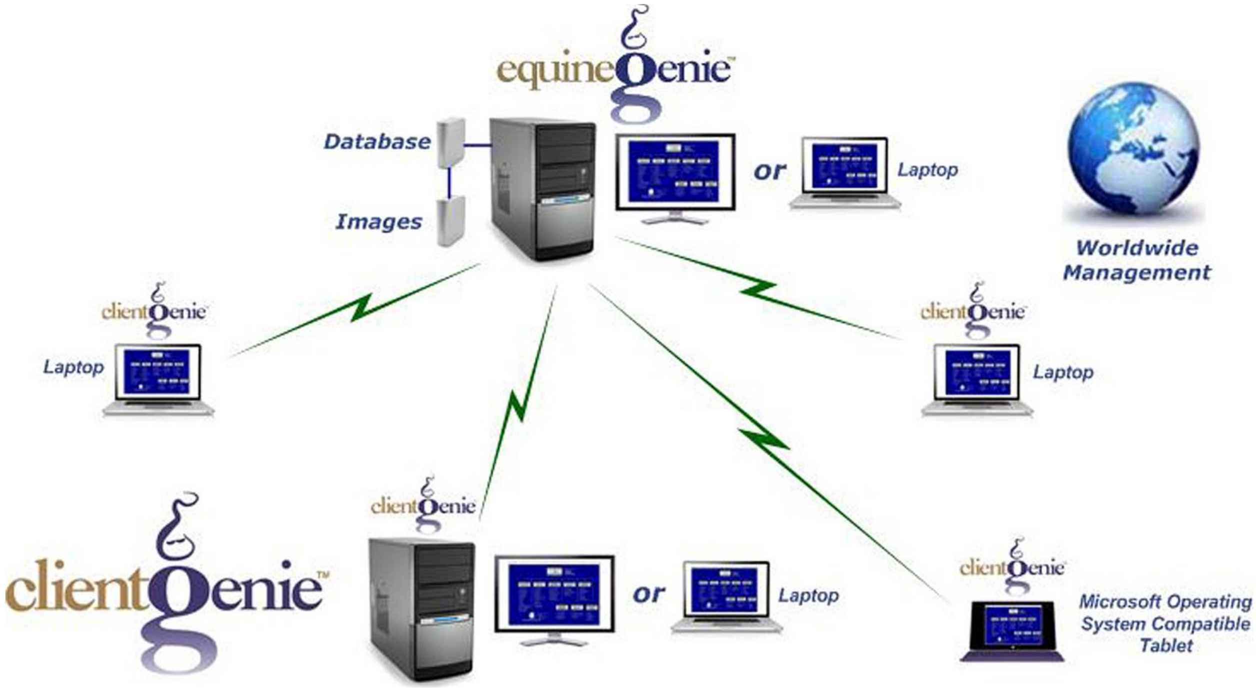
Selection of what software system you are going to use to assist in running and managing your horse business is a major business decision. It is possibly the most important business decision. There are many software systems available. The right one needs to match your business operating and financial requirements to assist in your horse business being successful. If you are only interested in caring for your horses, use Microsoft's Excel with its pivot table capability and reminders. Microsoft's Excel is even available on your smartphone. But, don't forget about your financial transactions associated with caring for your horses. You will still need financial management.

However, if you are truly interested in caring for your horses and managing your entire business to achieve and maintain profitability, there is horse business management system available that assists you in employing the **Five Laws of Financial Management**. The horse business management system is **equineGenie (http://www.equinegenie.com)**. **equineGenie** includes financial management, financial analysis, accounting and financial reports along with horse care and management, day-to-day business operations, customer care with billing, invoicing and receivables - all at the lowest cost of ownership - ***see the chart at the end of this document***. Designed in **equineGenie** is the philosophy –'If you can't measure it, you can't management it'. This philosophy is supported with embedded AI (artificial intelligence) algorithms for predictive modeling, resource optimization and heuristics to assist you with decision making. The more you use **equineGenie**, the more **equineGenie** learns your business. **equineGenie** supports and assists in managing any type of horse business. Its interconnected business processes and business reminders ensures that no business task, activity or transaction is ever missed and nothing falls through the crack. Remote access to your equineGenie database is achieved using **clientGenie (http://www.equinegenie.com/clientgenie1)**. You can us your smartphone notes or Excel to capture information or data if **equineGenie** or **clientGenie** are not available.

equineGenie Enterprise Horse Business Management System



clientGenie Remote Access Worldwide Networking



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Horse Business Examples

Listed below are why four common horse businesses can fail due to poor financial management, unrealistic cash flow projections and business management discipline. Listed with each type of horse business is how **equineGenie** can assist in helping achieve success.

Horse Boarding Business (equineGenie Stable)

The primary reason most horse boarding businesses fail is **poor financial management**. *Specifically, the failure to calculate the true cost of horse care versus the price charged for board.* Many owners set prices based on local competitors rather than their actual expenses. This leads to operations that lose money on every horse. The business fails to calculate accurate costs for feed, bedding, labor, etc. Their management system doesn't have cost accounting to track every flake of hay and bag of shavings, etc. to ensure accurate pricing.

***equineGenie** includes cost accounting and tracks operational expenses to help boarding businesses analyze profitability, set accurate pricing, manage supplier costs and control overhead. **equineGenie** breaks down costs per horse (daily, monthly and yearly) thus moving management decisions from emotional guesswork to data-driven financial choices. Costs are allocated accurately and expenses are split into distinct categories, accounts and subaccounts by expense and their percentage (%) of the total expense to assist in managing and understanding your business's true operational and financial health.*

***equineGenie** tracks, manages and reports on direct variable expenses – feed, bedding, preventative care (weight management, vaccination, deworming, dental and farrier services), horse insurance, labor and any expense directly assigned to a particular horse. If a horse is selected or scheduled, the expense is automatically assigned to the horse (feed, preventative care, health care, breeding, training, insurance, etc.). If an expense is for a non-selected horse, the expense can be assigned to a horse using a subaccount (tack, special supplements, etc.).*

***equineGenie** tracks, manages and reports on fixed overhead costs (business insurance, property taxes, loans, mortgages etc.). **equineGenie** tracks, manages and reports on fixed asset capitalization and depreciation (horses, vehicles, equipment, etc.). equineGenie provides date specified and annual income statements and a balance sheet. If you can't measure it, you can't manage it! If your boarding business charges more than your competitors, demonstrate to your customers why your charge is worth it! A well-managed business wins!*

Horse Breeding Businesses (equineGenie Breeder)

The primary reason most horse breeding businesses fail is **poor financial management and unrealistic cash flow projections**. Many enter horse breeding fueled by passion rather than structured business planning, leading to undercapitalization and an inability to sustain the high, long-term costs of horse care before generating revenue. Realizing profit on a foal can take three to four years and then you need to know what price generates a profit. **equineGenie knows!!!**

***equineGenie's** cost accounting, direct variable expense and fixed overhead cost management applies to a horse breeding business the same as it does to a **Horse Boarding Business**.*

equineGenie *supports realistic cash flow projections by managing and reporting on the use of cash and cash flow daily, monthly and yearly. equineGenie's embedded AI (artificial intelligent) algorithms for predictive modeling and resource optimization makes sure you have the supplies and other inventoried items on hand when you need them, but not more then you need - 'Just In Time'. This conserves your cash, minimizes your 'cash at rest' and provides accurate supplies' used expense.* ***equineGenie*** *reminds you when inventoried breeding supplies or other day-to-day supplies need to be replenished contributing to realistic cash flow projections. Scheduled supply consumption like horse feed, bedding, medication etc., are automatically deducted from inventory based on their scheduled consumption. Supplies or other inventoried items that are used periodically are easily deducted and any reorder reminders are automatically adjusted based on use and available inventory.*

Horse Training Business (equineGenie Trainer)

The primary reason most horse training businesses fail is **poor financial management and treating the operation as a hobby rather than a business.** Trainers excel at working with horses but frequently lack the commercial skills needed to manage high overhead costs, unpredictable revenues, and low profit margins.

equineGenie's *cost accounting, direct variable expense, fixed overhead cost management and cash flow management applies to a horse training business the same as it does to a* ***Horse Boarding*** *or* ***Horse Breeding*** *business.* ***equineGenie*** *Trainer also includes the financial and business management of horse showing, racing and eventing.*

equineGenie *schedules horse training sessions in chronological or calendar format. Multiple training sessions are easily scheduled. Trainers can be identified by horse training specialty for easy selection. The schedule includes the horse to be trained, the trainer, the location and the date and time of the training.* ***equineGenie*** *tracks, manages and reports on your training facility use and its overhead absorption. With one click,* ***equineGenie*** *transfers the training information to a billing log and generates an invoice line item to invoice the horse's owner for the training. A completed invoice can be emailed to the horse's owner directly from* ***equineGenie****.*

Riding Lesson Business (equineGenie Trainer)

The primary reason most horse riding lesson businesses fail is **poor business management, specifically treating the business like a hobby rather than a business entity**. Because most enter the business out of a deep passion for horses, they frequently prioritize equestrian sport over sustainable financial planning. This fundamental misstep leads to a cascading chain of operational failures. Business owners often keep rates artificially low to keep riding affordable for local families. They guess at lesson prices instead of tracking the exact daily overhead required to maintain a lesson horse.

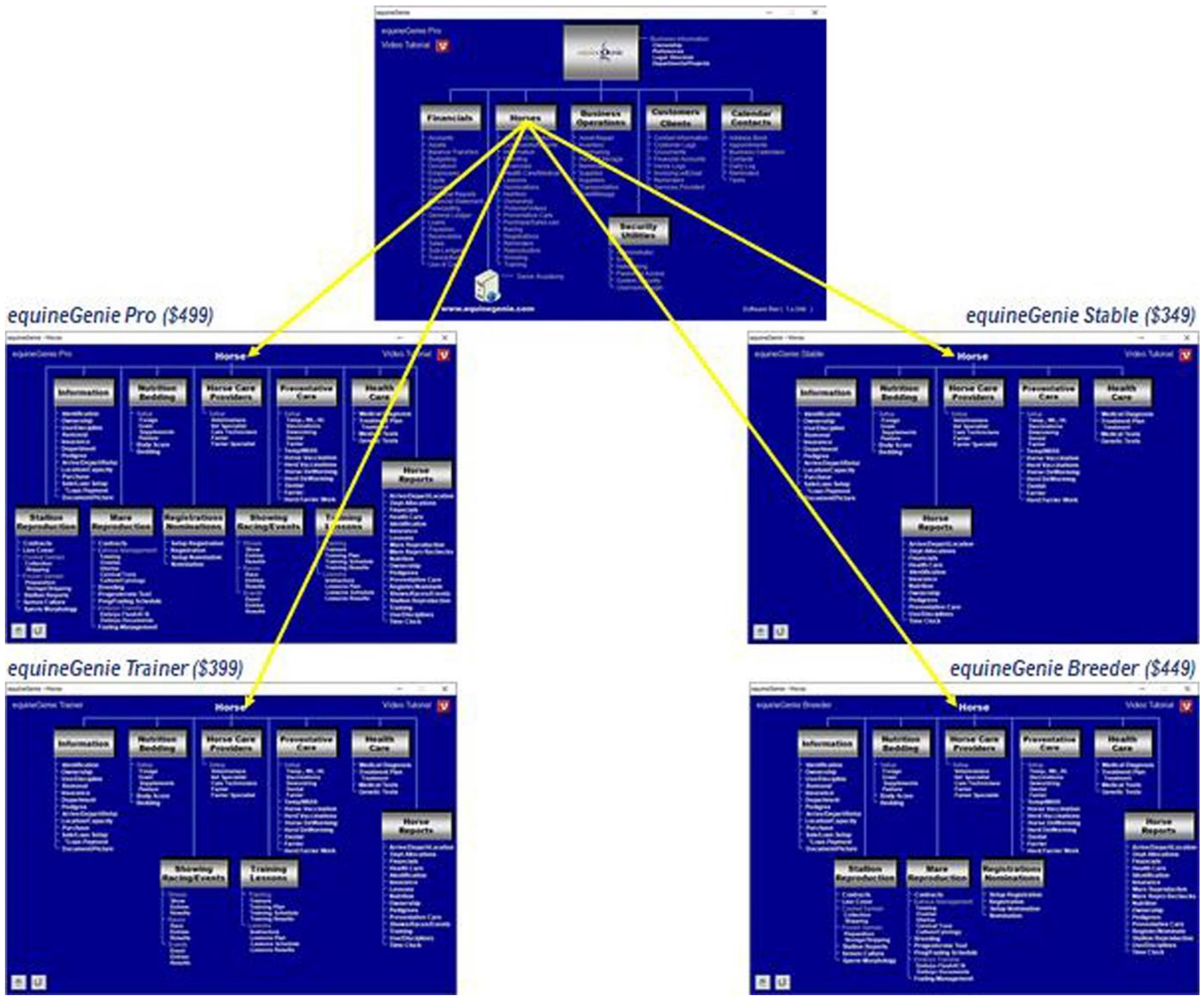
equineGenie's *cost accounting, direct variable expense, fixed overhead cost management and cash flow management applies to a riding lesson business the same as it does to a* ***Horse Boarding****,* ***Horse Breeding or Horse Training*** *business.* ***equineGenie*** *Trainer also includes the financial and business management of horse showing, racing and eventing.*

equineGenie *schedules riding lesson sessions in chronological or calendar format. Multiple lessons are easily scheduled. Instructors can be identified by lesson specialty for easy* *selection. The schedule includes the lesson student, the lesson horse, the riding instructor, the lesson location and the date and time of the lesson.* ***equineGenie*** *tracks, manages and reports on your lesson horse and facility use and their overhead absorption. With one click,* ***equineGenie*** *transfers the lesson information to a billing log and generates an invoice line item to invoice the student for the lesson. A completed invoice can be emailed to the student directly from* ***equineGenie****.*

All the Above Plus all Business Types (equineGenie Pro)

equineGenie Pro includes everything needed to financially manage any type of horse business including the previous four types of horse businesses. **equineGenie Pro** is for a horse business that includes everything in **equineGenie Stable**, **equineGenie Breeder** and **equineGenie Trainer** plus much, much more.

equineGenie Horse Business Management Solutions



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equineGenie Cost Comparison

Horse Business Management Software	Financial Management	Horse Care and Management	Business Operations	Inventory	Cost
equineGenie (One-Time Cost)	Yes (Included)	Yes	Yes	Yes	$349 To $499 (One-Time Cost)
Subscription (Monthly Cost: $30 to $100+ per Month)	No Requires Accounting Software $30 to $120+ Monthly	Yes	No	No	*$720 to $2,640+ Annually

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