

PROFIT FIRST

EDITION 01
Summer 2026

PROFIT PROFESSIONALS

A MAGAZINE FOR ACCOUNTANTS, ADVISORS & BUSINESS BUILDERS

TWO DOORS. ONE TRUTH.

MORE SALES

HIRE

SPEND

SCALE

MORE PROFIT

PLAN

PROTECT

CONTROL

EVERYONE
RUNS
TO THIS ONE...



...BUT
SHOULD YOU?

BEYOND THE SALES TRAP

Why more clients don't
always mean more profit.

THE ADVISOR'S EDGE

How planning, protection
and control drive **freedom**.

FIRM OF THE FUTURE

Build a practice that works
without you.

EDITORIAL NOTE

Growth Without Structure Is Not Progress

Across industries and geographies, one pattern remains remarkably consistent. Businesses that achieve meaningful revenue growth often find themselves under increasing financial pressure rather than relief. This is not due to a lack of demand, nor is it a reflection of insufficient effort. In many cases, these businesses are performing well by conventional measures. Yet, profitability remains inconsistent or entirely absent.

The underlying issue is structural.



Most organizations are designed to pursue growth first and evaluate financial outcomes later. Revenue becomes the primary metric of success, while profit is treated as a residual outcome. This approach, although widely accepted, creates a system in which increased activity leads to increased consumption of resources without a corresponding improvement in financial efficiency.

The purpose of this publication is not to introduce a new concept, but to examine an existing one more closely. Specifically, it is to challenge the assumption that growth, in isolation, leads to financial strength.

In reality, profitability is not a byproduct of growth. It is the result of deliberate design.

THE PRINCIPLE

Reframing the Profit Equation

The standard accounting formula—Sales minus Expenses equals Profit—remains mathematically sound. However, its practical application introduces a critical limitation. By placing profit at the end of the equation, it implicitly allows expenses to expand without constraint, leaving profit exposed.

The alternative structure—Sales minus Profit equals Expenses—does not alter the mathematics, but it significantly alters the outcome.

As highlighted in your booklet, the distinction lies not in the formula itself, but in how it influences behavior. Profit, when treated as a priority, becomes protected. When treated as a residual, it becomes uncertain.

$$\begin{array}{r} \text{SALES} \\ - \text{Profit} \\ \hline \text{EXPENSES} \end{array}$$

Under this framework, a predetermined portion of revenue is allocated to profit at the point of receipt. The remaining funds define the operational capacity of the business. This creates a natural boundary that limits spending and enforces financial discipline.



STAYING ACCOUNTABLE

Just like going to the gym and trying to lose weight, we all know what to do and how to do it, but the best workouts are overseen by personal trainers. A Profit First Professional is your financial trainer. Use them!

Myprofitprofessionals.com

Working With Human Nature, Not Against It

One of the most overlooked aspects of financial management is the role of human behavior.

As outlined in the booklet , businesses do not consistently operate from detailed financial analysis. Instead, decisions are frequently influenced by what is immediately visible, most commonly the available bank balance.

This aligns closely with Parkinson's Law: expenditure expands to match the resources available.

When funds are readily accessible, they are used. When they are constrained,

spending adjusts accordingly. This pattern is not a failure of discipline, but a predictable human response.

The Profit First methodology does not attempt to override this behavior. It leverages it.

By separating funds into distinct accounts and allocating profit in advance, it ensures that the amount visible for operational spending is intentionally limited. As a result, the business naturally adapts its spending within those constraints.

In this way, discipline is not enforced through effort, but embedded within the system itself.



A minimalist 3D rendering of a staircase leading up to a bright window in a white room. The staircase is composed of several wide, dark grey steps that recede into the distance. The walls and floor are a light, neutral color, creating a clean, modern aesthetic. The lighting is soft and even, highlighting the geometric forms of the steps and the window.

Profit is
engineered.

EVERYTHING ELSE
IS NOISE.

PROFIT

FIRST

Understanding Is Simple. Execution Is Not.

The principles of Profit First are straightforward. The challenge lies in consistent application.

As reflected in your booklet, most businesses encounter difficulty not because they misunderstand the concept, but because they lack the structure required to sustain it.

Common breakdowns include:

- allocations that are not maintained

- funds that are reabsorbed into operations
- account structures that are simplified over time
- financial discipline that erodes under pressure

These outcomes are not uncommon. They are a direct result of systems that rely on intention rather than enforcement.

Effective implementation requires more than initial setup. It requires:

- clearly defined allocation percentages
- structured segregation of accounts
- controlled movement of funds
- consistent review and adjustment

Without these elements, the system becomes vulnerable to the same behaviors it is designed to address.



From Concept to Financial Control

At its core, Profit First is not a single action, but a system of financial management.

As outlined in your material , this system involves:

- allocating income across defined categories
- separating capital by purpose
- ensuring that profit is not accessible for operational use
- maintaining discipline in how funds are transferred and utilized

The objective is not to restrict the business unnecessarily, but to create clarity.

When each portion of income has a defined role, decision-making becomes more precise. Operational spending is guided by what is available, rather than what is desired. Profit is preserved because it is no longer part of the general pool of funds.

Over time, this structure creates consistency.

Consistency in profit.

Consistency in cash flow.

Consistency in financial outcomes.





Why Systems Require Stewardship

A financial system, regardless of how well designed, is only as effective as its ongoing application.

As businesses evolve, their financial requirements change. Revenue levels shift, cost structures adjust, and strategic priorities develop. Without regular oversight, even a well-structured system can lose alignment with the realities of the business.

This is where continuity becomes essential.

Ongoing application ensures that:

- allocations remain appropriate
- deviations are identified early
- financial decisions are made within defined parameters
- discipline is maintained over time

In the absence of this continuity, businesses often revert to reactive financial management, regardless of prior structure.

Profit First, when applied consistently, provides a framework that adapts with the business while preserving its core objective: ensuring that profitability is not compromised as growth occurs.



The Sales Illusion: Why Revenue Growth Fails to Deliver Profitability

There is a widely held belief within the business community that increasing revenue will naturally result in improved profitability. While this assumption appears logical, it frequently does not hold true in practice.

As revenue grows, so too does operational complexity. Additional clients require additional delivery capacity. Teams expand, overhead increases, and processes that once functioned efficiently begin to experience strain. What was previously a manageable operation evolves into a more demanding structure, often without the necessary financial controls to support it.

Profitability, therefore, should not be viewed as an outcome of growth, but as a condition that must be embedded within the system that governs it.

The result is a business that is larger, but not necessarily more profitable.

This phenomenon is not limited to early-stage companies. It is equally prevalent among established businesses that have successfully scaled their top line but have not adjusted their financial architecture accordingly. In such cases, growth becomes expensive. Margins compress, cash flow becomes unpredictable, and decision-making shifts from proactive to reactive.

It is important to recognize that the issue is not revenue itself. Revenue is essential. However, without a mechanism to ensure that a portion of that revenue is consistently retained, growth alone cannot produce financial stability.

THE SALES ILLUSION
Why Revenue Growth Fails to Deliver Profitability

More revenue often means more complexity, more costs, and more pressure. Without the right structure, growth becomes expensive—not profitable.

GROWTH WITHOUT STRUCTURE
CREATES COMPLEXITY, NOT PROFIT.

GROWTH WITH STRUCTURE
CREATES PROFIT, FREEDOM & OPTIONS.

REVENUE GROWS (Left side): MORE CLIENTS, MORE PROJECTS, MORE HIRING, HIGHER OVERHEAD, INEFFICIENT PROCESSES, INCREASED PRESSURE. Includes sticky notes: CASH PRESSURE, THIN MARGINS, REACTIVE DECISIONS. A piggy bank with a bandage and a graph showing 'PROFITABILITY DECLINES'.

PROFIT FIRST (Right side): PROFIT, OWNER PAY, TAX, OPERATING EXPENSES, CASH FLOW BUFFER. Checklist: STRUCTURED ALLOCATION, CLEAR PRIORITIES, FINANCIAL CONTROL, CONSISTENT PROFITABILITY, FREEDOM TO GROW.

REVENUE IS VANITY. PROFIT IS SANITY. | STRUCTURE IS FREEDOM.

Profit Must Be Engineered

The most significant misconception in business finance is that profit will emerge naturally from successful operations.

Experience suggests otherwise.

Profit is not a consequence of activity. It is the result of structure, prioritization, and consistency.

Businesses that treat profit as a residual outcome remain exposed to variability. Their financial results depend on circumstances rather than design.

Businesses that embed profit within their financial framework operate differently. Their spending is defined by what remains after profit is secured. Their decisions are guided by constraints that protect long-term stability.

The distinction is not theoretical. It is practical.

Profit, when engineered into the system, becomes predictable.

And predictability, in financial management, is what ultimately supports sustainable growth.



Profit is not what remains. It is what is protected.

Most businesses pursue growth with the expectation that profit will follow.
In reality, profit rarely appears by chance.

It is not the outcome of activity.
It is the result of structure, discipline, and consistency applied over time.

When profit is treated as a priority, decisions change.
When decisions change, outcomes follow.

The difference is not effort.
It is design.

Profit First Certified Advisors

Structured financial systems for businesses that want
clarity, control, and consistent profitability

My Profit Professionals

Nishant Sharma

Founder & CEO

nishant@myprofitprofessionals.com

+1 706-894-9160

Greg Johnson

Co-Founder

greg@myprofitprofessionals.com

+1 678-923-3559