

## ***HOW TO PREPARE THE PROJECTED SALES REVENUE WORKSHEET***

Month:	Write in the months for your projected twelve-month calendar	12-Mo. Total
+ Sales: Product 1 + Sales: Product 2 + Sales: Product 3 + Other Sales + <b>Gross Sales</b>	Enter projected sales by month for each product of service  Add each month's total sales	Add your twelve-month totals and enter in this column
- Returns = Net Sales	List your projected amount of product returns, by month Subtract the projected monthly returns from the projected gross sales to yield Net Sales	

**PROJECTED SALES REVENUE WORKSHEET**

Month:													12-Mo. Total
+ Sales: Product 1													
+ Sales: Product 2													
+ Sales: Product 3													
+ Other Sales													
+ <b>Gross Sales</b>													
- Returns													
= Net Sales													

Sales Revenue Assumptions:

1. The sources of information for my sales projection are:
2. If the total market demand for my product/service =100%, my projected sales volume represents \_\_\_\_\_% of this total market.
3. The following factors might lower my sales projections:

## **HOW TO PREPARE THE PROJECTED COST OF GOODS SOLD WORKSHEET**

Month:	Write in the months for your projected twelve-month calendar	12-Mo. Total
+ Beginning Merchandise Inventory	Enter the beginning balance of inventory each month	Add your twelve-month totals and enter in this column
+ Net Purchases	Record each month's projected purchases of inventory	
+ Freight In	Enter freight charges for inventory purchases	
= Total Merchandise Available for Sale	Add beginning inventory, purchases, and freight costs to arrive at value of total merchandise available for sale	
- Ending Merchandise Inventory	Enter your projected amount of inventory on hand at the end of each month	
= Cost of Goods Sold	Subtract ending inventory from total merchandise available to get Cost of Goods Sold	

*NOTE: This worksheet does not include direct labor costs as part of total cost of goods sold. Labor costs would properly be part of cost of goods sold of manufacturers and some other types of businesses.*

## ***PROJECTED COST OF GOODS SOLD WORKSHEET***

Month:													12-Mo. Total
+ Beginning Merchandise Inventory + Net Purchases + Freight In													
= Total Merchandise Available for Sale													
- Ending Merchandise Inventory													
= Cost of Goods Sold													

Cost of Goods Sold Assumptions:

1. The sources of information for my cost-of-goods-sold projections are:
  
2. The following factors might increase my cost-of-goods-sold projections:

## HOW TO PREPARE THE PROJECTED LABOR EXPENSE WORKSHEET

Month:	Write in the month for your projected twelve-month calendar	12 Mo. Total
+ Owner's Salary + Employee 1 + Employee 2 + Employee 3 + Employee 4 = Total Wages	Enter amount of owner's monthly salary from business Enter each employee's monthly wages. To compute, multiply hourly wage by estimated hours per week times 4.3 weeks per month. Add owner's salary and all employees' wages, by month	Add your twelve-month totals and enter in this column
+FICA +FUTA +SUTA +Worker's Comp Ins. +Employee Benefits =Total Labor-Related Expense	Multiply "Total Wages by FICA rate (social security and Medicare tax) Multiply "Total Wages by FUTA rate* (federal unemployment tax, based on first \$7,000 of wages per employee) Multiply "Total Wages by SUTA rate* (state unemployment tax, based on first \$8,000 of wages per employee) Enter projected cost of worker's compensation insurance Enter monthly costs of any additional benefits (health/life insurance, etc.) Add all labor-related expenses, by month	

**PROJECTED LABOR EXPENSE WORKSHEET**

Month:													12 Mo. Total
+ Owner's Salary													
+ Employee 1													
+ Employee 2													
+ Employee 3													
+ Employee 4													
= Total Wages													
+ FICA													
+ FUTA													
+ SUTA													
+ Worker's Comp Ins.													
+ Employee Benefits													
= Total Labor - Related Expense													

Labor Expense Assumptions:

- |                       |                                     |
|-----------------------|-------------------------------------|
| 1. Payroll Taxes:     | 3. Worker's Compensation Insurance: |
| 2. Employee Benefits: | 4. Hourly Wage Rate:                |

## HOW TO PREPARE THE PROJECTED OPERATING EXPENSE WORKSHEET

Month:	Write in the months for your projected twelve-month calendar	12-Mo.Total
<ul style="list-style-type: none"> <li>+ Total Wages</li> <li>+ Labor-Related Exp.</li>   <li>+ Commissions</li> <li>+ Advertising</li> <li>+ Auto/Truck</li> <li>+ Bad Debts</li> <li>+ Bank Charges</li> <li>+ Depreciation</li> <li>+ Freight Out/Postage</li> <li>+ Insurance</li> <li>+ Legal/Accounting</li> <li>+ Rent</li> <li>+ Repairs/Maintenance</li> <li>+ Supplies</li> <li>+ Taxes/Licenses</li> <li>+ Travel/Entertainment</li> <li>+ Utilities/Telephone</li> <li>+ Miscellaneous</li> </ul>	<p>Enter total wages, by month, from Projected Labor Expense Worksheet</p> <p>Enter total labor-related expense, by month, from Projected Labor Expense Worksheet</p> <p>Enter total monthly commissions paid to sales staff</p> <p>Projected bad debt expense on customer sales</p> <p>Estimated bank fees on business checking accounts, bank credit card charges, etc.</p> <p>Estimated monthly depreciation expense on fixed assets (e.g., building, equipment) owned by business</p> <p>Projected business insurance costs (e.g., liability, building and property, business interruption, etc.)</p> <p>Projected facility upkeep or repairs per month</p> <p>Projected property taxes, privilege license fees, etc.</p> <p>Estimated amount for unplanned or unknown costs, by month</p>	<p>Add your twelve-month totals and enter in this column</p>
<p><b>= Total Operating Exp.</b></p>	<p>Add all operating expenses, by month</p>	

*NOTE: Enter projected monthly costs for each category of operating expense listed on the left; additional comments are offered for some cost items.*

## PROJECTED OPERATING EXPENSE WORKSHEET

Month:													12 Mo. Total
+ Total Wages													
+ Labor-Related Exp.													
+ Commissions													
+ Advertising													
+ Auto/Truck													
+ Bad Debts													
+ Bank Charges													
+ Depreciation													
+ Freight Out/Postage													
+ Insurance													
+ Legal/Accounting													
+ Rent													
+ Repairs/Maintenance													
+ Supplies													
+ Taxes/Licenses													
+ Travel/Entertainment													
+ Utilities/Telephone													
+ Miscellaneous													
<b>= Total Operating Exp.</b>													

Operating Expense Assumptions:

The sources of my cost estimates in the following areas are:

- |                                                                                                                      |                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Rent:</li> <li>2. Utilities/Telephone:</li> <li>3. Advertising:</li> </ol> | <ol style="list-style-type: none"> <li>4. Insurance:</li> <li>5. Legal/Accounting:</li> <li>6. Depreciation:</li> </ol> |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|



## **HOW TO PREPARE THE PROJECTED PROFIT OR LOSS WORKSHEET**

Month:	Write in the months for your projected twelve-month calendar	12 Mo. Total
+ Net Sales	Enter projected net sales, from the Projected Sales Revenue Worksheet	Add your twelve-month totals and enter in this column
- COGS	Enter projected cost of goods sold, from the Projected Cost of Goods Sold Worksheet	
= Gross Profit	Subtract cost of goods sold from net sales to yield Gross Profit	
- Total Operating Exp.	Enter total operating expenses, from the Projected Operating Expense Worksheet	
= Operating Profit	Subtract total operating expenses from gross profit to yield Operating Profit	
+ Other Income	Enter projected non-operating income, by month (e.g., vending machine income)	
- Other Expense	Enter estimated monthly non-operating expenses (e.g., vending machine expense)	
- Interest Expense	Enter monthly interest expense on loans obtained by business	
= Profit Before Taxes	To Operating Profit, add Other Income and subtract Other Expense and Interest Expense	
+ Income Taxes	Multiply your profit before taxes by your income tax rate	
= Net Profit	Subtract projected income tax expense from Profit Before Taxes to yield Net Profit	

***HOW TO PREPARE THE PROJECTED PROFIT OR LOSS WORKSHEET***

Month:																	12 Mo. Total
+ Net Sales																	
- COGS																	
= Gross Profit																	
- Total Operating Exp.																	
= Operating Profit																	
+ Other Income																	
- Other Expense																	
- Interest Expense																	
= Profit Before Taxes																	
+ Income Taxes																	
= Net Profit																	

Profit or Loss Worksheet Assumptions:

1. My source for income tax estimates is:

## **YOUR FINANCIAL RATIOS WORKSHEET**

It is important to compare the projected performance of a proposed business to the "industry averages" for that type of business. This comparison will confirm whether the projected financial performance is expected to be in line with, better than, or worse than industry norms.

INDUSTRY RATIOS OBTAINED FROM: \_\_\_\_\_

NAICS CODE FOR MY BUSINESS IS: \_\_\_\_\_

	<b>COLUMN 1 (MY \$\$)</b>	<b>COLUMN 2 (MY %)</b>	<b>COLUMN 3 (INDUSTRY %)</b>
NET SALES		100.0	100.0
GROSS PROFIT			
OPERATING EXPENSES			
OPERATING PROFIT			
ALL OTHER EXPENSES			
PROFIT BEFORE TAXES			

COLUMN 1 = My projected business income and expense data

COLUMN 2 = Data converted into "Percent of Net Sales"; divide each item by Net Sales and multiply by 100

COLUMN 3 = Industry average percentages for my type of business

The results of the comparison can be very useful. If, for example, your projected figures are comparable to industry norms, you would appear to have realistic expectations about your projected earnings. If your figures are at wide variance, you will need to account for the difference(s) by re-evaluating your estimates or by showing why your business will perform differently from others in the industry.

There are several sources of industry data, but a commonly available one is *Annual Statement Studies*, published by Robert Morris Associates. This book is available through the ASBDC as well as many public and university libraries.