

# FINANCIAL PLAN WRITE UP

*An outline of your company's growth strategy is essential to a business plan, but it just isn't complete without the numbers to back it up. Here's some advice on how to include things like a sales forecast, expense budget, and cash-flow statement. You do this in a distinct section.*

You can base your numbers on the performance of similar businesses in your industry by using industry benchmarks, market research and industry analysis. The investor wants to see your balance sheet to understand the condition of your business on a given date, which is usually the end of the fiscal year. There are three parts to the cash flow projection. It also gives you a tool for monitoring your finances, allowing you to gauge your progress and quickly head off trouble. Berry says that it's typical to start in one place and jump back and forth. Multiply this number by 6, and you have a six-month estimate of your operating expenses. When building your cash flow projection, a common pitfall is being over-optimistic about your projected sales. Still, he says that it's easier to explain in sequence, as long as you understand that you don't start at step one and go to step six without looking back--a lot--in between. Business planning or forecasting is a forward-looking view, starting today and going into the future. It shows your revenues, expenses, and profit for a particular period - a snapshot of your business that shows whether or not your business is profitable. It summarizes all the financial data about your business in three categories; assets, liabilities, and equity. Article Table of Contents Skip to section Expand. Breakeven analysis. Do I need more equipment? Realize that the financial section is not the same as accounting. Develop financial projections Create monthly financial projections by recording your anticipated income based on sales forecasts and anticipated expenses for labour, supplies, overhead, etc.. Get started with upmetrics and start your business financial planning for your startup and never run out of money! Businesses with very tight cash flow may want to make weekly projections. Here's some advice on how to include things like a sales forecast, expense budget, and cash-flow statement. Now, plug in the costs for the projects you identified in the previous step. Even if you don't need financing, you should compile a financial forecast in order to simply be successful in steering your business.