(\* This is a simplistic example for illustration purposes only. All revenues and costs are fictitious.)

### Big Bob's Hot Dog Stand

Bob has a brainstorm idea to set up a hot dog stand at a strategic downtown sidewalk location.

Bob's done extensive research, and he has,

- created a business plan
- found a location with a lot of foot traffic and not much competition
- found a hot dog cart that will meet his needs
- sourced ingredients that he will need

So, let's try doing a financial forecast with EntreQuick based on Bob' research

### 1. Bob's Estimated Start-up Costs

Setting up business name	175	
Business license and permits	275	
Insurance	300	
Business cards and brochures	250	
Hot Dog Cart	8000	
	9000	

## 2. Ongoing Monthly Costs

Sales Expenses (flyers)	25	
General & Administrative Expenses	50	
Year 2: 10% increase		

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Year 3: 10% Increase		

## 3. Revenue and Cost of Goods Sold

# Assumptions:

Average Revenue per Customer order (\$)	6	
Cost of Ingredients per Customer order	1.8	
Number of Customers per Day	35	
Number of Days worked per month	25	
Revenue per month	5250	
Cost of Goods Sold	1575	
Year 2: 5% Increase for both Revenue and Cost of Goods Sold		
Year 3: 5% Increase for both Revenue and Cost of Goods Sold		

# 4. Funding

Bank Loan	5000	interest rate 4.5% amortized over 5 years (60 months)
Personal Savings	6000	
	11000	

# 5. Assumptions

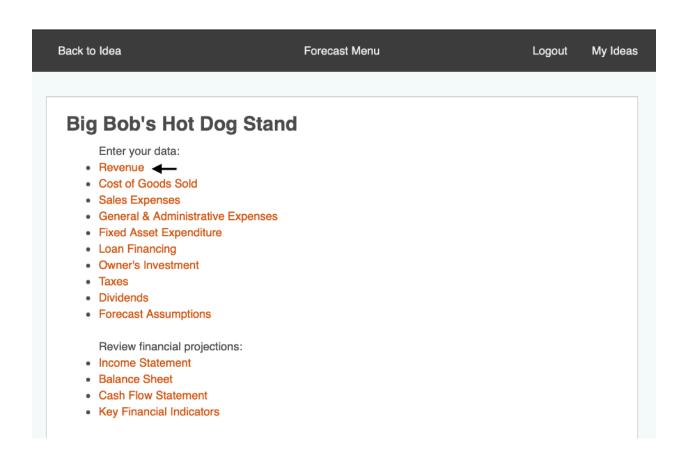
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Cash Sales	100%	
Account Payables terms	0 days	
Inventory terms	0 days	

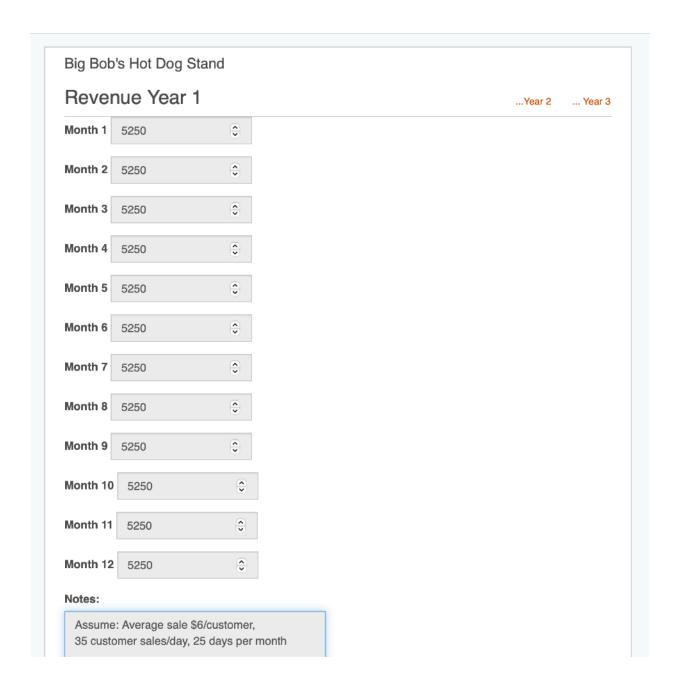
Note: Taxes and Dividends have not been included in this Financial Forecast example. Taxes and Dividends can be a complex issue and should be addressed by a qualified accountant.

Let's enter the data into EntreQuick

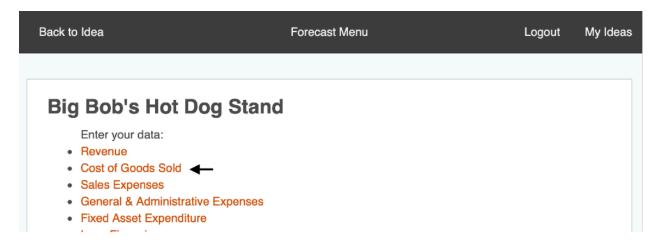
Start off with Revenue:



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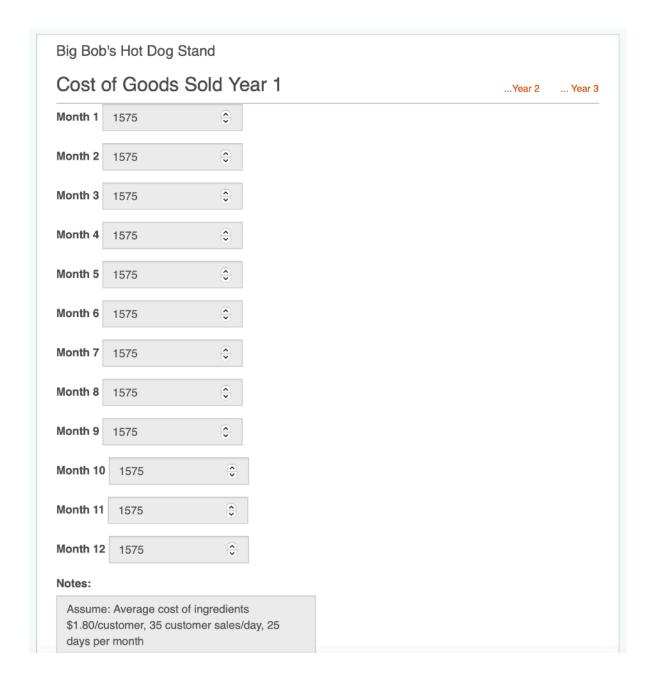


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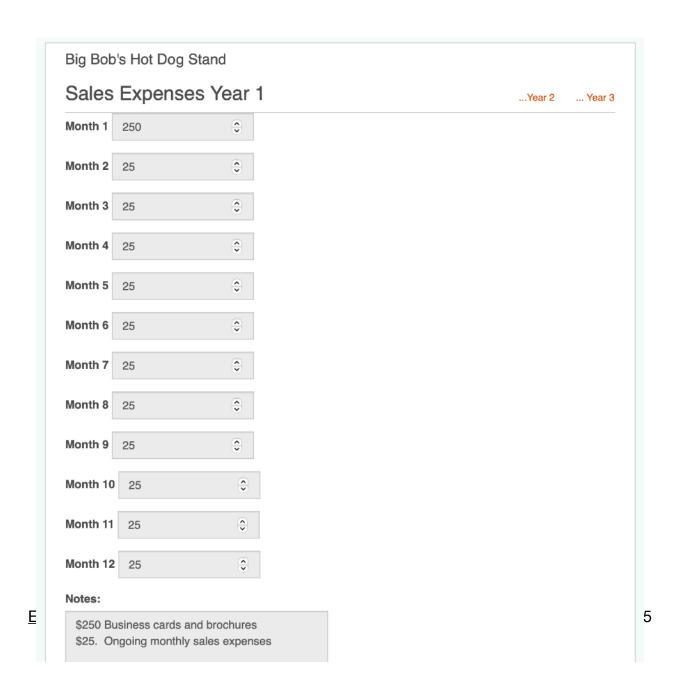
#### Cost of Goods Sold:

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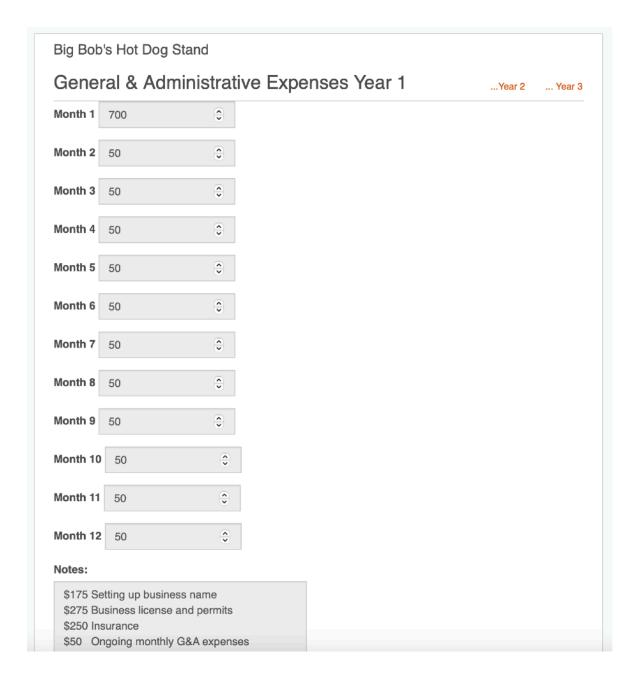


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# Sales Expenses

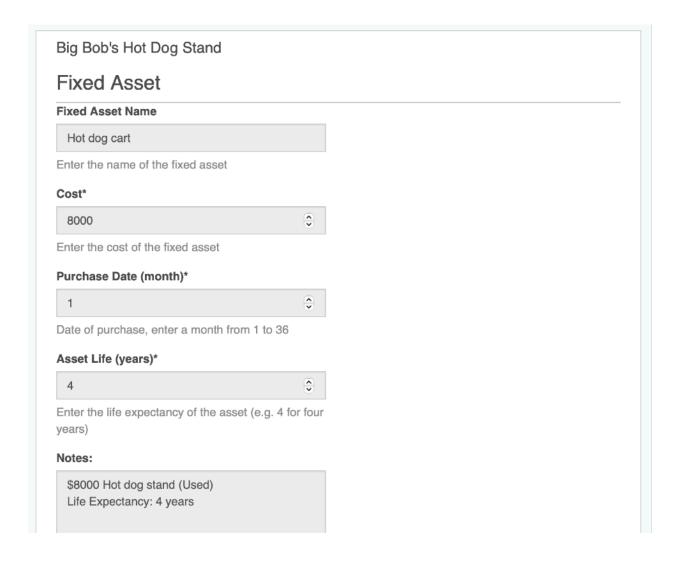


## General & Administrative Expenses



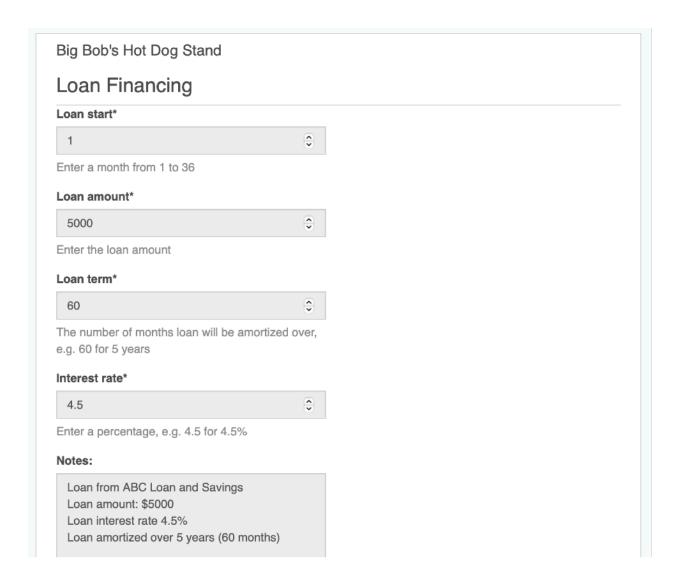
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# Fixed Asset Expenditure



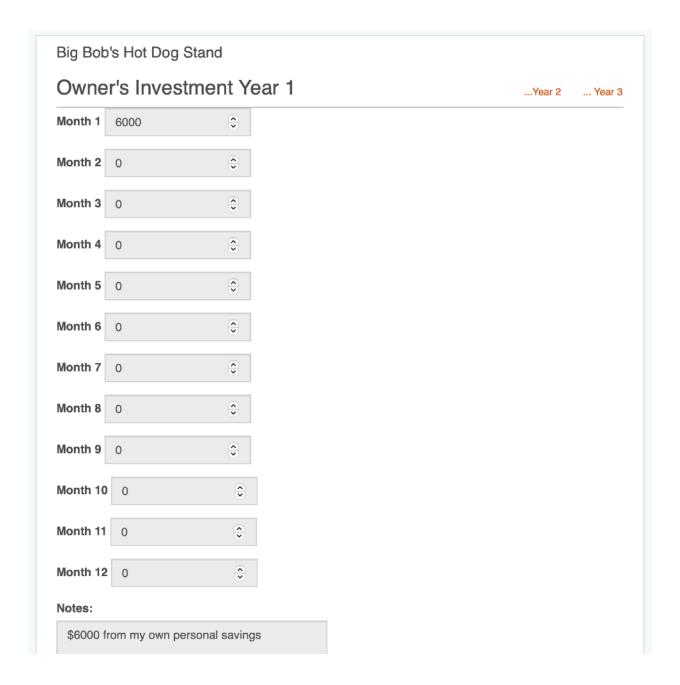
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## Loan Financing



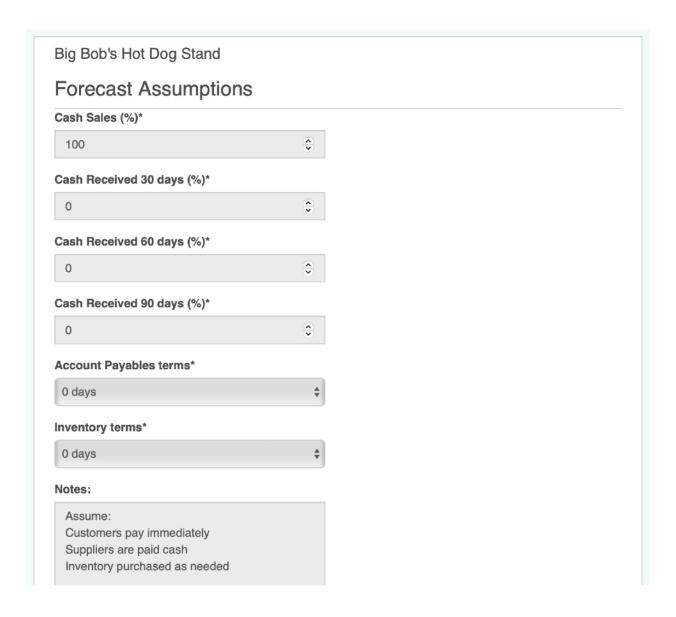
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#### Owner's Investment



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# **Forecast Assumptions**



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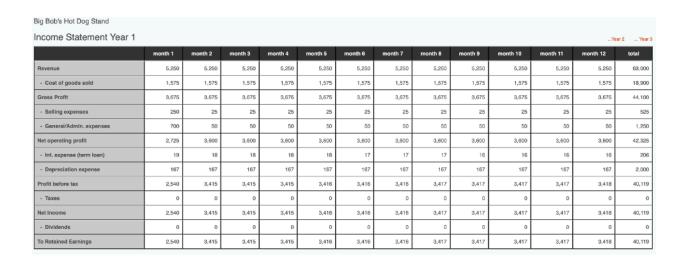
#### Years 2 and 3

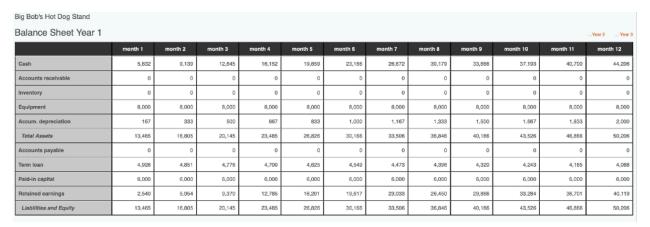
Assume Revenue and Cost of Goods Sold increase by 5% each year.

#### Review financial projections:

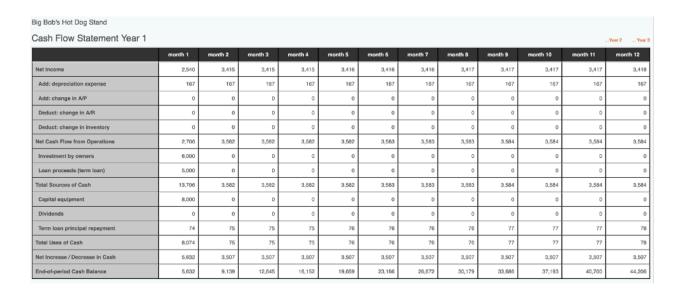
Review your projections for accuracy, consistency, and reasonableness. Seek feedback from financial experts or advisors. Revise and refine your projections based on the feedback and new information that becomes available. Remember, pro forma financial statements are forecasts and are subject to uncertainty.

Here are Year 1 financial statements generated by EntreQuick, as an example:





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Big Bob's Hot Dog Stand			
Financial Indicators			
	Year 1	Year 2	Year 3
Revenue	63,000	66,156	69,456
Profit before taxes	40,119	43,136	45,339
Return on equity (pretax)	146.8%	62.1%	39.8%
Return on total investment (pretax)	126.7%	59.3%	39.1%
Return on assets (pretax)	126.0%	59.0%	38.9%
Lowest monthly cash flow	3,507	3,682	3,862
Lowest ending cash balance	5,632	47,888	92,250
Gross profit margin	70.0%	70.0%	70.0%
Net income margin	63.7%	65.2%	65.3%

End - Financial Forecast - An Example

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