

# EntreQuick - Financial Forecast - An Example\*

(\* 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's 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			
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### 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:

[Back to Idea](#) [Forecast Menu](#) [Logout](#) [My Ideas](#)

### Big Bob's Hot Dog Stand

Enter your data:

- **Revenue** ←
- Cost of Goods Sold
- Sales Expenses
- General & Administrative Expenses
- Fixed Asset Expenditure
- Loan Financing
- Owner's Investment
- Taxes
- Dividends
- Forecast Assumptions

Review financial projections:

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Key Financial Indicators

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## Big Bob's Hot Dog Stand

### Revenue Year 1

[...Year 2](#)   [... Year 3](#)

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Month 1	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 2	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 3	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 4	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 5	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 6	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 7	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 8	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 9	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 10	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 11	<input type="text" value="5250"/>	<input type="button" value="↕"/>
Month 12	<input type="text" value="5250"/>	<input type="button" value="↕"/>

**Notes:**

Assume: Average sale \$6/customer,  
35 customer sales/day, 25 days per month

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Back to Idea Forecast Menu Logout My Ideas

## Big Bob's Hot Dog Stand

Enter your data:

- Revenue
- Cost of Goods Sold ←
- Sales Expenses
- General & Administrative Expenses
- Fixed Asset Expenditure

Cost of Goods Sold:

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Big Bob's Hot Dog Stand

## Cost of Goods Sold Year 1

[... Year 2](#)   [... Year 3](#)

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Month 1	1575	↕
Month 2	1575	↕
Month 3	1575	↕
Month 4	1575	↕
Month 5	1575	↕
Month 6	1575	↕
Month 7	1575	↕
Month 8	1575	↕
Month 9	1575	↕
Month 10	1575	↕
Month 11	1575	↕
Month 12	1575	↕

**Notes:**

Assume: Average cost of ingredients  
\$1.80/customer, 35 customer sales/day, 25  
days per month

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## Sales Expenses

Big Bob's Hot Dog Stand

### Sales Expenses Year 1

...Year 2    ... Year 3

Month 1	<input type="text" value="250"/>	<input type="button" value="↕"/>
Month 2	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 3	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 4	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 5	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 6	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 7	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 8	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 9	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 10	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 11	<input type="text" value="25"/>	<input type="button" value="↕"/>
Month 12	<input type="text" value="25"/>	<input type="button" value="↕"/>

**Notes:**

<p>\$250 Business cards and brochures \$25. Ongoing monthly sales expenses</p>
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## General & Administrative Expenses

Big Bob's Hot Dog Stand

### General & Administrative Expenses Year 1

[...Year 2](#)   [... Year 3](#)

Month 1	<input type="text" value="700"/>	<input type="button" value="↕"/>
Month 2	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 3	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 4	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 5	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 6	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 7	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 8	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 9	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 10	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 11	<input type="text" value="50"/>	<input type="button" value="↕"/>
Month 12	<input type="text" value="50"/>	<input type="button" value="↕"/>

**Notes:**

\$175 Setting up business name  
\$275 Business license and permits  
\$250 Insurance  
\$50 Ongoing monthly G&A expenses



## Fixed Asset Expenditure

Big Bob's Hot Dog Stand

### Fixed Asset

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**Fixed Asset Name**

Hot dog cart

Enter the name of the fixed asset

**Cost\***

8000

Enter the cost of the fixed asset

**Purchase Date (month)\***

1

Date of purchase, enter a month from 1 to 36

**Asset Life (years)\***

4

Enter the life expectancy of the asset (e.g. 4 for four years)

**Notes:**

\$8000 Hot dog stand (Used)  
Life Expectancy: 4 years

## Loan Financing

Big Bob's Hot Dog Stand

### Loan Financing

**Loan start\***

Enter a month from 1 to 36

**Loan amount\***

Enter the loan amount

**Loan term\***

The number of months loan will be amortized over,  
e.g. 60 for 5 years

**Interest rate\***

Enter a percentage, e.g. 4.5 for 4.5%

**Notes:**

Loan from ABC Loan and Savings  
Loan amount: \$5000  
Loan interest rate 4.5%  
Loan amortized over 5 years (60 months)

# EntreQuick - Financial Forecast - An Example\*

## Owner's Investment

Big Bob's Hot Dog Stand

**Owner's Investment Year 1** ...Year 2    ... Year 3

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Month 1	<input type="text" value="6000"/>	<input type="button" value="↕"/>
Month 2	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 3	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 4	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 5	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 6	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 7	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 8	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 9	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 10	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 11	<input type="text" value="0"/>	<input type="button" value="↕"/>
Month 12	<input type="text" value="0"/>	<input type="button" value="↕"/>

**Notes:**

\$6000 from my own personal savings

## Forecast Assumptions

Big Bob's Hot Dog Stand

### Forecast Assumptions

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**Cash Sales (%)\***

**Cash Received 30 days (%)\***

**Cash Received 60 days (%)\***

**Cash Received 90 days (%)\***

**Account Payables terms\***

**Inventory terms\***

**Notes:**

Assume:  
Customers pay immediately  
Suppliers are paid cash  
Inventory purchased as needed

# EntreQuick - Financial Forecast - An Example\*

## 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:

Big Bob's Hot Dog Stand

Income Statement Year 1

...Year 2 ... Year 3

	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12	total
Revenue	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000
- Cost of goods sold	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	18,900
Gross Profit	3,675	3,675	3,675	3,675	3,675	3,675	3,675	3,675	3,675	3,675	3,675	3,675	44,100
- Selling expenses	250	25	25	25	25	25	25	25	25	25	25	25	525
- General/Admin. expenses	700	50	50	50	50	50	50	50	50	50	50	50	1,250
Net operating profit	2,725	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	42,325
- Int. expense (term loan)	19	18	18	18	18	17	17	17	16	16	16	16	206
- Depreciation expense	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Profit before tax	2,540	3,415	3,415	3,415	3,416	3,416	3,416	3,417	3,417	3,417	3,417	3,418	40,119
- Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	2,540	3,415	3,415	3,415	3,416	3,416	3,416	3,417	3,417	3,417	3,417	3,418	40,119
- Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
To Retained Earnings	2,540	3,415	3,415	3,415	3,416	3,416	3,416	3,417	3,417	3,417	3,417	3,418	40,119

Big Bob's Hot Dog Stand

Balance Sheet Year 1

...Year 2 ... Year 3

	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12
Cash	5,632	9,139	12,645	16,152	19,659	23,166	26,672	30,179	33,686	37,193	40,700	44,206
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0	0	0	0
Equipment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Accum. depreciation	167	333	500	667	833	1,000	1,167	1,333	1,500	1,667	1,833	2,000
<b>Total Assets</b>	<b>13,465</b>	<b>16,805</b>	<b>20,145</b>	<b>23,485</b>	<b>26,826</b>	<b>30,166</b>	<b>33,506</b>	<b>36,846</b>	<b>40,186</b>	<b>43,526</b>	<b>46,866</b>	<b>50,206</b>
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0
Term loan	4,926	4,851	4,776	4,700	4,625	4,549	4,473	4,396	4,320	4,243	4,165	4,088
Paid-in capital	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Retained earnings	2,540	5,954	9,370	12,785	16,201	19,617	23,033	26,450	29,866	33,284	36,701	40,119
<b>Liabilities and Equity</b>	<b>13,465</b>	<b>16,805</b>	<b>20,145</b>	<b>23,485</b>	<b>26,826</b>	<b>30,166</b>	<b>33,506</b>	<b>36,846</b>	<b>40,186</b>	<b>43,526</b>	<b>46,866</b>	<b>50,206</b>

# EntreQuick - Financial Forecast - An Example\*

Big Bob's Hot Dog Stand

## Cash Flow Statement Year 1

...Year 2 ...Year 3

	month 1	month 2	month 3	month 4	month 5	month 6	month 7	month 8	month 9	month 10	month 11	month 12
Net Income	2,540	3,415	3,415	3,415	3,416	3,416	3,416	3,417	3,417	3,417	3,417	3,418
Add: depreciation expense	167	167	167	167	167	167	167	167	167	167	167	167
Add: change in A/P	0	0	0	0	0	0	0	0	0	0	0	0
Deduct: change in A/R	0	0	0	0	0	0	0	0	0	0	0	0
Deduct: change in inventory	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow from Operations	2,706	3,582	3,582	3,582	3,582	3,583	3,583	3,583	3,584	3,584	3,584	3,584
Investment by owners	8,000	0	0	0	0	0	0	0	0	0	0	0
Loan proceeds (term loan)	5,000	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Cash	13,706	3,582	3,582	3,582	3,582	3,583	3,583	3,583	3,584	3,584	3,584	3,584
Capital equipment	8,000	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	0	0	0
Term loan principal repayment	74	75	75	75	76	76	76	76	77	77	77	78
Total Uses of Cash	8,074	75	75	75	76	76	76	76	77	77	77	78
Net Increase / Decrease in Cash	5,632	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507
End-of-period Cash Balance	5,632	9,139	12,645	16,152	19,659	23,166	26,672	30,179	33,686	37,193	40,700	44,206

## Big Bob's Hot Dog Stand

### Financial Indicators

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

## EntreQuick - Financial Forecast - An Example\*

End - Financial Forecast - An Example