## Making your Business Plan

So you have an idea, What about the money?





# The Earnings Logic

#### Who pays for what and how

= How are your going to make money from this

#### 5 basic models

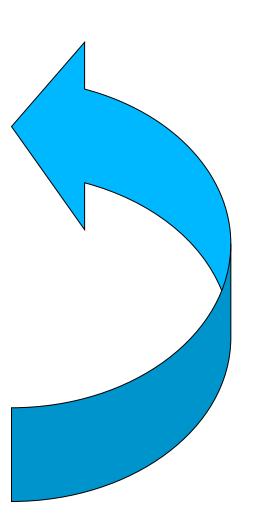
- 1. Selling things for more than they cost
- 2. Selling subscriptions
- 3. Charging a commission
- 4. Selling advertising
- 5. Lotteries and other scams
- 6. (Get lots of users and then figure out what to do)





#### The Business Plan

- 1. Industry, Company and Offering
- 2. Market research
- 3. Marketing plan
- 4. Financial plan
- 5. Operations
- 6. Risks
- 7. Overall schedule
- IMPLEMENT and iterate





## Project Financial Planning

• What do you need to plan?

## Project Financial Planning

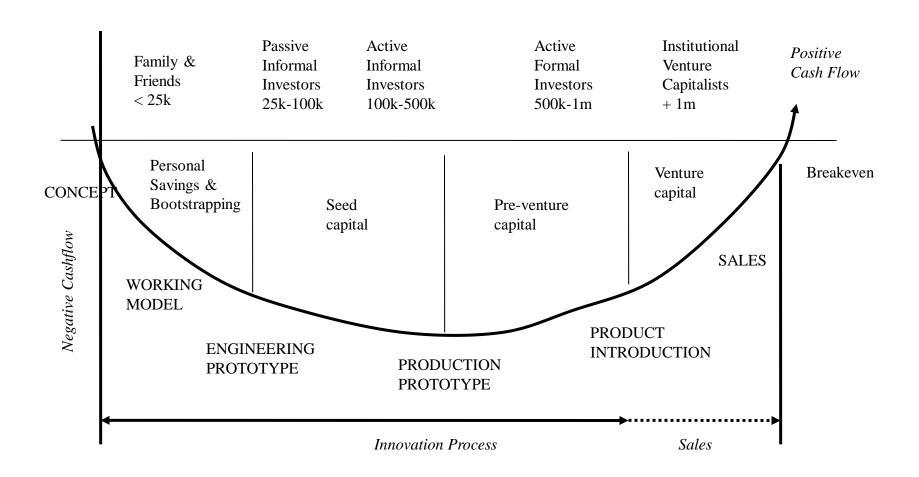
- Cash flow \*
- Investments into IT, ...
  - To be covered by own money, loans, company cash, investors funding
- Profitability

Cash, not profit is king for a start-up. Ref: Lang (2002)

\* Your task today



# Innovation Cashflow – Physical Product





#### Financial Leagal Requirements

- Keep proper books of account
  - Give honest and fair account statement of the companies account
    - Profit and loss
    - Balance sheet
- Annual audits
- Solvency
  - You must pay your bills



### **Key Financial Concepts**

- Direct costs aka variable costs
  - Cost that go up as you produce more services / products
    - Direct wages, warrenties, components, material, freight...
- Indirect cost aka fixed costs
  - Same regardless of how many units / services you produce (except in extreme cases)
    - Management wages, R&D, rent, .....
    - Often allocated as an overhead % on top of direct costs
- Net Present Value (NPV)
  - A method for comparing the value of projects with different cash flows



Your parameters, i.e. your assumptions

- subcription fees
- monthly fees
- direct costs
- ... insert rows if necessary

PARAMETERS								
Subscription fee (EUR)	100							
Monthly service fee (EUR)	50							
Cost / service A events	20	1	١					
Other parameter	0							
Other parameter	0							
Other parameter	0							
Cost per head per half year kEUR	20 Put l	ere the	e cost per h	ead				
	1H10 2H10	0	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVC over H	0	0	20 000	90 000	240 000	440 000	640 000	840 000
New subscribers	0	0	40 000	100 000	200 000	200 000	200 000	200 000
Subscription fees	0.0	0.0	4.0					
Monthly fees	0	0.0	6.0			,	,	,
SALES (MEUR)		0,0	0,0	2.,0	72,0	102,0	102,0	202,0
# of service A events								
Total Cost of service A (MEUR)	0.0	0.0	0.0	0,0	0.0	0.0	0.0	0.0
Other indirect costs	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
NET SALES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET SALES	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Sales & Marketing personnel	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0,5
Sales & Marketing KEUR	10	10	10	10	-,-	-,-	-,-	-,-
oulds a Marketing REOR	10	10	10	10	10	10	10	10
R&D personnel	0,5	0,5	0.5	0.5	0.5	0.5	0,5	0,5
R&D KEUR	10	10	10	10	10	10	10	
	1							
Admistrative personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Admistration & Common KEUR	10	10	10	10	10	10	10	10
Estamal marketing auraneae VELID		2	-	2	2	2	2	2
External marketing expenses KEUR		2	2					
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0
Operating Profit	-0.03	0.0	0,0	0,0	-,-	,	,	
OP %	-0,03	0,0	0,0	0,0	0,0	0,0	-1-	,
OF 76	U	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Investments (MEUR)	0.1		0.1				0.5	
IIIVestifierts (WLOR)	0,1		0,1				0,3	
Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
Cumulative cash flow	-0,1	-0,2	-0,3	-0,3	-0,4			
Cash Flow II	-0,1	0,0	-0,1	0,0	0,0			-,-
Present Value (today)	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,4	0,0
Net Present Value	-0,8							



# of units sold, eg subscribers, poducts, ...

100							
_							
_							
		e cost per h	aad				
20	i utilete tii	e cost per ii	cau				
1H10	2H10	<del>11111</del>	2H11	1H12	2H12	1H13	2H13
0	0	20 000	90 000	240 000	440 000	640 000	840 000
0	0	40 000	100 000	200 000	200 000	200 000	200 000
0.0	0.0	4.0	10.0	20.0	20.0	20.0	20.0
	,	6.0				,	,
	5,0	5,0	2.,0	. 2,0	,52,0	.02,0	202,0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
0.5	0.5	0.5	0.5	0.5	0.5	0.5	0,5
		-,-			-,-		
	10	10	10	10	10	10	10
0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	,	,					,
0.5	0.5	0.5	0.5	0.5	0.5	0.5	0,5
	2	2	2	2	2	2	. 2
0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
-0,03	0,0	0.0	0.0	0.0	0.0	0.0	0,0
0	,		0 %			,	-
0,1		0,1				0,5	
0.4	0.0	0.4	0.0	0.0	0.0	0.5	0.0
		-,-	-,-	-,-	-,-		-
-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
-0,1	0,0	-0.1	0,0	0,0	0,0	-0.5	0,0
-U. I							
-0,1		-	0.0		-		0.0
	50 20 0 0 0 0 0 0 0 0 0 0 0 0 0	0 20 Put here th  1H10 2H10  0 0 0  0 0 0,0  0,0 0,0  0,0 0,0  0,0 0,0  0,5 0,5  10 10  0,5 0,5  10 10  0,5 0,5  10 10  0,5 0,5  10 10  0,7 0,0 0,0  0,0 0,0 0,0  0,0 0,0 0,0  0,0 0,0	50 20 0 0 0 0 0 0 20 Put here the cost per h  1H10 2H10 1H14 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	50 20 0 0 0 0 0 20 Put here the cost per head  1H10 2H10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	50 20 0 0 0 0 20 Put here the cost per head  1H10 2H10 1H14 2H11 1H12  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	50 20 0 0 0 0 20 Put here the cost per head  1H10 2H10 1H14 2H11 1H12 2H12  0 0 0 20 000 90 000 240 000 440 000  0 0 40 000 100 000 200 000 200 000  0 0,0 0,0 4,0 10,0 20,0 20,0 20,0  0 0,0 0,0 6,0 27,0 72,0 132,0  0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0  0,0 0,0	50 20 0 0 0 0 20 Put here the cost per head  1H10 2H10 1H14 2H11 1H12 2H12 1H13  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0



Total sales in €
Insert more rows if
you have several
streams of income

PARAMETERS								
Subscription fee (EUR)	100							
Monthly service fee (EUR)	50							
Cost / service A events	20							
Other parameter	0							
Other parameter	0							
Other parameter	0							
Cost per head per half year kEUR	20	Put here th	e cost per h	ead				
Cost per field per fiall year REGIT	20	i di nore ti	ic cost per n	Cuu				
	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVG over H	0	0	20 000	90 000	240 000	440 000	640 000	840 000
New subscribers	0	0	40 000	100 000	200 000	200 000	200 000	200 000
Subscription fees	0,0	0,0	4,0	10,0	20.0	20,0	20,0	20,0
Monthly fees	0	0.0	6.0	27.0	72.0	132.0	192.0	252.0
SALES (MEUR)			-,-	: }•		,	1	
# of service A events								
Total Cost of service A (MEUR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other indirect costs	-,-	-,-	-,-	-,-	-,-			
NET SALES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET ONLEG	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Sales & Marketing personnel	0,5	0,5	0.5	0,5	0,5	0,5	0.5	0,5
Sales & Marketing KEUR	10							
Calco a Marketing REOR	10	10	10	10	10	10	10	10
R&D personnel	0,5	0,5	0,5	0,5	0,5	0,5	0.5	0,5
R&D KEUR	10							
Admistrative personnel	0,5	0.5	0.5	0.5	0.5	0,5	0.5	0,5
Admistration & Common KEUR	10				,	-		
, tarributation at 5 strings.								
External marketing expenses KEUR		2	2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Operating Profit	-0,03	0,0	0,0	0,0	0,0	0,0	0,0	0,0
OP %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Investments (MEUR)	0,1		0,1				0,5	
Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
Cumulative cash flow	-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
Cash Flow II	-0,1							
Present Value (today)	-0,1		-0,1	0,0	0,0	0,0	-0,4	0,0
Net Present Value	-0,8							



Total direct costs, you can put in volumes if different than sales volume

PARAMETERS								
Subscription fee (EUR)	100							
Monthly service fee (EUR)	50							
Cost / service A events	20							
Other parameter	0							
Other parameter	0							
Other parameter	0							
Cost per head per half year kEUR	20	Put here th	e cost per h	ead				
Soot per ricad per riali year NEST		r de nore un	o coot por n	Cuu				
	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVG over H	0	0	20 000	90 000	240 000	440 000	640 000	840 000
New subscribers	0	0	40 000	100 000	200 000	200 000	200 000	200 000
Subscription fees	0,0	0,0	4,0	10,0	20,0	20,0	20,0	20,0
Monthly fees	0	0,0	6,0	27,0	72,0	132,0	192,0	252,0
SALES (MEUR)		,		,	,	,	,	,
# of service A events								
Total Cost of service A (MEUR)	0.0	0.0	0.0	0,0	0.0	0.0	0.0	0.0
Other indirect costs	-,-	-,-	-,-	-,-		-,-	-,-	-,-
NET SALES	0.0	0.0	0.0	0.0	0.0	0,0	0.0	0.0
	-,-	-,-	-,-	-,-	-,-	-,-		-,-
Sales & Marketing personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Sales & Marketing KEUR	10	10	10	10	10	10	10	10
R&D personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
R&D KEUR	10	10			10	10	10	10
Admistrative personnel	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Admistration & Common KEUR	10	10	10	10	10	10	10	,
External marketing expenses KEUR		2	2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Operating Profit	-0,03	0,0	0,0	0,0	0,0	0,0	0,0	0,0
OP %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Investments (MEUR)	0,1		0,1				0,5	
,			-,-				-,-	
Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
Cumulative cash flow	-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
Cash Flow II	-0,1		-0,1					-
Present Value (today)	-0,1		-0,1	0,0	0,0	0,0	-0,4	0,0
Net Present Value	-0,8							



Cost per person (head)

# of Personnel and Personnel costs

	DADAUETEDO	I						1	
	PARAMETERS	400							
	Subscription fee (EUR)	100							
	Monthly service fee (EUR)	50							
	Cost / service A events	20							
	Other parameter	0							
	Other parameter	0							
_	Other parameter	0	<b>5</b>						
_	Cost per head per half year kEUR	20	Put here th	e cost per h	ead				
		1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
	Number of subscribers AVG over H	0							
	New subscribers	0							
			_						
	Subscription fees	0,0							
	Monthly fees	0	0,0	6,0	27,0	72,0	132,0	192,0	252,0
	SALES (MEUR)								
	# of service A events								
	Total Cost of service A (MEUR)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	Other indirect costs								
	NET SALES	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	Sales & Marketing personnel	0,5	-,-		-,-	-,-	-,-		-,-
/	Sales & Marketing KEUR	10	10	10	10	10	10	10	10
	R&D personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
	R&D KEUR	/10	10	10	10	10	10	10	10
	Admistrative personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
`	Admistration & Common KEUR	10	10	10	10	10	10	10	10
		•							
	External marketing expenses KEUR		2	2	2	2	2	2	2
	External subcontracting & other services KEUR								
	Operations & Logistics expenses KEUR								
	Total Operating Expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	Operating Profit	-0.03	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OP %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
						3 ,3		0 ,,	0 70
	Investments (MEUR)	0.1		0.1				0.5	
	IN SOCIONO (MEDIC)	3,1		0,1				0,3	
	Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
	Cumulative cash flow	-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
	Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
	Present Value (today)	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,4	0,0
	Net Present Value	-0,8							
		_							



Other cost and expences, insert rows if needed

PARAMETERS								
Subscription fee (EUR)	100	 						
Monthly service fee (EUR)	50							
Cost / service A events	20							
Other parameter	0							
Other parameter	0							
Other parameter	0							
Cost per head per half year kEUR	20	Put here th	ne cost per h	ead				
Soci por rioda por riam your neore		r de moro a						
	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVG over H	0	0	20 000	90 000	240 000	440 000	640 000	840 000
New subscribers	0	0	40 000	100 000	200 000	200 000	200 000	200 000
Subscription fees	0,0	0,0	4,0	10,0	20,0	20,0	20,0	20,0
Monthly fees	0	0,0	6,0	27,0	72,0	132,0	192,0	252,0
SALES (MEUR)				,	,			
# of service A events								
Total Cost of service A (MEUR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other indirect costs	0,0	5,5	5,5	0,0	5,5	5,5	5,5	0,0
NET SALES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET ONEED	0,0			0,0	0,0	5,5	0,0	0,0
Sales & Marketing personnel	0,5	0,5	0,5	0,5	0.5	0,5	0,5	0.5
Sales & Marketing KEUR	10						-	
outside manifesting regions								
R&D personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
R&D KEUR	10	10	10	10	10	10	10	10
Admistrative personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Admistration & Common KEUR	10	10	10	10	10	10	10	10
External marketing expenses KEUR		2	2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Operations & Logistics expenses REOR								
Total Operating Expenses	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Operating Profit	-0.03	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OP %	0	0 %	0 %	0 %	0 %	,	,	0 %
Investments (MEUR)	0,1		0,1				0,5	
Cash Flow II	-0,1			-,-				
Cumulative cash flow	-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
Cash Flow II	-0,1	0.0	-0.1	0.0	0,0	0.0	-0,5	0,0
Present Value (today)	-0,1			-,-				
Net Present Value	-0,1	-	-0,1	0,0	0,0	0,0	30,4	0,0
INCLI I COCIIL VAIUC	-0,0							



Operating Expences and

**Operating Profit** 

PARAMETERS								
Subscription fee (EUR)	100	•						
Monthly service fee (EUR)	50							
Cost / service A events	20							
Other parameter	0	-						
Other parameter	0	•						
Other parameter	0	•						
Cost per head per half year kEUR	20	Put here th	e cost per h	ead				
	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVG over H	0	_						
New subscribers	0		40 000	100 000	200 000	200 000	200 000	200 000
Subscription fees	0,0	0,0	4,0	10,0	20,0	20,0	20,0	
Monthly fees	0	0,0	6,0	27,0	72,0	132,0	192,0	252,0
SALES (MEUR)								
# of service A events								
Total Cost of service A (MEUR)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other indirect costs	· ·		,	,		,		,
NET SALES	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Sales & Marketing personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Sales & Marketing KEUR	10	10	10	10	10	10	10	10
R&D personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
R&D KEUR	10	10	10	10	10	10	10	10
	•							
Admistrative personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Admistration & Common KEUR	10	10	10	10	10	10	10	10
	•							
External marketing expenses KEUR		2	2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0,0		,	,	,	,	,	,
Operating Profit	0,03	0,0	0,0	0,0	0,0	0,0	0,0	0,0
OP %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Investments (MEUR)	0,1		0,1				0,5	
Cash Flow II	-0,1		-,-	-,-	-,-	0,0		-,-
Cumulative cash flow	-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
Cash Flow II	0.4	0,0	-0,1	0.0	0,0	0.0	-0.5	0,0
Present Value (today)	-0,1 -0,1			-		0,0 0.0	-,-	
Net Present Value	-0,1		-0,1	0,0	0,0	0,0	-0,4	0,0
NET LIESCHT ANNE	-0,8							



PARAMETERS								
Subscription fee (EUR)	100	) <mark>-</mark>						
Monthly service fee (EUR)	50	)						
Cost / service A events	20	)						
Other parameter	0							
Other parameter	0	)						
Other parameter	0	<u>'</u>						
Cost per head per half year kEUR	20	Put here t	he cost per h	ead				
N. J. C. J. 31 AMO. 11	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVG over H	0		20 000					
New subscribers	0		40 000					
Subscription fees	0,0							
Monthly fees	0	0,0	6,0	27,0	72,0	132,0	192,0	252,0
SALES (MEUR)								
# of service A events								
Total Cost of service A (MEUR)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other indirect costs								
NET SALES	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
O-land Marketian account	0.5			0.5	0.5	0.5	0.5	0.5
Sales & Marketing personnel	0,5		-,-	-,-	-,-	-,-	-,-	-1-
Sales & Marketing KEUR	10	10	10	10	10	10	10	10
R&D personnel	0,5	0,	5 0.5	0.5	0.5	0.5	0.5	0,5
R&D KEUR	10			,	,	,	,	,
NAD NEON	10	1	, 10	10	10	10	10	10
Admistrative personnel	0,5	0,	0.5	0.5	0.5	0.5	0,5	0,5
Admistration & Common KEUR	10			10	10	10		
	_							
External marketing expenses KEUR		1	2 2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Profit	-0,03	,	,			,	,	
OP %	-0,03		- '	-1-	,	,	-	-
OF 78		0 7	0 70	0 70	0 76	0 76	0 76	0 70
Investments (MEUR)	0.1		0.1				0.5	
IIIVESTITICITES (IVILOTY)	J 0,1		0,1				0,5	
Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
Cumulative cash flow	-0,1							
Cash Flow II	-0,1		-,-	-,-	-,-	-,-	-,-	-,-
Present Value (today)	-0,1		-0,1	0,0	0,0	0,0	-0,4	0,0
Net Present Value	-0,8							

#### Investments



PARAMETERS								
Subscription fee (EUR)	100							
Monthly service fee (EUR)	50							
Cost / service A events	20							
Other parameter	0							
Other parameter	0							
Other parameter	0							
Cost per head per half year kEUR	20	Put here th	e cost per h	ead				
	1H10	2H10	1H11	2H11	1H12	2H12	1H13	2H13
Number of subscribers AVG over H	0	0	20 000	90 000	240 000	440 000	640 000	840 000
New subscribers	0	0	40 000	100 000	200 000	200 000	200 000	200 000
Subscription fees	0,0	0,0	4,0	10,0	20,0	20.0	20,0	20,0
Monthly fees	0		6.0				,	
SALES (MEUR)		5,0	5,0		. 2,0	.52,0	.02,0	252,0
# of service A events								
Total Cost of service A (MEUR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
· · · · · · · · · · · · · · · · · · ·	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other indirect costs		0.0			0.0		0.0	0.0
NET SALES	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Calca 9 Marketing paragonal	٥٢	0.5	٥٢	٥٢	0.5	0.5	0.5	0.5
Sales & Marketing personnel	0,5	-,-	0,5	,	-,-	-,-	-,-	-,-
Sales & Marketing KEUR	10	10	10	10	10	10	10	10
R&D personnel	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
		-						-
R&D KEUR	10	10	10	10	10	10	10	10
Admintonting	0.5	0.5	0.5		0.5	0.5	0.5	0.5
Admistrative personnel	0,5	-	0,5					,
Admistration & Common KEUR	10	10	10	10	10	10	10	10
External marketing expenses KEUR		2	2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		,		,	,	,	,	,
Operating Profit	-0,03	,	0,0	-,-	,	,	,	
OP %	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Land (MELID)								
Investments (MEUR)	0,1		0,1				0,5	
Cash Flow II	-0.1	0.0	-0.1	0.0	0.0	0.0	-0.5	0.0
Cumulative cash flow	-0,1	-,-	-0,1	-,-	-,-	-,-	-,-	-,-
Cumulauve Casii IIOW	-0,1	-0,2	-0,3	-0,3	-0,4	-0,4	-0,9	-1,0
Cash Flow II	-0.1	0.0	-0.1	0.0	0.0	0.0	-0.5	0.0
Present Value (today)	-0.1	0.0	-0,1	-,-	-,-	0.0	-,-	-,-
Net Present Value	)-0.8		-,1	2,0	3,0	5,0	3,4	5,5
Joont valuo								

Present Value and Net Present Value



PARAMETERS Subscription fee (EUR) Monthly service fee (EUR) Cost / service A events Other parameter Other parameter Cother parameter Cost per head per half year kEUR  Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES  Sales & Marketing personnel	0,0	Put here the 2H10 0 0 0,0 0,0 0,0	e cost per h  1H11  20 000  40 000  4,0  6,0	2H11 90 000 100 000 10,0	240 000 200 000 20,0 72,0	200 000 20,0	640 000 200 000 20,0	200 000 20,0
Monthly service fee (EUR) Cost / service A events Other parameter Other parameter Other parameter Cost per head per half year kEUR  1H10  Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	50 20 0 0 0 20 0 0 0 0 0 0 0 0 0 0 0 0 0	Put here the 2H10 0 0 0,0 0,0 0,0	1H11 20 000 40 000 4,0 6,0	2H11 90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Cost / service A events Other parameter Other parameter Other parameter Cost per head per half year kEUR  IH10  Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	20 0 0 20 0 0 0 0,0 0	Put here the 2H10 0 0 0,0 0,0 0,0	1H11 20 000 40 000 4,0 6,0	2H11 90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Other parameter Other parameter Cost per head per half year kEUR  1H10  Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Put here the 2H10 0 0 0,0 0,0 0,0 0,0	1H11 20 000 40 000 4,0 6,0	2H11 90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Other parameter Other parameter Cost per head per half year kEUR  1H10  Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2H10 0 0 0,0 0,0	1H11 20 000 40 000 4,0 6,0	2H11 90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Cost per head per half year kEUR  1H10  Number of subscribers AVG over H  New subscribers  Subscription fees  Monthly fees  SALES (MEUR)  # of service A events  Total Cost of service A (MEUR)  Other indirect costs  NET SALES	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2H10 0 0 0,0 0,0	1H11 20 000 40 000 4,0 6,0	2H11 90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	2H10 0 0 0,0 0,0	1H11 20 000 40 000 4,0 6,0	2H11 90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0 0,0 0,0 0	0 0,0 0,0 0,0	20 000 40 000 4,0 6,0	90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
Number of subscribers AVG over H New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0 0,0 0,0 0	0 0,0 0,0 0,0	20 000 40 000 4,0 6,0	90 000 100 000 10,0 27,0	240 000 200 000 20,0 72,0	440 000 200 000 20,0	640 000 200 000 20,0	840 000 200 000 20,0
New subscribers Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	0,0	40 000 4,0 6,0	100 000 10,0 27,0	200 000 20,0 72,0	200 000 20,0	200 000 20,0	200 000 20,0
Subscription fees Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	0,0	4,0 6,0	10,0 27,0	20,0 72,0	20,0	20,0	20,0
Monthly fees SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	0,0	6,0	27,0	72,0			
SALES (MEUR) # of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	0,0	0,0	,	,	132,0	192,0	252,0
# of service A events Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	,	<u> </u>	0,0	0.0			
Total Cost of service A (MEUR) Other indirect costs NET SALES	0,0	,	<u> </u>	0,0	0.0			
Other indirect costs NET SALES	0,0	,	<u> </u>	0,0	0.0			
NET SALES		0,0			0,0	0,0	0,0	0,0
		0,0						
Sales & Marketing personnel			0,0	0,0	0,0	0,0	0,0	0,0
Sales & Marketing personnel								
	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Sales & Marketing KEUR	10	10	10	10	10	10	10	10
R&D personnel	0,5		0,5	0,5		0,5	,	,
R&D KEUR	10	10	10	10	10	10	10	10
Admistrative personnel	0,5		0,5	0,5			,	,
Admistration & Common KEUR	10	10	10	10	10	10	10	10
E to the Committee of t								
External marketing expenses KEUR		2	2	2	2	2	2	2
External subcontracting & other services KEUR								
Operations & Logistics expenses KEUR								
Total Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0,0
	-0.03		0,0	0,0	,	,	,	,
OP %	-0,03	-	0,0	,		0,0	,	,
OF 76	U	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Investments (MEUR)	0.1		0,1				0.5	
Investments (MEOR)	0,1		U, I				0,5	
Cash Flow II	<b>√-0.1</b>	0.0	-0,1	0.0	0.0	0.0	-0.5	0.0
Cumulative cash flow	) <sub>-0,1</sub>	-0,2	-0,3	-				-
	-,•		-,-	2,0	•,.			.,0
Cash Flow II	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,5	0,0
Present Value (today)	-0,1	0,0	-0,1	0,0	0,0	0,0	-0,4	-
Net Present Value	-0,8	,-	,,,	,-	,-	,-	,-	,-

Cash Flow:
Note if negative you need external money



#### Present Value

- The time value of money
  - 100 000 € in one year is worth 90 909 € today,
    - if you have to borrow the money at 10% interest untill then

Time is money.
This notion keeps the whole financial sector afloat - Richard Lang

#### Present Value (PV)

- The time value of money
  - Getting 100 000 € in
    - one year is worth 90 909 € today,
       100 000 = X + 0,1\*X =>
       X = 100 000 / 1,1 ≈ 90 909
    - two years is worth 82 640 € today
       X = 100 000 / (1,1) \* (1,1) ≈ 82 640

$$PV = I/(1+r)^n$$

I = amount

r = rate of interest

n = number of periods

#### Net Present Value (NPV)

 Because all Present Values apply today, you can add up the PV:s from different incomes to get the Net Present Value

 Getting 100 000 € in one year and another 100 000 € in two years has the NPV of

```
100\ 000\ /\ 1,1\ +\ 100\ 000\ /\ (1,1)\ *\ (1,1)\ \approx
90\ 909\ +\ 82\ 640\ =\ 173\ 549\ \in
```



### Note What is Not in the Template

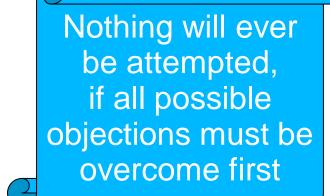
- Impact of delays in payment
- Taxes
- Interests on loans
- Rents
- Professional advice: accountants, lawers



#### Documentation today

- Business Update
  - Update Business Canvas
  - 1 Slide on
     Who pays for what and why long term
  - Potentially long term road-map
- Financial Plan xls

 Feedback from users / customers





# The Process of Starting a Company

- Business Plan and Financial Plan
  - Including market research and iterations
- 2. Start funding
  - Often from Founder, Family, Friends (FFF)
- 3. Choice of company form
  - Toiminimi, "trading name"
  - Avoin yhtiö, "general/open partnership",
  - Komandiittiyhtiö, "limited liability company"
  - Osuuskunta, Co-operative
  - Osakeyhtiö, UK: Limited Company (Ltd) / US: Incorporated Company (Inc)
- 4. Company registration
- 5. Getting insurances
- 6. Organising book keeping

