



grow
accounting

Planning & Forecasting

Learning from past performance to improve future outcomes.

Presented by:

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Objectives of Today's Presentation



1. General information – Not advice
2. Provide a general framework to build upon
3. Provide you with something to think about to improve your business
4. We won't be delving deeply into the financial side of things today

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The Basic Process

1. Determine what you want to achieve
2. Establish a starting position
3. Map your route and metrics
4. Check in on your milestones
5. Do it all again - regularly

Trading Income Statement

ANTAS		Departures		
DESTINATION	SCHED	BOARD	GATE	
FILTHY RICH	CANCELLED			
SYDNEY	1600	1540	3	
BRISBANE	1605	1545	10	
¥200K PROFIT	1610	1540	24	
CAIRNS	1610	1540	24	
CANBERRA	1610	1550	8	
BANKRUPTCY	CANCELLED			
PASSIVE INCOME	1625	1555	27	
BUSINESS SALE	1630	1610	6	
ADELAIDE	1630	1610	2	
SECOND INCOME	1635	1605	22	

Total Expenses	Paid Up Capital	100
Profit/(Loss) before Taxation	Retained Earnings/(Losses)	
	Retained Earnings	(107,305)
	Current Year Earnings	35,131
	Total Retained Earnings	(72,174)
	Total Equity	(72,074)

What do you Want to Achieve?

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1. Wealth – is usually always #1
2. Income
3. Lifestyle
4. Exit Strategy
5. Some Observations



Map Your Route and Metrics

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1. What do you Need Sales to be?

grow How will you achieve that?

2. What are our Costs?

grow How will you manage them?

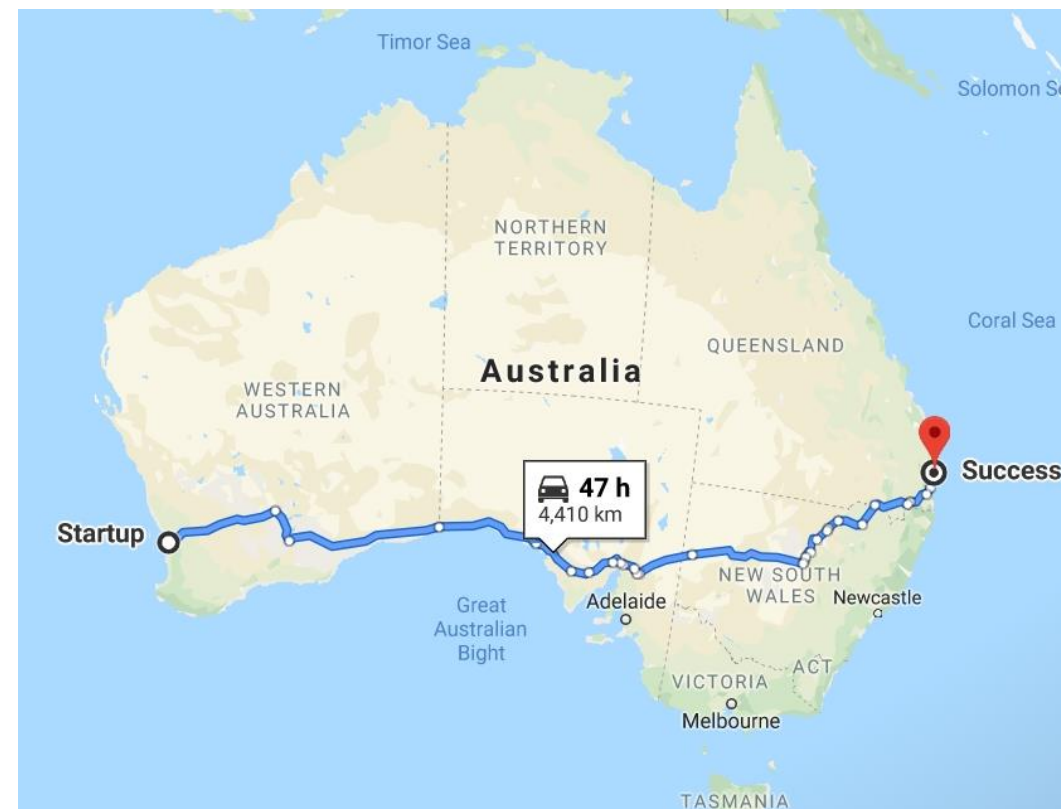
3. How Much Capital do you Have Access to

grow How much do you need and how?

4. What Additional Plant & Equipment is Needed

grow Cost and Funding?

grow Premises?



Key Performance Indicators



Strategic (The What)

Operational (The How)

Specific *Increase wholesale sales*

Measurable *by 20%*

Achievable

Realistic

Timeframe *by 31 December 2019*

1. Make 10 Cold calls a Week * Conversion is important

2. Attend 2 Trade Fairs a Year * Which Ones, When?

3. Do a brochure drop * When, where?

Remember: There are only ever 2 causes of any variance.

- 1. We didn't do what we planned; or**
- 2. We did what we planned but the result was different.**

One Page Business Plan - Abridged

The logo for 'grow accounting' is displayed in white text on a dark purple rectangular background. The word 'grow' is in a larger, lowercase sans-serif font, and 'accounting' is in a smaller, lowercase sans-serif font directly below it.

Jenny's Chocolates
Business Plan
For the 2019 Calendar Year

Vision	Strategic Objective (The What)	Operational Objective (The How)	WHO	WHEN	SUCCESS METRIC
Grow the Business	1. Increase Wholesale Sales by 20% by 31 December 2019	1.1 Make 10 cold calls a week 1.2 Attend 2 Trade Fairs by 31 December 1.3 Do a brochure drop	Me Me John	Tuesday afternoon April, September March	1 New customers a week (50 per year) Brand awareness* 10 New customers/Shop Promotion
	2. Establish New Shop to be opened 6th May 2019	2.1 Open new shop in May 2019 2.2 Organise new staff/training in shop	Me Me	Open 6 May 2019 30 April 2019	Meeting the opening day Brand awareness*

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Overlay Your Financials - Simplified



Profit & Loss Jenny Holm & Co. Pty Ltd For the month ended 31 December 2019

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Total
Income													
Sales	\$30,465	\$58,478	\$37,664	\$54,898	\$44,527	\$35,987	\$45,560	\$33,174	\$49,041	\$33,314	\$58,287	\$68,606	\$550,000
Other Income	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Total Income	\$31,965	\$59,978	\$39,164	\$56,398	\$46,027	\$37,487	\$47,060	\$34,674	\$50,541	\$34,814	\$59,787	\$70,106	\$568,000
Cost of Sales													
Purchases & Consumables	\$16,756	\$32,163	\$20,715	\$30,194	\$24,490	\$19,793	\$25,058	\$18,246	\$26,973	\$18,323	\$32,058	\$37,733	\$302,500
Commissions	\$878	\$833	\$221	\$479	\$487	\$1,079	\$1,854	\$313	\$638	\$772	\$1,016	\$2,140	\$10,711
Freight	\$305	\$377	\$377	\$549	\$445	\$360	\$456	\$332	\$490	\$333	\$583	\$686	\$5,500
Total Cost of Sales	\$17,938	\$33,581	\$21,313	\$31,221	\$25,422	\$21,232	\$27,367	\$18,890	\$28,101	\$19,428	\$33,657	\$40,560	\$318,711
Gross Profit	\$14,027	\$26,397	\$17,851	\$25,177	\$20,605	\$16,255	\$19,692	\$15,784	\$22,441	\$15,386	\$26,130	\$29,546	\$249,289
Less Operating Expenses													
Accounting & Consulting Fees	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$455	\$5,454
Advertising & Promotion - General	\$1,571	\$1,711	\$1,925	\$1,704	\$2,262	\$1,842	\$2,313	\$2,772	\$2,484	\$2,948	\$2,938	\$3,445	\$27,914
Bank Fees	\$246	\$268	\$302	\$267	\$355	\$289	\$363	\$435	\$390	\$462	\$461	\$540	\$4,378
Motor Vehicle Expenses	\$354	\$386	\$434	\$385	\$510	\$416	\$522	\$625	\$560	\$665	\$663	\$777	\$6,299
Office Expenses	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800
Subscriptions & Fees	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Insurance	\$110	\$110	\$110	\$110	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$3,480
Telephone & Internet	\$350	\$350	\$350	\$350	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,000
Wages Cost	\$70	\$134	\$87	\$796	\$646	\$522	\$661	\$481	\$711	\$483	\$845	\$995	\$6,430
Superannuation	\$7	\$13	\$8	\$76	\$61	\$50	\$63	\$46	\$68	\$46	\$80	\$95	\$1,317
Workcover	\$1	\$1	\$1	\$8	\$6	\$5	\$7	\$5	\$7	\$5	\$8	\$10	\$64
Interest Paid - General	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$180
Interest Paid - Loan	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$1,920
Total Operating Expenses	\$3,997	\$4,203	\$5,895	\$9,475	\$6,042	\$5,198	\$7,352	\$7,797	\$13,235	\$8,503	\$15,440	\$15,338	\$108,997
Operating Profit	\$10,088	\$22,193	\$11,955	\$15,752	\$14,563	\$10,956	\$12,360	\$7,987	\$9,206	\$7,333	\$17,690	\$20,208	\$160,292

Then do it Again, and Again, and....



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Summary – Key Takeaways

- Budgeting is about behaviour and control to achieve the outcomes you desire.
- There are only 2 reasons for any variance.
- History can guide your future projections.
 - Understand your drivers of revenue and cost
- Be flexible, be willing to change , and learn from every review.
 - Today is tomorrows history.
- If your results are not what you wanted, change what you do.
- Do it again, and again, and again, and

Business is Tough – Be prepared, be open to advice, and be prepared to work bloody hard!

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