Financial Plan

Mr. Amman needs a way to figure out how much money he will need to start his business. He also wants to think of ways to make enough money to cover the costs of beginning his new business, which are called *startup costs.* Have you ever put together a plan to earn and save money so you could buy something? How did you come up with your plan? How could you help Mr. Amman create a financial plan for his business?
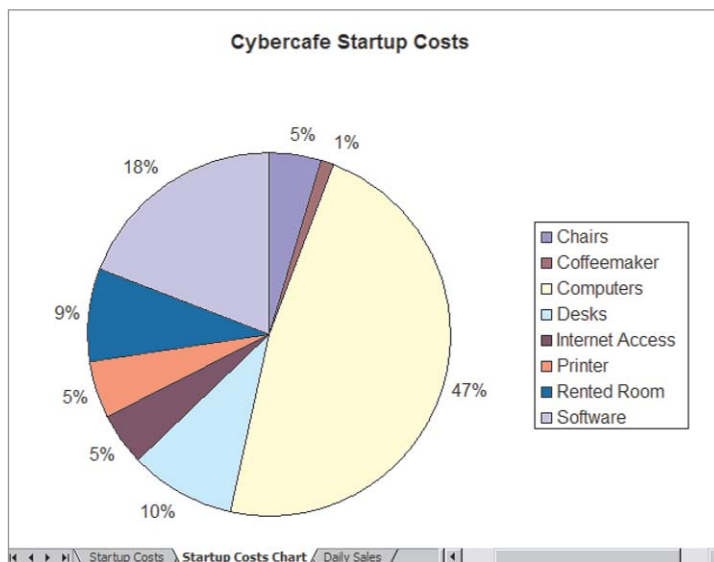
Plan It

Create a financial plan to help Mr. Amman prepare for the startup of his business. Look at the following examples:

	A	B	C	D
1	**Cybercafe Startup Costs**			
2				
3	**Item**	**Number Needed**	**Cost per Item**	**Item Total**
4	Chairs	10	$50	$500
5	Coffeemaker	1	$100	$100
6	Computers	10	$500	$5,000
7	Desks	10	$100	$1,000
8	Internet Access	10	$50	$500
9	Printer	2	$250	$500
10	Rented Room	1	$900	$900
11	Software	10	$200	$2,000
12			**Grand Total**	**$10,500**
13				

Startup Costs / Startup Costs Ch

Financial Plan Startup Costs Worksheet Example

Cybercafe Startup Costs

Pie chart showing:
- Chairs: 5%
- Coffeemaker: 1%
- Computers: 47%
- Desks: 10%
- Internet Access: 5%
- Printer: 5%
- Rented Room: 9%
- Software: 18%

Tabs: Startup Costs | Startup Costs Chart | Daily Sales

Financial Plan Startup Costs Chart Example

	A	B	C	D	E
1	**Daily Sales Goals**				
2					
3	**Product/Service**	**Unit Sold**	**Price**	**Number to Sell per Day**	**Daily Item Sales Total**
4	Computer use	1 hour	$15	8	$120
5	Internet use	1 hour	$15	10	$150
6	Printer use	1 sheet	$0.25	15	$4
7	Cup of coffee	1 cup	$2.50	10	$25
8				**Daily Sales Total**	**$299**
9					
10				**Total Startup Costs**	**$10,500**
11				**Days To Cover Costs**	**35.15**
12					

Tabs: Startup Costs Chart | Daily Sales

Financial Plan Daily Sales Worksheet Example

Think about the following questions, and discuss your ideas with your partner. You might want to write your ideas on a sheet of paper.

- What items would Mr. Amman need to start his business?

- How many of each item might he need? How much would each item cost?

- How many products or how much service time would Mr. Amman need to sell to make enough money to cover his startup costs?

- How could all of the information be organized in a spreadsheet?

Remember to use the rubric as a guide as you plan, do, review, and share.

For help on how to do certain skills, look at the following groups in the *Help Guide:*

- **Spreadsheets Group 3:** Using Worksheets

- **Spreadsheets Group 5:** Changing the Look of Information and Worksheets

- **Spreadsheet Group 6:** Organizing Information

- **Spreadsheets Group 7:** Doing Math

- **Spreadsheet Group 8:** Making Charts

Do It

1. Start the spreadsheet software, and open a new, blank spreadsheet.

2. In cell A1, type a title for the worksheet. The title might include the company's name followed by the words *Startup Costs.* Change the look of the title.

3. In cell A3, type "Item" as the column's label. Then, in the cells below cell A3, type the names of the items that Mr. Amman needs to start his business. Make sure you put each item in its own cell.

4. In cell B3, type "Number Needed" as the column's label. Then, in the cells below cell B3, type how many of each item Mr. Amman needs for his business.

5. In cell C3, type "Price" as the column's label. Then, in the cells below cell C3, type the cost of each individual item (not the total cost of how many of that item is needed). Format the cells with prices so the numbers look like currency, or money.

6. In cell D3, type "Item Total" as the column's label. Then, in cell D4, type a formula that multiplies the number needed of that item (in cell B4) by the cost for each individual item (in cell C4).

7. If needed, format the column's cells to look like currency. Then, apply the formula to the other cells in column D.

8. Sort the rows with startup cost items (do not include the row with the column labels) in alphabetical order based on the item names in column A.

9. In the first empty cell below the last item total in column D, insert a Sum function that adds all of the item totals in the column. If needed, format the cell to look like currency. In the empty column C cell to the left, type "Grand Total" as the label for the new sum amount.

10. Change the look of the words and numbers so important cells stand out, such as the column labels and the total startup cost information at the bottom. You might also change the column width, the position or alignment of the information in the cells, or add cell borders and shading.

11. Give the worksheet tab a new name that describes the information, such as *Daily Sales.*

12. Use the information in columns A and D (you do not need the column labels or the startup cost total) to make a pie chart that shows each item's percentage of the total startup cost. (For help, see Spreadsheet Skill 8.2: To make a pie chart that shows the relationship of parts to a whole.) Put the chart on a new sheet, and give the chart's tab a new name, such as *Startup Costs Chart.*

> **Challenge:** Change the look of the words and numbers in the pie chart. You can also add different fill colors or fill effects to the pieces of the pie. (See the Financial Plan Startup Costs Chart Challenge Example at the end of this section.)

13. Go to another worksheet. Here you will help Mr. Amman set goals by figuring out how he can make enough money to cover his business startup costs and by predicting how many days this might take.

14. In cell A1, type "Daily Sales Goals" as the worksheet title. Change the look of the title.

15. In cell A3, type "Products/Services" as the column's label. Then, in the cells below cell A3, type each of the products and services Mr. Amman's business might sell to make money. Make sure you type each item in its own cell.

16. In cell B3, type "Unit Sold" as the column's label. Then, in the cells below cell B3, type the individual units in which each product or service would be sold, such as "1 hour", "1 cup", or "1 dozen".

17. In cell C3, type "Price" as the column's label. Then, in the cells below cell C3, type a price for each product or service that Mr. Amman sells. Change the number format of the cells so they show currency, or money.

18. In cell D3, type "Number to Sell per Day" as the column's label. Change the text wrapping in that cell, and increase the height of row 3 so the column label fits on two lines. Then, in the cells below cell D3, type how many of each product or service unit Mr. Amman might be able to sell on each workday.

19. In cell E3, type "Daily Item Sales Total" as the column's label. Then, in cell E4, type a formula that multiplies the price of the unit being sold (cell C4) by the number of units Mr. Amman should try to sell each day (cell D4).

20. If needed, format cell E3 so it looks like currency. Then, apply the formula to the other products and services in the worksheet.

21. In the first empty cell at the bottom of column E, insert a **Sum** function to add up the item totals in the cells above. If needed, change the number format of the cell so it shows currency. Then, in the empty column D cell to the left, type "Daily Sales Total" as the label for that sum total information.

22. Two cells below the daily sales grand total in column E, add a link to the total startup cost amount in the first worksheet. To do this, start by pressing the **Equal Sign** key. Then, go to the first worksheet, click the cell with the total startup cost value, and then press the **Enter** key. (For help, see Spreadsheet Skill 3.7: To link information between worksheets.) In the empty column D cell to the left, type a label for the startup cost information that you linked from the first worksheet.

23. Click the cell just below the linked total startup cost amount in column E. Then, to figure out how long Mr. Amman would need to run his business to make enough money to cover his startup costs, type a formula that divides that total startup cost amount (in the cell above) by the daily grand sales total (three cells above). Change the cell's decimal number format. Then, in the empty cell to the left in column D, type "Days to Cover Costs" as the label for the new information.

24. Change the look of the information so important cells stand out, such as the column labels and the daily sales total information. You might also change the column width, the position or alignment of the information in the cells, or add cell borders and shading.

25. Give the second worksheet tab a new name, such as *Daily Sales.* Delete any unused worksheets.


Challenge: To see how this financial plan spreadsheet works, change one of the startup cost numbers on the first worksheet, and notice how the information on the second worksheet automatically updates. You can also change the sales price and number to sell information (in columns C and D) on the second worksheet to see how those changes update the daily sales total and the number of days Mr. Amman will need to cover his business startup costs. (See the Worksheet Challenge Examples at the end of this section.)

---

26. Save your work as directed.

	A	B	C	D
1	**Cybercafe Startup Costs**			
2				
3	**Item**	**Number Needed**	**Cost per Item**	**Item Total**
4	Chairs	12	$50	$600
5	Coffeemaker	1	$100	$100
6	Computers	12	$500	$6,000
7	Desks	12	$100	$1,200
8	Internet Access	12	$50	$600
9	Printers	2	$250	$500
10	Rented Room	1	$1,200	$1,200
11	Software	12	$200	$2,400
12			**Grand Total**	**$12,600**
13				

Startup Costs / Startup Costs Ch

Financial Plan Startup Costs Worksheet Challenge Example
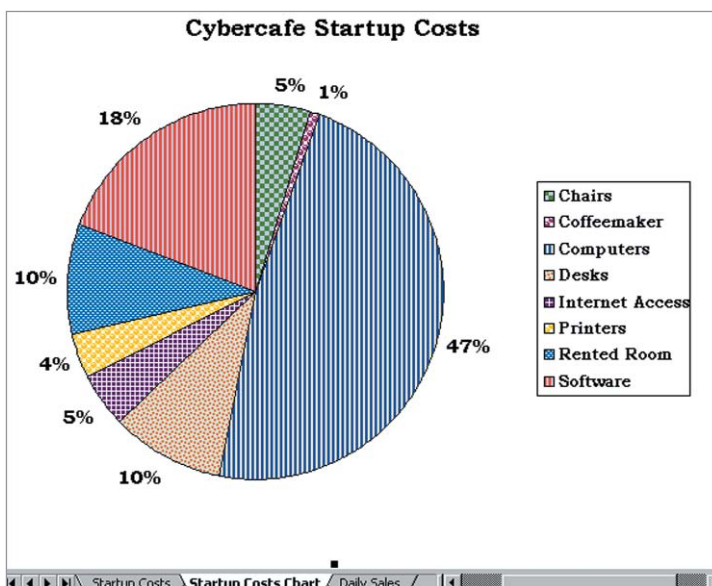
Financial Plan Startup Costs Chart Challenge Example

	A	B	C	D	E
1	**Daily Sales Goals**				
2					
3	**Product/Service**	**Unit Sold**	**Price**	**Number to Sell per Day**	**Daily Item Sales Total**
4	Computer use	1 hour	$12	12	$144
5	Internet use	1 hour	$12	15	$180
6	Printer use	1 sheet	$0.25	25	$6
7	Cup of coffee	1 cup	$2.50	12	$30
8				**Daily Sales Total**	**$360**
9					
10				**Total Startup Costs**	**$12,600**
11				**Days To Cover Costs**	34.98
12					

Startup Costs Chart \ Daily Sales

Financial Plan Daily Sales Worksheet Challenge Example

Review It

Look over your financial plan. Make sure it has the following elements:

- Worksheet with a list of the startup costs for Mr. Amman's business and a Sum formula that calculates the total startup costs

- Pie chart that shows the percentage of each item's cost in relation to the total startup cost amount

- Worksheet that shows how many products or services Mr. Amman can sell each day

- Total startup cost amount from the first worksheet that is linked to the second worksheet, with an amount used to create a formula that shows how many days it will take for Mr. Amman to make enough money to cover his costs

- Worksheet titles and tab names that explain the information on each sheet

- Cell formatting that makes the information easy to read

If any elements are missing, add them now. If you want, make other changes, as well. Remember to save your work when you are finished.

Share It

Be prepared to discuss your answers to the following questions:

- How could a person or family use a financial plan for personal use?

- What are some ways that spreadsheets can help people to organize and work with lots of numbers?

- Based on the pie chart, what is the greatest part of Mr. Amman's startup costs? How can you tell?