Supporting Financial Statements

Enough research will tend to support your theory.

~ Murphy's Law of Research

The following worksheets can be useful in creating your Supporting Documents. Consider including the Sensitivity Analysis, a presentation of the optimistic, pessimistic, and most likely case scenarios. Unique to BizPlanBuilder, it demonstrates that you have examined your assumptions and projections from multiple points of view. We also include several additional statements derived from your assumptions and financial projections.

- Break-Even Analysis
- Sensitivity Analysis (best/planned/worst case)

You may not want to include these documents when you make copies of your business plan or present it to investors.

- Valuation
- Capitalization Table
- Investor Analysis
- Personal Financial Statement

Assembling Your Financial Plan

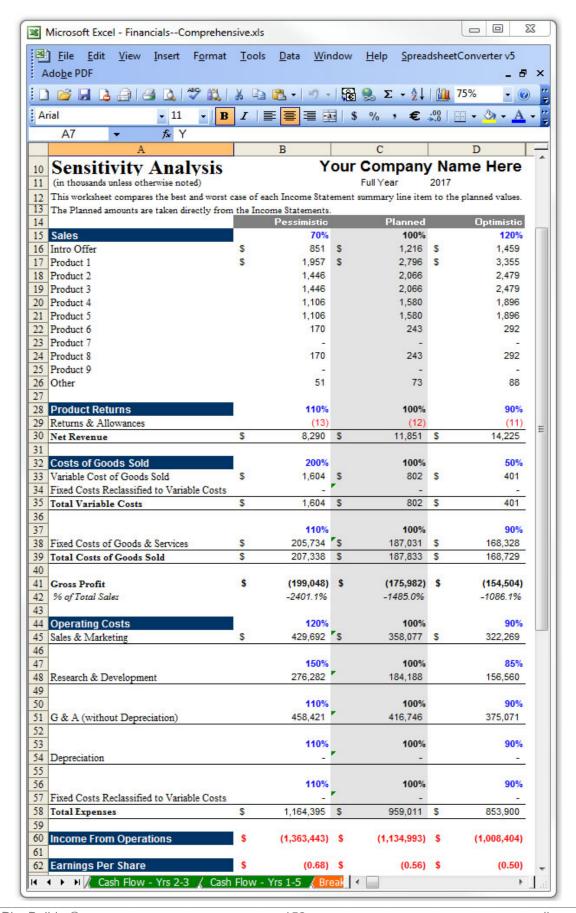
When you assemble your final plan, the system will show you a screen enabling to you to check boxes for the financial model pages that you want to include with your printed plan. (Behind the scenes, it makes a copy of your comprehensive model, hides the pages you did not select.) Together with the narrative portion of your plan, your financials will be saved in the "Business Plan" folder on your desktop.

Sensitivity Analysis

This analysis enables you to present a true picture of your potential for gain and loss. While the best case is what you hope for, the worst case is what you need to be prepared for; in the meantime, the most likely case will be the basis for many of your, and your investors', decisions.

In essence, the Sensitivity Analysis compares your Income Statement with worst/planned/best case scenarios. Instead of changing numbers throughout your financial model, with this unique page, you can play "what-if?" all in just one place.

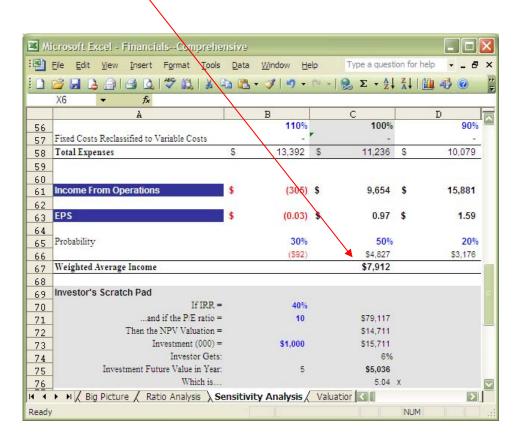
It takes its base case numbers from the Income Statement (listed down the center of the model). In the columns to the left and right, you directly enter percentages (blue numbers) that project possible pessimistic and optimistic deviations from your original budgeted projections. Investors may want to enter their own assumptions about your business – here they can do it relatively quickly.



Weighted probability of cases

At the bottom of the Sensitivity Analysis, you can also enter the weighted probability of each scenario happening—you don't want someone dwelling on the possibility of only the worst case happening! (Make sure they add up across to 100%).

The resulting math will multiply each case by its weight percentage and calculate your Weighted Average Income, shown in the center.)



Investor's Scratch Pad

Let's say you send your financial model to an investor or lender. (In your email, you will likely want to suggest they review this entire page as well as 'play' with this section.)

Investors can enter their own perceptions for your best and worst cases, they can enter their own assumptions for the probabilities of each case coming true.

Next they can work with some of their own investment criteria to see what happens.

Instructions for investors are to the right of the shaded area above—directing them how to fill-in/change the blue numbers in the Investor's Scratch Pad. Nevertheless, it should be self-explanatory.