



Forecast Your Sales

IOWA CENTER FOR
ECONOMIC SUCCESS

Iowa Center for Economic Success

Mission

Our mission is to empower Iowans with the potential to succeed as they pursue opportunities for financial success.

Priorities

Education · Capital · Networking

Our Why

The Iowa Center is committed to empowering people to strengthen and stabilize their financial futures through business ownership and investment. It is our belief that to be successful in small business, one needs support in three core areas: education, capital, and networking. We have built key programs that support those core areas and empower individuals to succeed, families to prosper, and communities to thrive. Success to us is people supporting themselves and their families through the execution of their own ideas.



Forecast Your Sales

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More Art than Science



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There Are No Crystal Balls



Try to Estimate Sales in Units



Image: Pixabay.com



LivePlan Dashboard: Revenue Analysis

Navigation: PITCH, PLAN, **REVENUE**, BENCHMARKS, SCHEDULE, SCOREBOARD, OPTIONS

Sub-navigation: Revenue, Direct Costs, Personnel, Expenses, Assets, Misc., Profit & Loss, Balance Sheet, Cash Flow

Revenue

[Show Instructions](#)

Revenue	Feb '18	Mar '18	Apr '18	May '18	June '18	2018
Revenue Total	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200	\$14,775
Unit Sales	90	95	100	105	110	940
Unit Price	\$11	\$11	\$11	\$11	\$11	\$11
Total	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200	\$14,775

[Show monthly trend](#) [Add Revenue](#)

Estimate Unit Sales

About "Sample Revenue Stream" ×

① Name ② Type ③ **Unit Sales** ④ Unit Prices

How many units will you sell?
How best to define a 'unit' depends on what you sell. If you offer widgets, just enter the quantity of those widgets (shirts or computers or whatever) you think you'll sell. For other offerings, you might want to use units to mean consulting engagements or fixed-price contracts or pallets of low-value materials. Do what makes sense for your business.

Constant amount Varying amounts over time

per

When will this revenue start?



Add Estimated Prices

About "Sample Revenue Stream" ✕

① Name ② Type ③ Unit Sales ④ Unit Prices

What price will you charge for each unit?

Enter your average selling price (excluding sales tax) for each unit of this product or service. You can vary prices over time, if necessary, to reflect seasonal changes in demand, planned increases, or scheduled discount promotions.

Constant price Varying prices over time

\$



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Save & Close

Revenue Forecast

Revenue	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19
New Bikes	\$17,000	\$14,000	\$19,000	\$18,000	\$18,000	\$20,000
Accessories and Parts	\$11,000	\$12,500	\$14,000	\$11,000	\$10,000	\$15,000
Clothing	\$3,500	\$3,500	\$4,500	\$6,500	\$10,500	\$7,500
University Patrol Service Contr...	\$100	\$100	\$100	\$100	\$100	\$100
Repair and Service	\$11,000	\$11,000	\$13,000	\$14,000	\$12,000	\$11,000
Totals	\$42,600	\$41,100	\$50,600	\$49,600	\$50,600	\$53,600

Image from LivePlan

Costs vs Expenses





COGS, Asset, or Expense?



Image by emagic via Flickr

Costs of Sales or Expense?



- Accountant
- Attorney
- Factory workers



Estimate Direct Costs / COGS

Direct Costs	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19
New Bikes	\$11,560	\$9,520	\$12,920	\$12,240	\$12,240	\$13,600
Accessories and Parts	\$5,500	\$6,250	\$7,000	\$5,500	\$5,000	\$7,500
Clothing	\$1,225	\$1,225	\$1,575	\$2,275	\$3,675	\$2,625
Repair and Service	\$2,200	\$2,200	\$2,600	\$2,800	\$2,400	\$2,200
Totals	\$20,485	\$19,195	\$24,095	\$22,815	\$23,315	\$25,925

Image from LivePlan

Result: Gross Margin

Profit and Loss Statement

	FY2019	FY2020	FY2021
Revenue	\$610,200	\$692,980	\$784,427
Direct Costs	\$286,260	\$321,800	\$361,570
Gross Margin	\$323,940	\$371,180	\$422,857
Gross Margin %	53%	54%	54%

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Revenue Forecast Table

	FY2019	FY2020	FY2021
Revenue			
New Bikes	\$232,000	\$250,000	\$275,000
Accessories and Parts	\$143,000	\$172,500	\$198,375
Clothing	\$68,000	\$78,200	\$89,930
University Patrol Service Contr...	\$1,200	\$1,380	\$1,587
Repair and Service	\$166,000	\$190,900	\$219,535
Total Revenue	\$610,200	\$692,980	\$784,427
Direct Cost			
New Bikes	\$157,760	\$170,000	\$187,000
Accessories and Parts	\$71,500	\$86,250	\$99,188
Clothing	\$23,800	\$27,370	\$31,476
Repair and Service	\$33,200	\$38,180	\$43,907
Direct Labor			
Total Direct Cost	\$286,260	\$321,800	\$361,570
Gross Margin	\$323,940	\$371,180	\$422,857
Gross Margin %	53%	54%	54%