

Teach yourself how to build a Business Case for a Social Enterprise

2a. Hands On Modelling **Three Starting Models**

Building a business case has three stages: -

Step 1: Build a business model in Excel



Step 2: Use the model to evaluate the project



Step 3: Make decisions

Spend only a few seconds on each page

**It may contain errors so always check your own work
and have it audited by a competent person**

Building a business case has three stages: -

Step 1: Build a business model in Excel



Step 2: Use the model to evaluate the project



Step 3: Make decisions

This module gives a quick overview of
three examples of a business model
as used in Step 1: Hands-on Modelling

Spend only a few seconds on each page

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Your task is to develop a business model that anyone around you can understand rapidly.

Eventually, it might become long and detailed but it must always remain easy for others to follow.

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To achieve this clarity simply -

A. Choose one of three layouts from the Worked Examples on this free website: -

- i. A simple business model
- ii. Comparing alternative business models
- iii. One long, detailed business model

B. Then strictly follow these well-proven 'hands-on' modelling practices: -

- i. Six principles
- ii. Four cash-streams
- iii. Three golden rules

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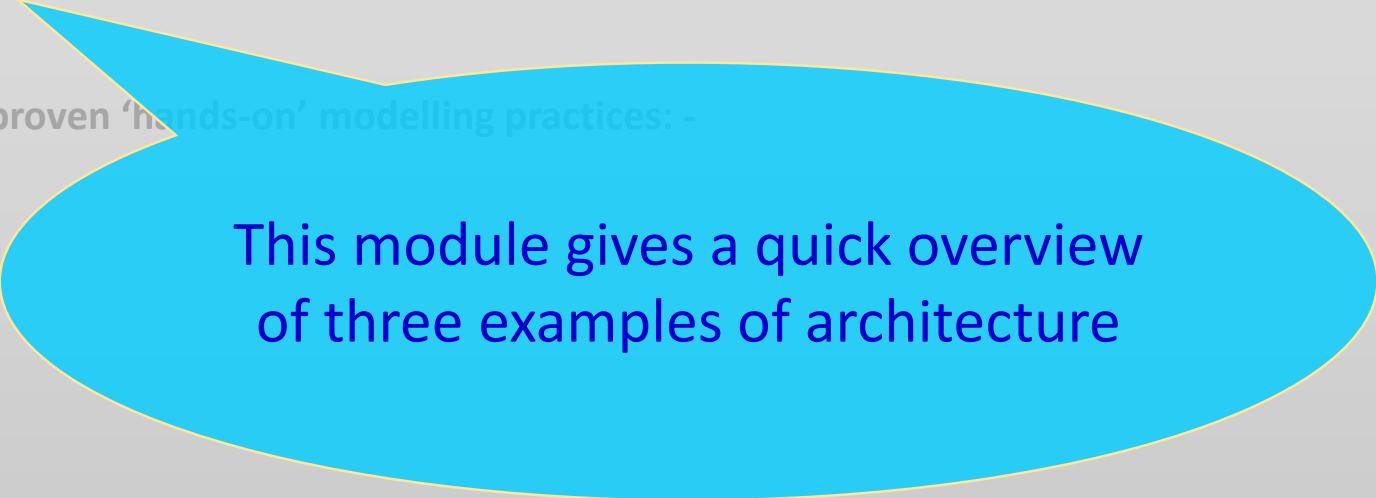
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- ii. Four cash-streams
- iii. Three golden rules



**This module gives a quick overview
of three examples of architecture**

Your task is to develop a business model that anyone around you can understand rapidly.

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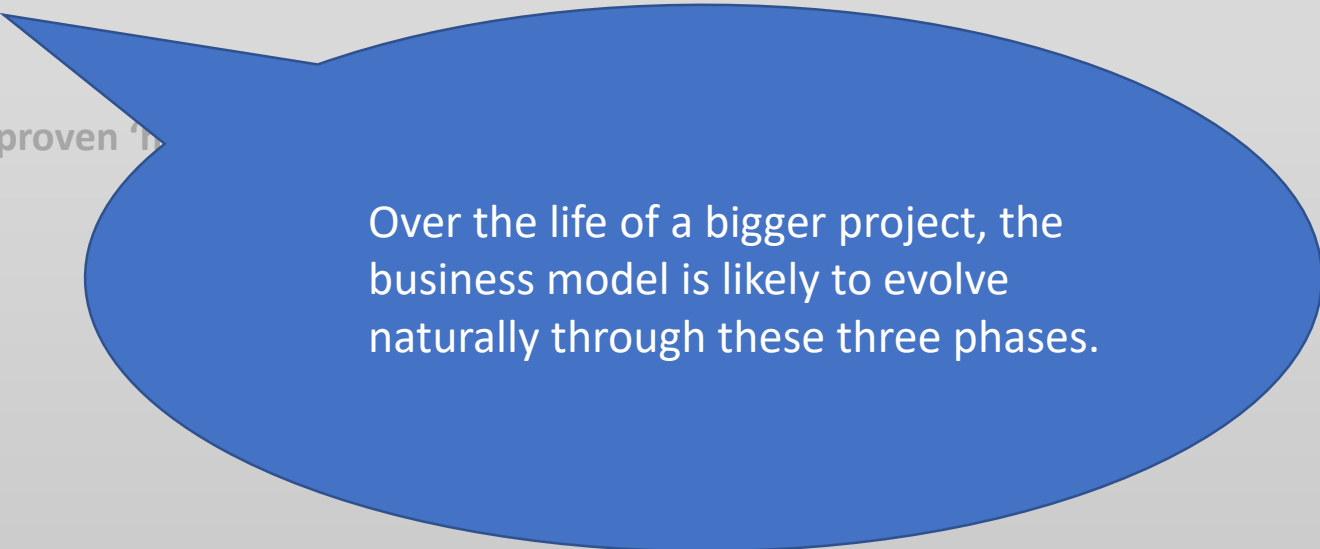
To achieve this clarity simply -

A. Choose one of three layouts from the Worked Examples on this free website: -

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- ii. Comparing alternative business models
- iii. One long, detailed business model

B. Then strictly follow these well-proven '1'

- i. Six principles
- ii. Four cashstreams
- iii. What people want!



Over the life of a bigger project, the business model is likely to evolve naturally through these three phases.

Your task is to develop a business model that anyone around you can understand rapidly.

Eventually, it might become long and detailed but it must remain easy for others to follow.

To achieve this clarity simply -

A. Choose one of three layouts from the worked examples on this free website: -

- i. A simple business model
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B. Then strictly follow these well-proven 'h'

- i. Six principles
- ii. Four cashstreams
- iii. What people want!

The worked examples on this website are not 'template' business models with blanks to be filled in → to magically give you a result!

Instead they can be used as a flying start for you to adapt for your project. (Every business model will be unique and created for a specific project so you will need to reconstruct them to your own project's needs.)

A. Firstly, choose one of three layouts from the worked examples on this free website: -

i. A simple business model

- ii. Comparing alternative business models
- iii. One long, detailed business model

Initially, the project or idea is likely to need a simple assessment.

The business model is likely to be small, but fully functional, and fit on one or two 'pages' of an Excel workbook. It will help decide if the project/idea looks promising and so worth studying more deeply, or whether it should be dropped/revamped.

For small projects this model may be completely adequate.

i. a simple business model

For a small project or at the beginning of a major project the layout of the business model in Excel might look like this: -

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (vnl 48 months)

Contact
 Email: contact@vnl.com.au or vnl@vnl.com.au

Purpose
 This worked example of a business case is available free to social enterprises. It is available to download from Peter's free website www.vnl.com.au
 (1) Use the business case as a one-page and the project funding on another page. As a project evolves the business model can be expanded to incorporate a lot more detail and complexity.
 The Social Enterprise prepares to produce and sell organic fertilisers within villages.
 The computations and graphs show the quality of the underlying business and if the enterprise can be self-sustaining within 48 months. (The IRR and NPV should improve after that, as the project matures)

Important!!!
 This worked example has been prepared by an expert in the industry. It is available to those who contribute to the 'village organic fertilisers' forum on www.vnl.com.au.
 The business model is available for **download** to those who are interested in the industry. It must be a small entity in an obvious layout with lots of good headings and the source of every data input must be **clearly stated**.
 The business model is available to those who are interested in the industry. It must be a small entity in an obvious layout with lots of good headings and the source of every data input must be clearly stated.
 Please bring us in the form, name, phone number, email address, etc.
 Please bring us in the form, name, phone number, email address, etc. This does not feed back to the spreadsheet, but helps us to improve the business case, NPV, and IRR by incorporating benefits from project funding can be self-sustaining.

Guidance
 How to use the business model: See the 'village organic fertilisers' forum on www.vnl.com.au
 external contact person: contact@vnl.com.au

Understanding the colour coding is easy!

Raw data inputs
 This page is a summary of the business model. It is available to those who contribute to the 'village organic fertilisers' forum on www.vnl.com.au.
 The business model is available for download to those who are interested in the industry. It must be a small entity in an obvious layout with lots of good headings and the source of every data input must be clearly stated.
 Please bring us in the form, name, phone number, email address, etc. This does not feed back to the spreadsheet, but helps us to improve the business case, NPV, and IRR by incorporating benefits from project funding can be self-sustaining.

Using the raw data inputs
 The algorithm in one worksheet never directly references a cell in another worksheet. It is a self-contained unit. It is a self-contained unit. It is a self-contained unit. It is a self-contained unit. It is a self-contained unit.
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Algorithms
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Architecture
 This example uses Excel for number entries and the formulas for the raw data cells.
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One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (vnl 48 months)

Financial Projections - Summary

Net Cashflow
 Net cashflow summary graph showing positive growth from Year 1 to Year 48.

Four Cash Streams
 Four cash streams summary graph showing Revenue, Operating Costs, Taxes, and Net Cashflow.

Share Volume & Price
 Share volume and price summary graph showing share volume and price over time.

Revenue
 Revenue summary graph showing revenue over time.

Capital Expenditure
 Capital expenditure summary graph showing capital expenditure over time.

Operating Costs
 Operating costs summary graph showing operating costs over time.

Taxes
 Taxes summary graph showing taxes over time.

Financial Projections - Details

Year	Revenue	Operating Costs	Taxes	Net Cashflow
0	0	0	0	0
1	1000	500	50	450
2	2000	1000	100	900
3	3000	1500	150	1350
4	4000	2000	200	1800
5	5000	2500	250	2250
6	6000	3000	300	2700
7	7000	3500	350	3150
8	8000	4000	400	3600
9	9000	4500	450	4050
10	10000	5000	500	4500
11	11000	5500	550	4950
12	12000	6000	600	5400
13	13000	6500	650	5850
14	14000	7000	700	6300
15	15000	7500	750	6750
16	16000	8000	800	7200
17	17000	8500	850	7650
18	18000	9000	900	8100
19	19000	9500	950	8550
20	20000	10000	1000	9000
21	21000	10500	1050	9450
22	22000	11000	1100	9900
23	23000	11500	1150	10350
24	24000	12000	1200	10800
25	25000	12500	1250	11250
26	26000	13000	1300	11700
27	27000	13500	1350	12150
28	28000	14000	1400	12600
29	29000	14500	1450	13050
30	30000	15000	1500	13500
31	31000	15500	1550	13950
32	32000	16000	1600	14400
33	33000	16500	1650	14850
34	34000	17000	1700	15300
35	35000	17500	1750	15750
36	36000	18000	1800	16200
37	37000	18500	1850	16650
38	38000	19000	1900	17100
39	39000	19500	1950	17550
40	40000	20000	2000	18000
41	41000	20500	2050	18450
42	42000	21000	2100	18900
43	43000	21500	2150	19350
44	44000	22000	2200	19800
45	45000	22500	2250	20250
46	46000	23000	2300	20700
47	47000	23500	2350	21150
48	48000	24000	2400	21600
49	49000	24500	2450	22050
50	50000	25000	2500	22500

Introduction worksheet

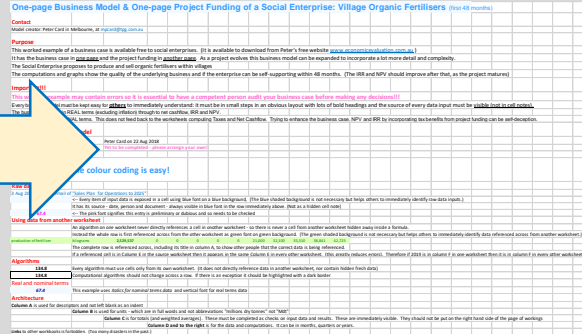
Business Model in one worksheet

I. a simple business model

It will comprise three sections: -

- The Intro & Audit will note who created the model, its purpose, the audits completed.

What,
Who,
How,
Audits.



Introduction worksheet

Business Model in one worksheet

I. a simple business model

It will comprise three sections: -

- The Intro & Audit will note who created the model, its purpose, the audits completed.
- The workings will be powerful but as easy to follow as a child's story book

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (Year 48 months)

Context
Model created Peter Card in Melbourne, at www.economicvaluation.com.au.

Purpose
This worked example of a business case is available free to social enterprises. It is available to download from Peter's free website www.economicvaluation.com.au. It has the business case in [green](#) and the project funding in [yellow](#). As a project evolves this business model can be expanded to incorporate a lot more detail and complexity. The Social Enterprise processes to produce and sell organic fertilisers within villages.

Important!
This worked example may contain errors as it is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Audits of this business model
The model has been audited by the author, Peter Card, and by a professional auditor, Tony and Neil Carflow. Funding to enhance the business case, NPV and IRR by incorporating benefits from project funding can be incorporated.

Self-audit
Model completed January 2018
Peter Card on 22 Aug 2018

Understanding the colour coding is easy!

Raw data inputs
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Using data from another worksheet
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Algorithms
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Self-audit
Model completed January 2018
Peter Card on 22 Aug 2018

Architecture
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Introduction worksheet

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (Year 48 months)

Four Cash Streams
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Net Cashflow
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Sales Volumes & Price
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Revenue
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Capital Expenditure
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Operating Costs
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Taxes
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions! Every business model is easy to use but it is essential to understand it must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [linked back to its source](#). The business model is simple, using the same format through to the output, 48 months.

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48								
Revenue																																																								
Operating Costs																																																								
Net Cashflow																																																								
NPV																																																								
IRR																																																								

Business Model in one worksheet

Workings

I. a simple business model

It will comprise three sections: -

- The Intro & Audit will note who created the model, its purpose, the audits completed.
- The workings will be powerful but as easy to follow as a child's story book
- **The graphs will give an instant understanding of the inputs and outputs of the social enterprise.**

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (village) (village)

Notes
Model created: Peter Card in Melbourne, at www.villageorganic.com.au

Purpose
The simplest example of a business case is available from Peter's free website: www.villageorganic.com.au. It has the business case in [plain English](#) and the project funding in [plain English](#). As a project evolves this business model can be expanded to incorporate a lot more detail and complexity. The Social Enterprise processes to produce and sell organic fertilisers within villages.

Important!!!
This required example may contain errors so it is essential to have a competent person audit your business case before making any decisions!! Every business model made too easy for others to immediately understand. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [clearly stated](#) in the model. The business model is simple, every important element through to the cashflow, NPV and IRR. The Social Enterprise processes to produce and sell organic fertilisers within villages. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

Audits of this business model
Self audit: [Peter Card on 22 Aug 2018](#)
External/competitor audit: [Peter Card on 22 Aug 2018](#)

Understanding the colour coding is easy!

Raw data inputs
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Using data from another worksheet
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions!! Every business model made too easy for others to immediately understand. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [clearly stated](#) in the model. The business model is simple, every important element through to the cashflow, NPV and IRR. The Social Enterprise processes to produce and sell organic fertilisers within villages. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

Algorithms
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions!! Every business model made too easy for others to immediately understand. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [clearly stated](#) in the model. The business model is simple, every important element through to the cashflow, NPV and IRR. The Social Enterprise processes to produce and sell organic fertilisers within villages. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

Final and overall audit
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions!! Every business model made too easy for others to immediately understand. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [clearly stated](#) in the model. The business model is simple, every important element through to the cashflow, NPV and IRR. The Social Enterprise processes to produce and sell organic fertilisers within villages. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

Architecture
The model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions!! Every business model made too easy for others to immediately understand. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [clearly stated](#) in the model. The business model is simple, every important element through to the cashflow, NPV and IRR. The Social Enterprise processes to produce and sell organic fertilisers within villages. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (village) (village)

Other pages: Business Model
This model uses a lot of data inputs. It is essential to have a competent person audit your business case before making any decisions!! Every business model made too easy for others to immediately understand. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be [clearly stated](#) in the model. The business model is simple, every important element through to the cashflow, NPV and IRR. The Social Enterprise processes to produce and sell organic fertilisers within villages. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

Net Cashflow (after 48 months)

Four Cash Streams (after 48 months)

Share Volumes & Price

Revenue

Capital Expenditure

Operating Costs

Taxes

Social Enterprise - Audit

Profitability & Sales & Revenue

Profitability & Capital Expenditure

Profitability & Operating Costs

Profitability & Taxes

NPV after 48 months

IRR after 48 months

Graphs of inputs & outputs
Some people prefer graphs to numbers

Introduction worksheet

Business Model in one worksheet

i. a simple business model

The Project Funding worksheet can be added whenever needed: -

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (over 48 months)

Contact:
 Author: Economic Evaluation of www.economicevaluation.com.au.

Purpose:
 The world's first example of business case is available here to social enterprises. It is available to download from Future's Free website: www.future-freewebsite.com.au. It has the business case in **one page** and the project funding in **another page**. As a project evolves this business model can be expanded to incorporate a lot more detail and complexity. The social enterprise requires a **practical and self-organising** business model changes. The computations and graphs show the quality of the underlying business and if the enterprise can be self-sustaining within 48 months. (The IRR and NPV should improve after that, as the project matures).

Important!
 This model is **not** a simple **cash flow** model. It is a **complex project** model. **your business case before making any decision!** Every business model must be **tested** as it is in small steps in an iterative way with lots of bold headings and the source of every data input must be **visible** in its cell notes. The business model is a **WBS**, which includes **efficiency** through to **cash flow**, **IRR** and **NPV**.

Project funding is a **NCFMBA** series. This does not lead to the worksheets comparing **Team** and **Net Cashflow**. Try to enhance the business case, NPV and IRR by incorporating two benefits from project funding can be self-acceptance.

Audit of this business model:
 Set date: Price: Last on 01 Aug 2018.
 Author: Economic Evaluation: www.economicevaluation.com.au

Understanding the colour coding is easy!

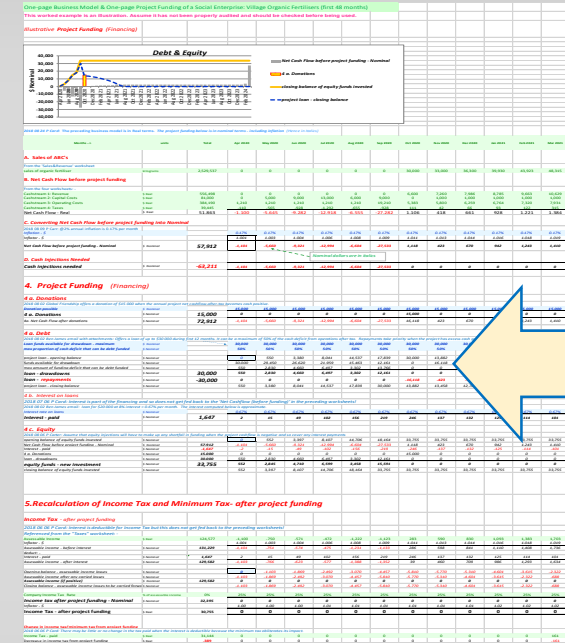
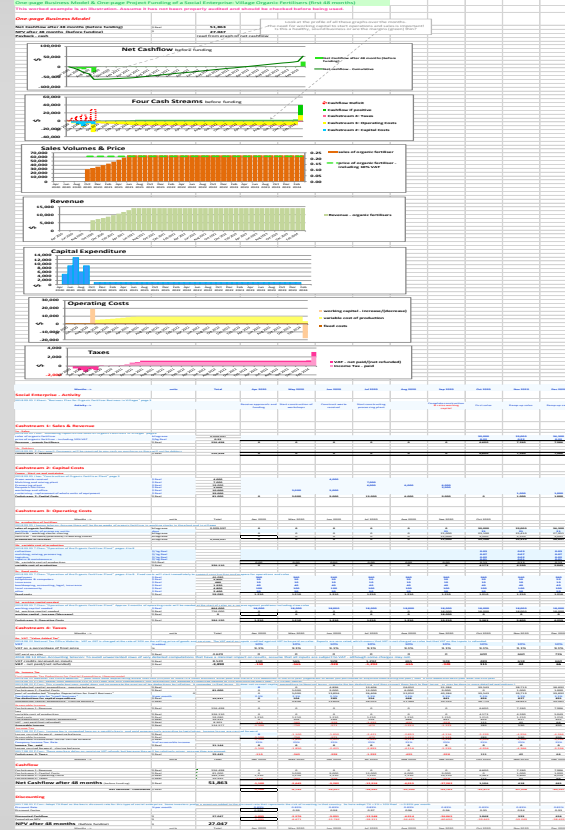
Raw data inputs:
 (See the 'Raw data inputs' section for details)

Using data from another worksheet:
 (See the 'Using data from another worksheet' section for details)

Algorithms:
 (See the 'Algorithms' section for details)

Key words and definitions:
 (See the 'Key words and definitions' section for details)

Architecture:
 (See the 'Architecture' section for details)



Project Funding -workings & graph

Introduction worksheet

Business Model in one worksheet

Project Funding in one worksheet

i. a simple business model

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (over 48 months)

Contact:
 Author: Graham Peck (and a team) at www.economicvaluation.com.au

Purpose:
 The world's largest average of business cases is available from a social enterprise. It is available to download from Peck's free website www.economicvaluation.com.au. It has the business case in **one page** and the project funding in **another page**. As a project evolves this business model can be expanded to incorporate a lot more detail and complexity. The social enterprise program is gradual and self-organising for future changes. The computations and graphs show the quality of the underlying business and if the enterprise can be self-supporting within 48 months. (The IRR and NPV should improve after that, as the project matures)

Important!!!
 This model is available in **many countries** as it is available to have a **companion project funding business case before making any decisions!!!**

Every business model must be **tested** immediately under real world conditions. It must be in small steps in an obvious layout with lots of bold headings and the source of every data input must be **visible** (not in cell notes). The business model is a **checklist**, with everything checked through to the cashflow IRR and NPV.

Project funding is a **checklist**, with everything checked through to the cashflow IRR and NPV.

Audit of this business model:
 Date: 1st Feb 2018
 Author: Graham Peck (and a team)

Understanding the colour coding is easy!

Raw data inputs:
 Every item of raw data is input in a cell using blue font on a blue background. (The blue shaded background is not necessary but helps others to immediately identify raw data inputs.)

Key data:
 Every item of key data is input in a cell using green font on a green background. (The green shaded background is not necessary but helps others to immediately identify key data inputs.)

Using data from worksheets:
 Every item of data from a worksheet is input in a cell using red font on a red background. (The red shaded background is not necessary but helps others to immediately identify data from worksheets.)

Algorithms:
 Every algorithm used in the model is input in a cell using black font on a white background. (It does not display reference data in another worksheet, nor contains hidden cells.)

Key and important:
 Every item of key and important data is input in a cell using bold black font on a white background. (It does not display reference data in another worksheet, nor contains hidden cells.)

Architectures:
 Every item of architecture is input in a cell using black font on a white background. (It does not display reference data in another worksheet, nor contains hidden cells.)

Summary:
 Every item of summary data is input in a cell using black font on a white background. (It does not display reference data in another worksheet, nor contains hidden cells.)

Notes:
 Every item of notes is input in a cell using black font on a white background. (It does not display reference data in another worksheet, nor contains hidden cells.)

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (over 48 months)

Next Cashflow:
 Net Cashflow after 48 months: \$2,000,000

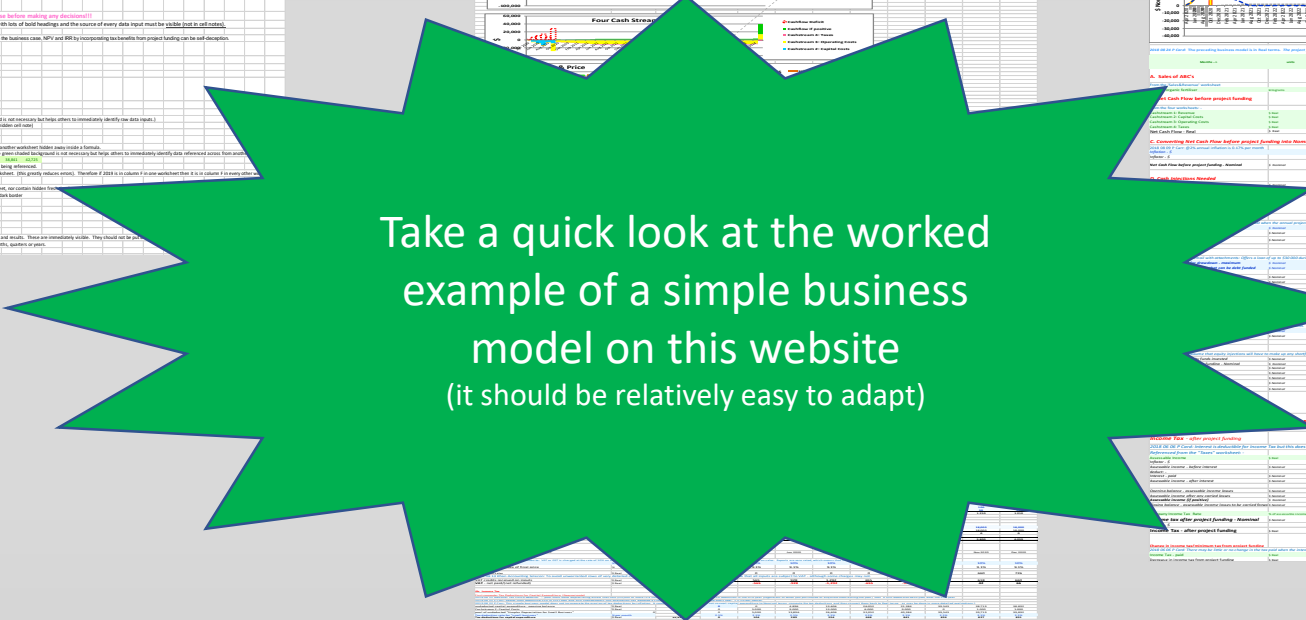
Four Cash Streams:
 Net Cashflow after 48 months: \$2,000,000

NPV after 48 months:
 NPV after 48 months: \$2,000,000

One-page Business Model & One-page Project Funding of a Social Enterprise: Village Organic Fertilisers (over 48 months)

Debt & Equity:
 Net Cashflow after project funding: \$2,000,000

Summary Tax: after project funding:
 Summary Tax: after project funding: \$2,000,000



Introduction worksheet

Business Model in one worksheet

Project Funding in one worksheet

A. Firstly, choose one of three layouts from the worked examples on this website: -

i. A simple business model

ii. Comparing alternative business models

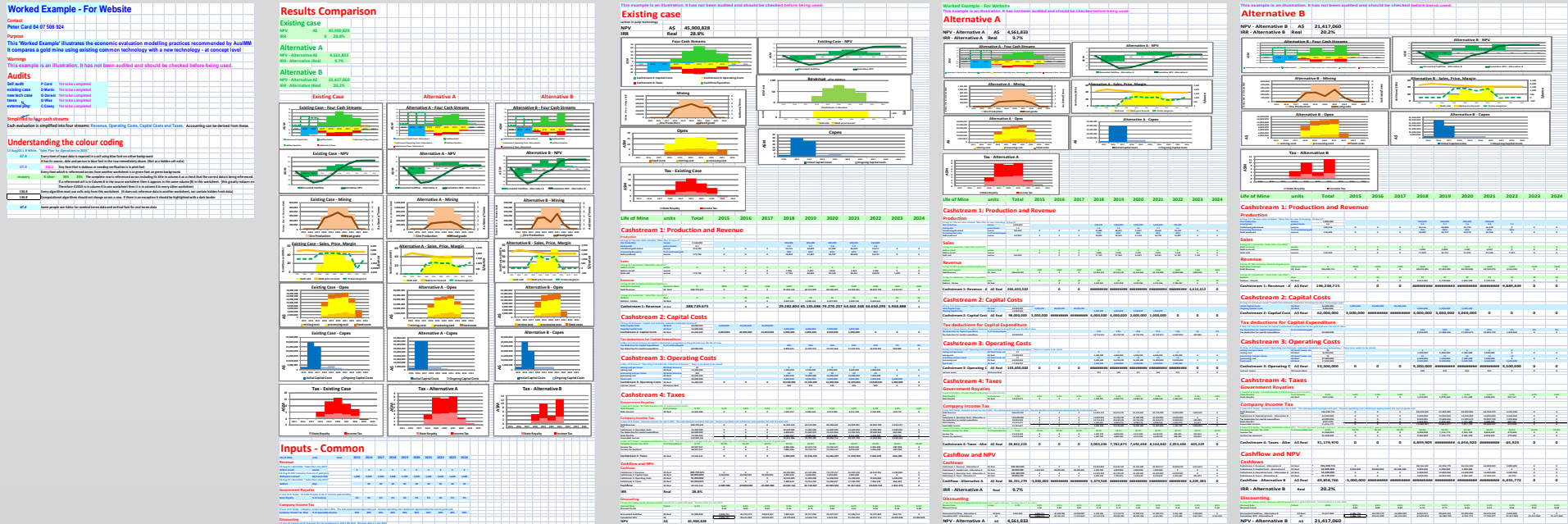
iii. One long, detailed business model

Usually for major projects, there will be a number of alternative ways of 'configuring' the project. The simple business model now can easily be converted into multiple worksheets that compare these different configurations.

Or the social enterprise may need to assess the 'base case' under a range of favorable and unfavorable scenarios.

ii. comparing alternatives

Frequently the social enterprise will think of various ways of completing a project and will use a “Pre-Feasibility Study” to select the best configuration. The layout of the business model in Excel might look like: -



Intro & Audit worksheet

Results summary & common inputs

Base Case

Alternative B

Alternative C

ii. comparing scenarios

Alternatively, the social enterprise will have a 'base case' and will want to fully understand what happens under various scenarios of that base case.

If sales and prices are weak how will the business look?

If costs are higher than our experts have estimated how will the project fare?

What happens if we can add a second more profitable product to our sales?

Worked Example - For Website

Contact: Peter Card 04 27 501 304

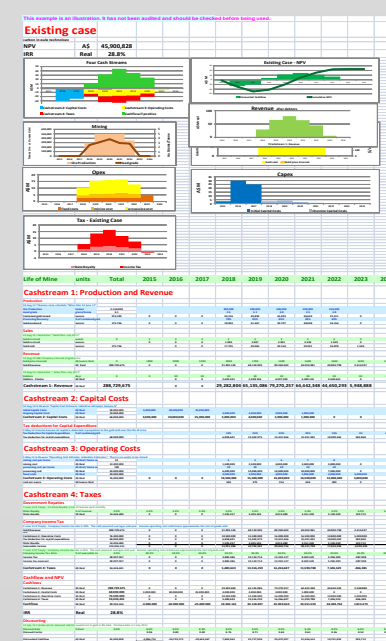
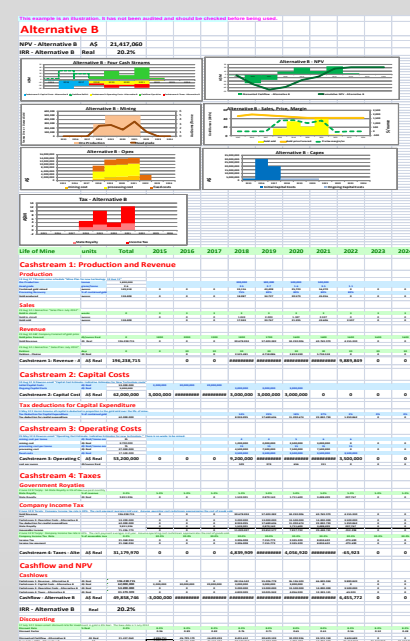
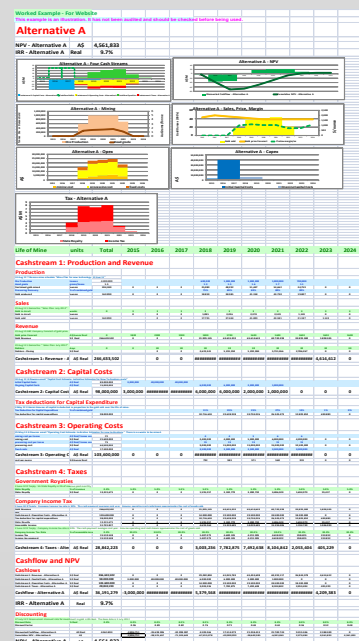
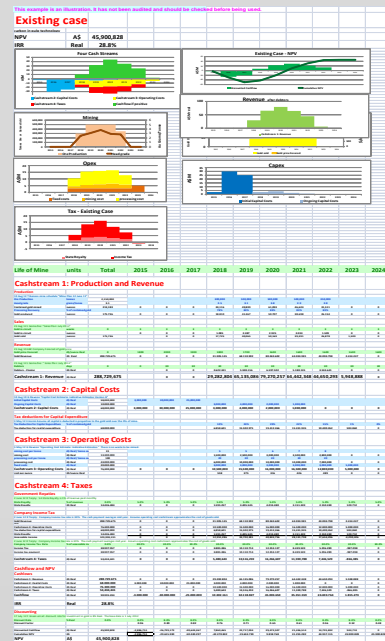
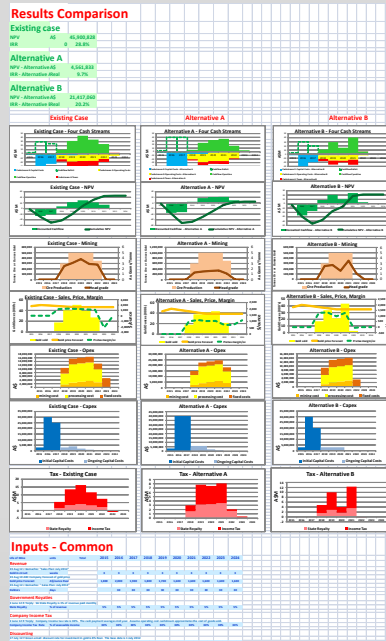
Purpose: This Worked Example illustrates the economic evaluation modelling practices recommended by AustM in completing a gold mine using existing technology with a new technology at concept level.

Warning: This example is an illustration. It has not been audited and should be checked before being used.

Audits: Set out, P-Cost, Not to be completed; Existing case, P-Rev, Not to be completed; Alternative A, P-Rev, Not to be completed; Alternative B, P-Rev, Not to be completed.

Supplied by: For cash streams: Revenue, Operating Costs, Capital Costs and Taxes. Accounting can be derived from these.

Understanding the colour coding: Blue - Input; Green - Output; Yellow - Intermediate; Red - Tax; Orange - Revenue; Purple - Costs.



Intro & Audit worksheet

Results summary & common inputs

Base Case

Scenario: Base Case with weak sales

Scenario: Base Case with higher costs

Scenario: Base case with second product added

ii. comparing scenarios

Alternatively, the social enterprise will have a base case and will want to fully understand what happens under various scenarios of that base case.

If sales and prices are weak how will the business look?
 If costs are higher how will the business look? What is the correct fare?

Take a quick look at the worked example of comparing alternative business models on this website (it should be relatively easy to adapt)

Worked Example - For Website

Contact: Peter Card 04 27 508 304

Pages: 1

This 'Worked Example' illustrates the economic evaluation modelling process. It compares a good mine using existing common technology with a new technology.

Warnings:
 This example is an illustration. It has not been audited and should be checked before copying.

Audits:
 Self Audit: P-Cost: Not to be completed
 External Audit: P-Cost: Not to be completed
 Internal Audit: P-Cost: Not to be completed
 External Audit: C-Cost: Not to be completed

Summary of Key Cash Flows:
 Cash stream 1: Capital Costs, Revenue, Operating Costs, Taxes

Understanding the colour coding:
 Green: Input, Blue: Output, Yellow: Intermediate, Red: Tax, Purple: Government Receipts, Orange: Company Income Tax

Inputs - Common

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000
Operating Costs	500000	500000	500000	500000	500000	500000	500000	500000	500000	500000
Capital Costs	1000000	0	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0	0	0	0

Cashstream 1: Production and Revenue

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000
Revenue	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000

Alternative B

NPV - Alternative B: AS \$1,417,060
 IRR - Alternative B: Real 20.2%

Cashstream 1: Production and Revenue

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000
Revenue	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000

Existing case

NPV - Existing Case: AS \$1,908,828
 IRR - Existing Case: Real 28.8%

Cashstream 1: Production and Revenue

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000
Revenue	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000

Cashstream 2: Capital Costs

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Costs	1000000	0	0	0	0	0	0	0	0	0

Intro & Audit worksheet

Results summary & common inputs

Base Case

Scenario: Base Case with weak sales

Scenario: Base Case with higher costs

Scenario: Base case with second product added

A. Firstly, choose one of three layouts from the worked examples on this website: -

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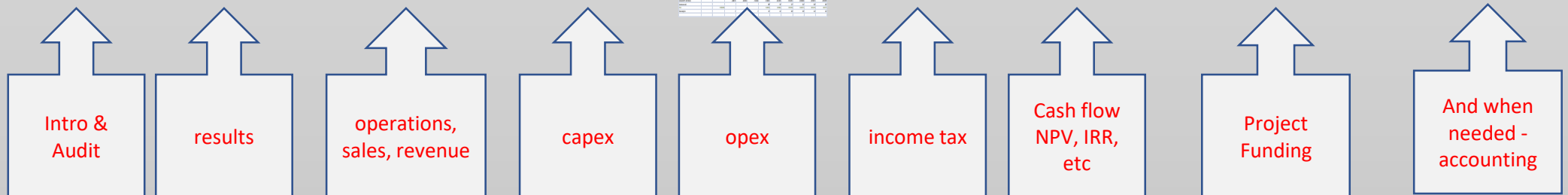
iii. One long, detailed business model

For major projects, once the most appropriate alternative has been selected, the simple business model can easily be converted into one long and detailed model of that configuration .

iii. One long, detailed business model

Once the best configuration for the project is selected in “PreFeasibility” then the project usually goes through to “Final Feasibility” where it is modelled in detail.

- **And most importantly, this business model is likely to be used to raise project funding from backers in the form of donations, loans and equity.**

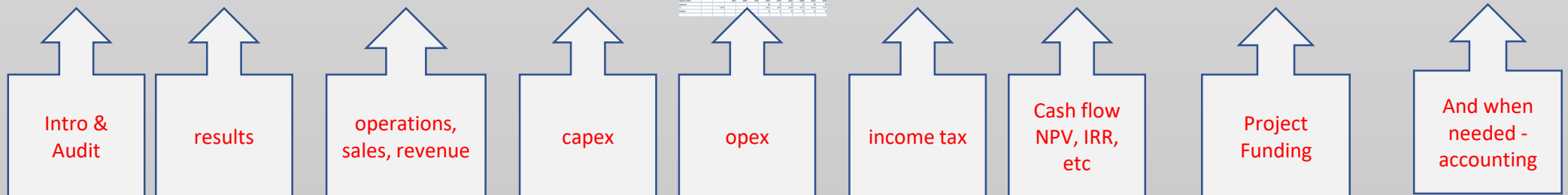
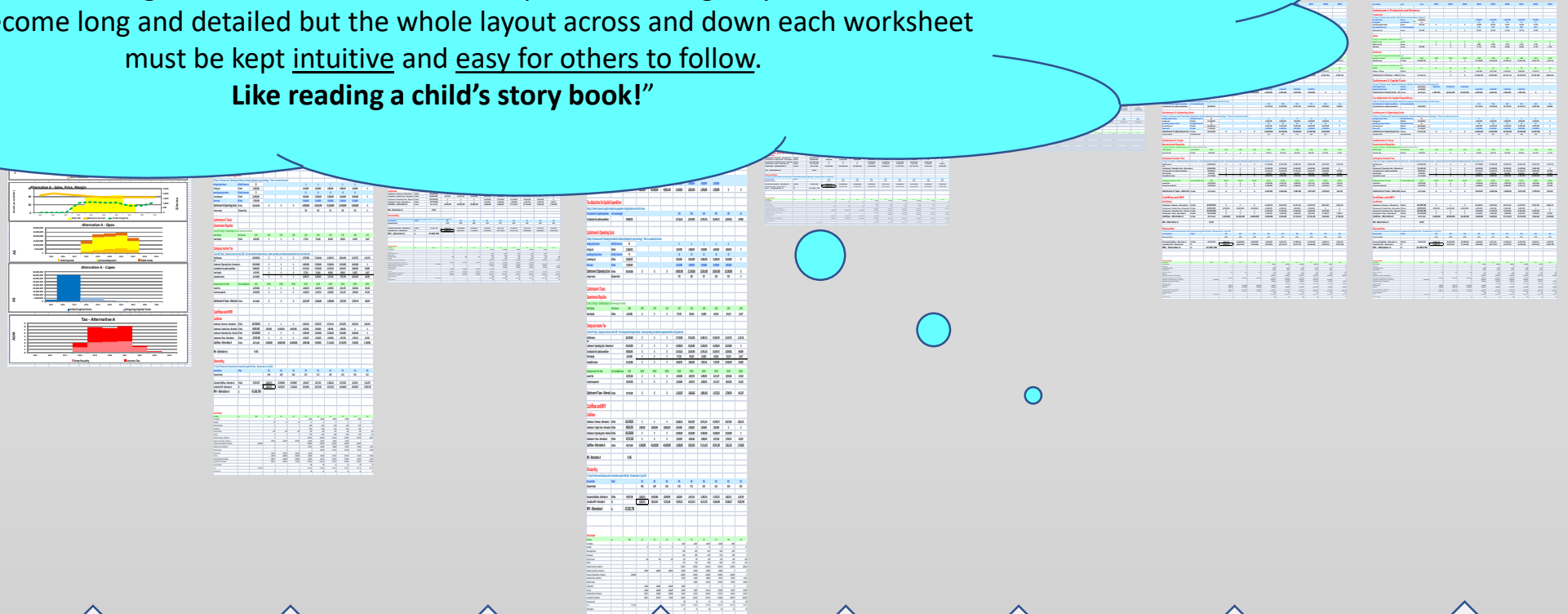


iii. One long, detailed business model

Once the best configuration is selected then the project usually goes through to “Final Feasibility” where it is modelled in detail.

- And most importantly, the business model is usually will be built in the form of

The person building the business model must keep remembering “My business model may become long and detailed but the whole layout across and down each worksheet must be kept intuitive and easy for others to follow.
Like reading a child’s story book!”



Inside these three models there are modelling 'practices'

that are: -

- Easy-to-learn
- Developed over years by professionals
- Rigorous

They make it so much easier for others to follow your work.

Inside these three models there are modelling 'practices'

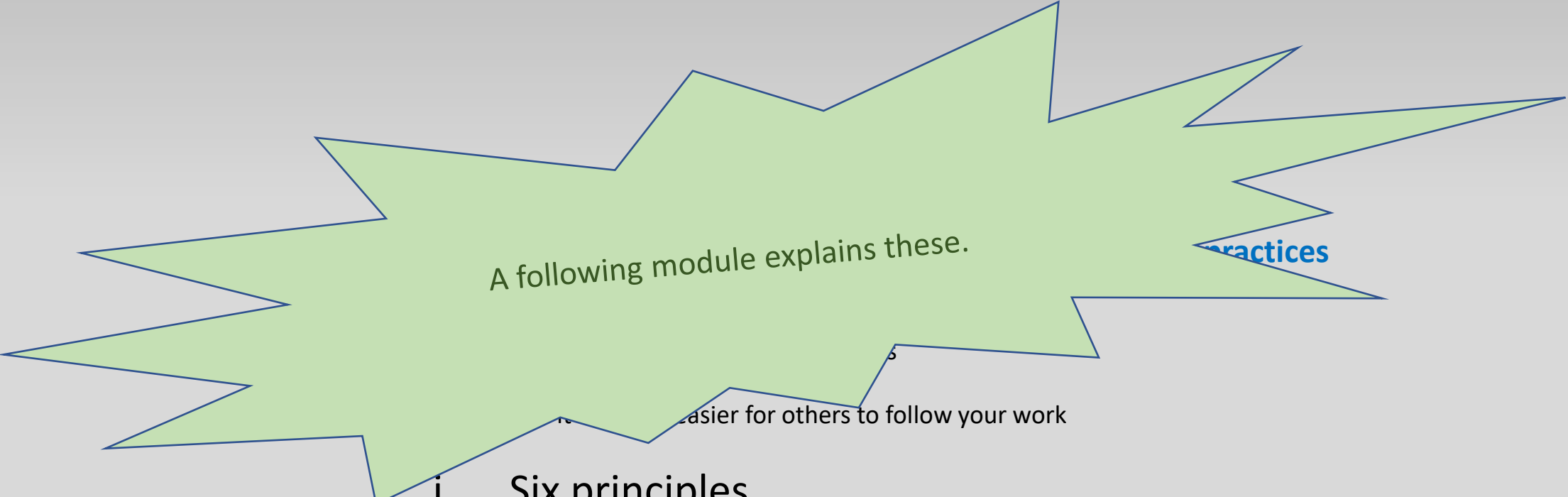
that are: -

- Easy-to-learn
- Developed over years by professionals
- Rigorous

They make it so much easier for others to follow your work

These are: -

- i. Six principles
- ii. Four cash-streams
- iii. Three golden rules



A following module explains these.

practices

... easier for others to follow your work

- i. Six principles
- ii. Four cash-streams
- iii. Three golden rules

Glossary 1	
Business Model or 'Economic Model'	A forecast of the social enterprise's physical operations, deliveries of benefits, sales, costs, taxes and net cashflow. It usually is over several years and computed in monthly intervals or in years. It gives a 'helicopter view' of the underlying economic health of the enterprise showing how much funding it will require and when it is likely to 'stand on its own legs' to be self-supporting. . (It uses cash rather than accounting concepts.) Funding and ownership can be added when the project looks promising
Project Funding	Getting investors, donors and lenders to provide cash to fund the project
Accounting	An internationally regulated way of assessing or forecasting the performance of the project over a specified period – past or future - given its recent results, past inputs and future liabilities. (Uses non-cash concepts so may be difficult for some non-accounting people to quickly understand.)
Tax	Extracting money from the project as entirely defined by government legislation - and like accounting uses non-cash concepts.
Real terms	Before applying inflation – example \$2.50 today and still \$2.50 in 5 years (Usually employed in business case modelling.)
Nominal terms or Dollars of the Day	<i>After applying inflation – example \$2.50 today becomes \$3.97 in 5 years</i> (Used in accounting, tax and funding.)

end