



شريك عملك
Your Business Ally

Episode 2
Financial Projection
Part 1

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Financial Projection

A stylized, abstract human figure is positioned in the background on the right side of the slide. It is composed of a light blue circle for the head and a grey shape for the torso and legs. The figure appears to be walking or standing, with its legs spread apart in a wide stance.

What is a
FINANCIAL PROJECTION?

Contd. FINANCIAL PROJECTION

Definition: A forecast of future expenses and revenues.

(Usually amended according to who it's prepared for.)

Contd. FINANCIAL PROJECTION

Types of Financial Projections (time period):

- **Short-Term:** 3 – 5 years projection
- **Long-Term:** 5+ years projection



Contd. FINANCIAL PROJECTION

Values & Importance of Financial Projection:



Contd. FINANCIAL PROJECTION

Values & Importance of Financial Projection:



**ADDRESS IF THE BUSINESS
IDEA IS FEASIBLE OR NOT?**



**HOW TO MAKE IT
FEASIBLE?**



**AID FOR EFFICIENT
BUSINESS SET UP & BE
COST EFFECTIVE**



**KNOW THE INTERNAL
ISSUES OF EXISTING
COMPANIES.**

Contd. FINANCIAL PROJECTION

Values & Importance of Financial Projection:



**IDENTIFY TOTAL STARTING CAPITAL
REQUIRED**



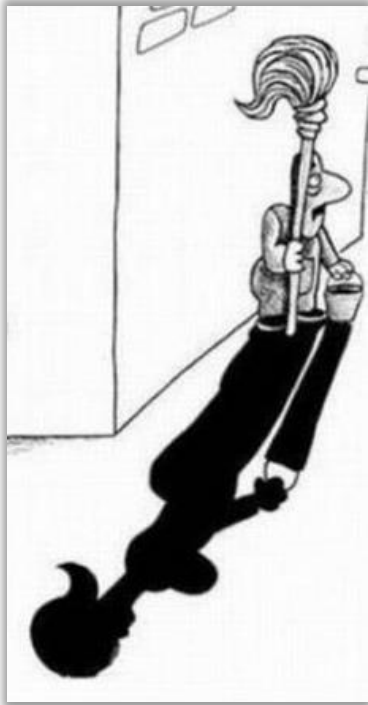
**NUMERICAL GUIDANCE FOR
BUSINESS PLAN**

Contd. FINANCIAL PROJECTION

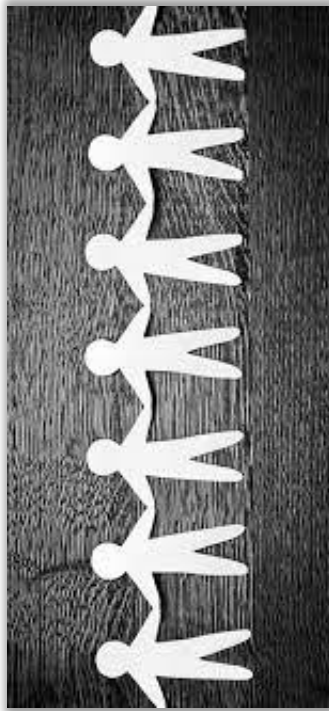
Factors to consider while building a Financial Projection:



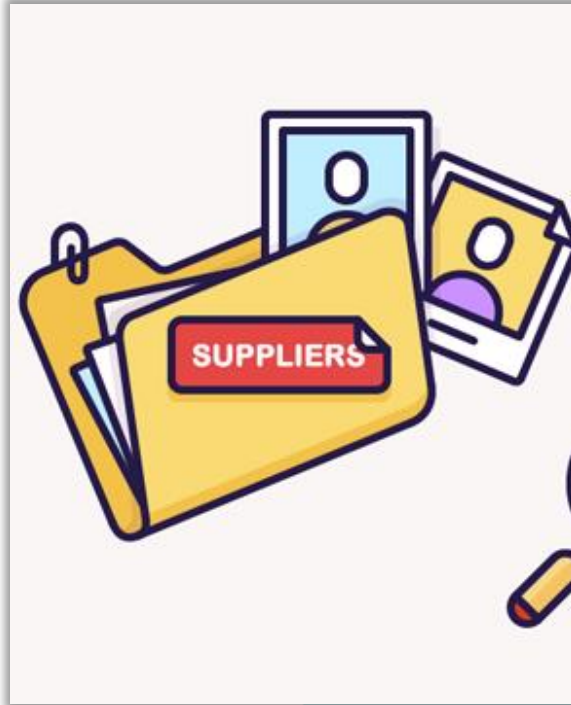
**BE CONSERVATIVE IN
COSTING**



**MAKE REALISTIC
REVENUE
ASSUMPTIONS**



BE CONSISTENT



**AT LEAST 3 SUPPLIER
QUOTATIONS**



**NUMBERS SHOULD BE JUSTIFIED
FROM CREDIBLE SOURCES**

CAPEX OPEX

- Definition
- Breakdown:
 - a) Assets
 - b) Non-recurring expenses
 - c) Working Capital



CapEx OpEx

Capital Expense (CapEx): The amount of money utilized to purchase major goods and/or services that will be used for more than one year.

Operational Expense (OpEx): The costs needed to run the business's operations on a daily basis.

Contd. CAPEX OPEX

Breakdown of Start-up Capital Required:



- **Assets**



- **Non-Recurring Expenses**



- **Working Capital:**

- a) **Fixed Monthly Operation Expenses**

- b) **No. of Months Required**

- c) **Inventory & Raw Materials (If Applicable)**



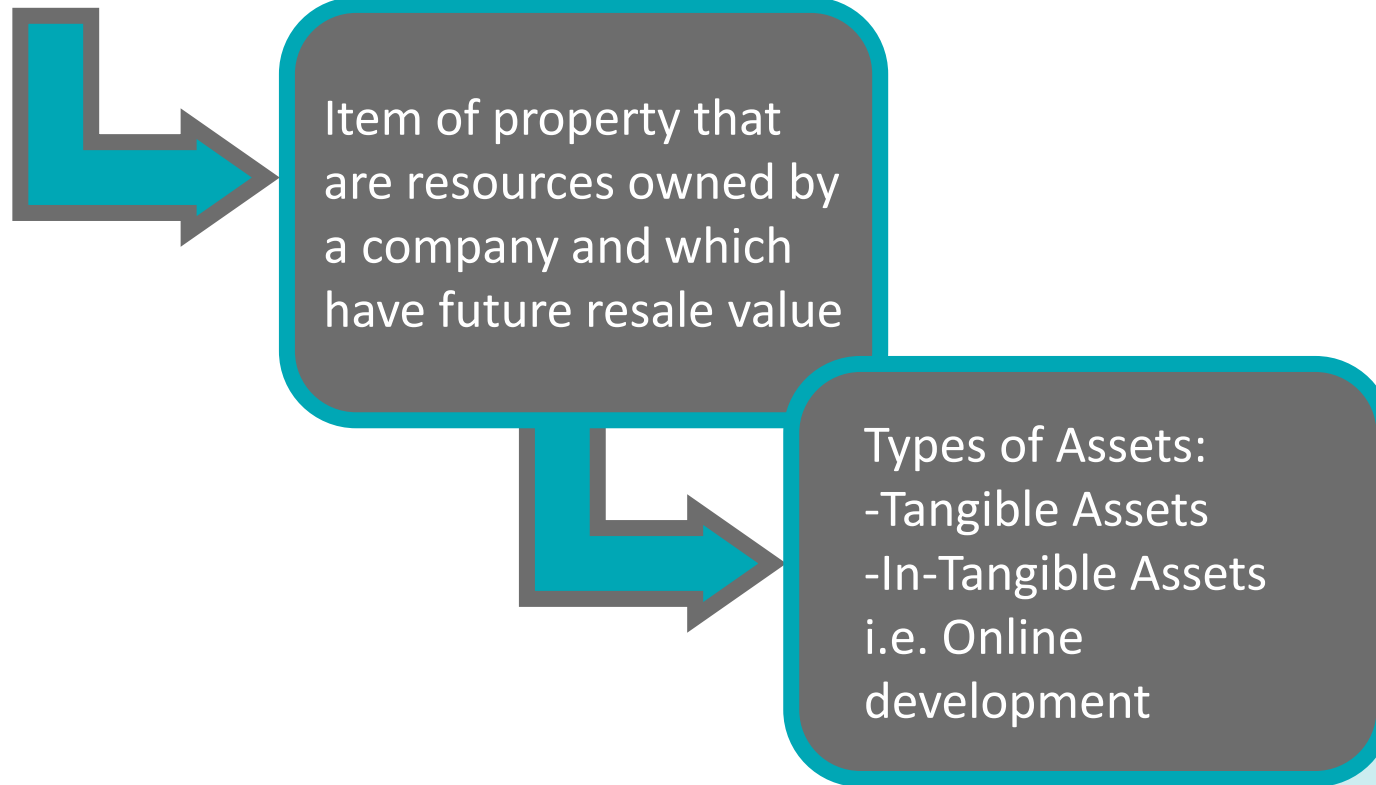
CAPEX

OPEX

Contd. CAPEX OPEX

Breakdown of Start-up Capital Required:

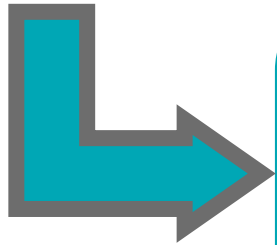
- **Assets**



Contd. CAPEX OPEX

Breakdown of Start-up Capital Required:

- **Non-Recurring Expenses:**



Costs that occur on a *one-time basis* and are unlikely to occur again in the normal course of business.

Uniform



Branding

Company
Establishment

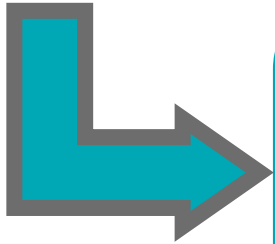
Designing



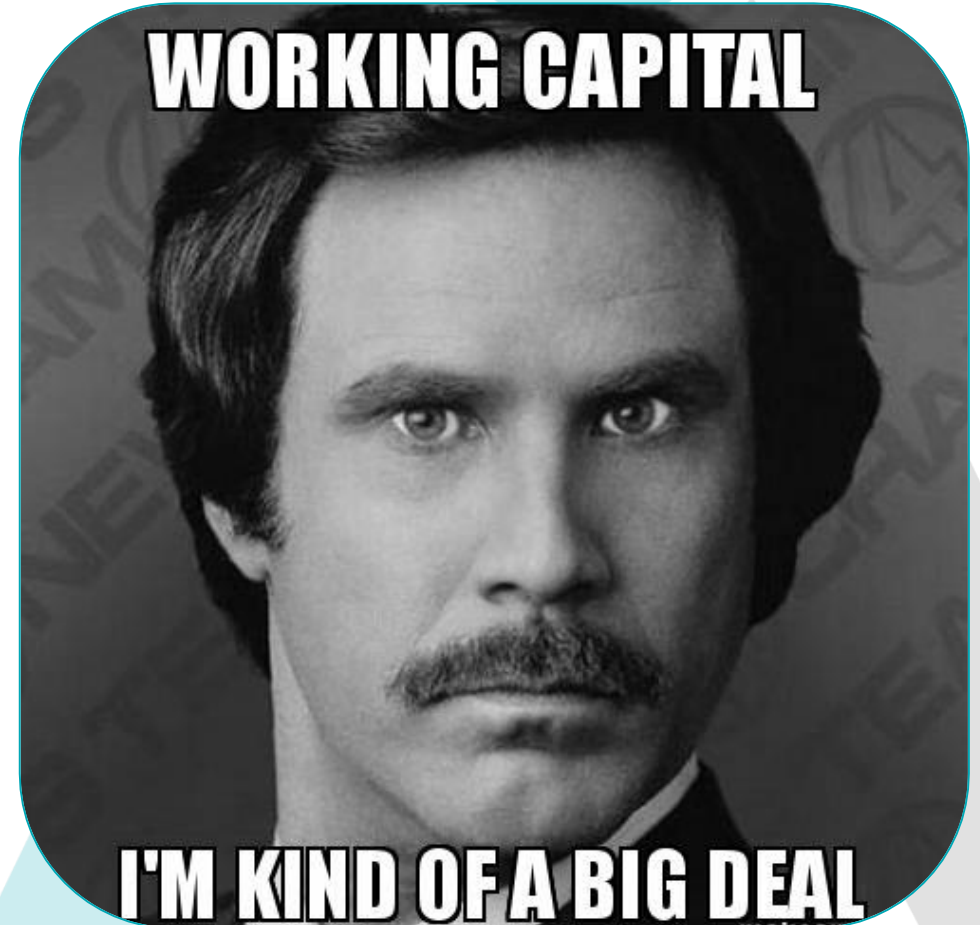
Contd. CAPEX OPEX

Breakdown of Start-up Capital Required:

- **Working Capital:**



The capital required for a business which is used in its day-to-day trading operations.

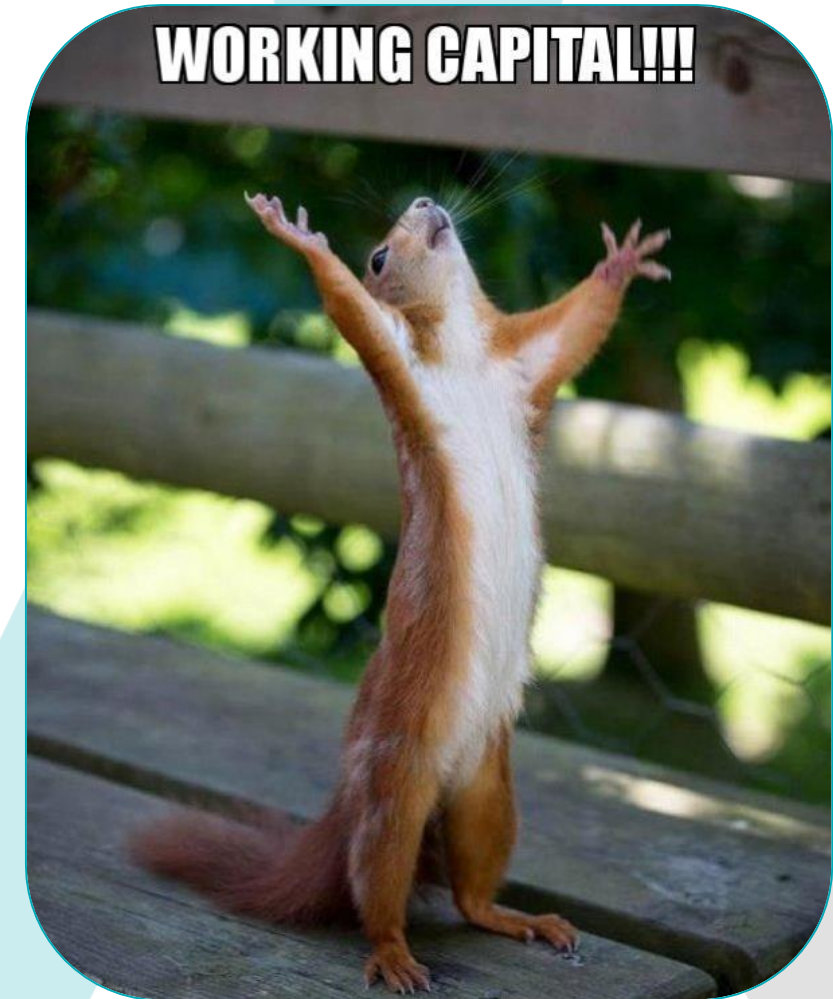


Contd. CAPEX OPEX

Breakdown of Start-up Capital Required:

- **Working Capital:**
 - a) Fixed Monthly Operation Expenses
 - b) No. of Months Required
(based on business module)
 - c) Inventory & Raw Materials (If Applicable)

$$\text{Formula} = (a \times b) + c$$



Contd. CAPEX OPEX

Breakdown of Start-up Capital Required:

- **Fixed Monthly Operation Expenses:**

- **Rent:**

- a) An Estimate area size required
- b) Location
- c) Estimated cost per sq.m (based on the location)

$$\text{Rent} = a \times c$$

- **Salary:**

- a) Job description
- b) Position
- c) No. of employees required (based on the business concept)
- d) Salary based on the average market

Example:

Area size: 500sq.m

Location: Al-Hamra Tower

Estimated cost per sq.m: KWD10

Rent = 500 x 10 = KWD 5,000 (monthly)

Example:

Project Name: SALEM GYM

Total Startup Capital: KWD 36,650

ASSETS		NON-RECURRING EXPENSES		MONTHLY EXPENSES		WORKING CAPITAL AND INVENTORY	
Description	Value (KWD)	Description	Value (KWD)	Description	Value (KWD)	No. of Months	6
Equipment	1,000	Branding	3,000	Rent	400	Total monthly expenses	KWD 4,000 X
Machinery	2,000	Consultancy	650	Salaries	3,600	Total working capital	KWD 24,000 =
Furniture	2,000					Inventory	KWD 1,000 +
App. Develop	3,000						
TOTAL ASSETS	KWD 8,000	TOTAL NON-RECURRING EXPENSES	KWD 3,650	TOTAL MONTHLY EXPENSES	KWD 4,000	TOTAL WORKING CAPITAL AND INVENTORY	KWD 25,000 =

Workshop :

Assets

Construction
Furniture + Fit-out
Equipment
Delivery Van
Computer Systems
Online Platform
Appliances
Office Accessories
Mobile devices
Security Cameras
Employee Attendance Machine

Non-
Recurring
Expenses

Company Establishment
Branding & Logo
Interior Design
Demolition
Cleaning Services
Curtains Set-up
Plants Set-up
Domain Purchase Set-up
Location commission
Insurance Expense

Monthly
working
capital

Rent
Employee Salaries
Accounting Service
Upay Payment Gateway
POS Software Subscription
Internet Services
Utilities
Legal Consultancy Services
Social Media Management

Until Next Time...

**Stay Tuned for the Next
Episode...**

Thank You...

