



Mastering Your Finances with Simply Spreadsheets

with Erin Onsager



Agenda

- Introduction and Overview
- Financial Forecasting Fundamentals
- Breakout Session #1: Forecasting Practice
- Income & Expense Tracking
- Breakout Session #2: Building a Basic Tracker
- Q&A and Closing





Hi I'm Erin

- Over 20 years of experience in commercial real estate, including mortgage brokerage, lending, and private equity/development
- Over 10 years as a residential real estate investor
- Founded Simply Spreadsheets, LLC in 2021 (www.simplyspreadsheets.co)

By the end of this presentation, you w



1

Understand the critical role of financial forecasting in business success

Financial forecasting is a crucial component of achieving long-term business success. By accurately projecting income and expenses, companies can make informed decisions, identify potential challenges, and position themselves for profitability.

2

Track income and expenses efficiently to ensure long-term profitability

Implementing a robust system to track and analyze financial data is essential for maintaining a healthy, sustainable business. Regular monitoring of cash flow, revenue streams, and cost management can help ensure long-term profitability.

3

Apply these principles in your own businesses to make informed financial decisions

This section will provide practical strategies and tools to help you apply the principles of financial forecasting in your own company. By making data-driven decisions, you can position your business for growth and success.



Financial Forecasting Fundamentals

Financial forecasting is crucial for making informed business decisions and preparing for growth, risk, or changing market conditions. It involves projecting revenues, expenses, cash flow, and profits based on historical data, trends, and assumptions.



What is Financial Forecasting?

Estimates future financial outcomes

Based on historical data, trends, and assumptions

Projects revenues, expenses, cash flow, profits

Helps make informed business decisions

Enables long-term planning

allows you to anticipate and prepare for the future

Building a Financial Model

Revenue Projections

- Predicting future sales based on past performance, market analysis, and growth assumptions

Cost Structure

- Identifying fixed and variable costs, understanding how these change as your business scales

Profitability Estimates

- Calculating projected profits by deducting expenses from revenue



Key Elements of a Financial Forecast



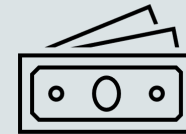
Projected Growth

Historical growth rates, market trends, expansion plans



Assumptions

Growth rate, pricing changes, economic factors



Operating Costs

Fixed Costs (rent, salaries*, utilities) which remain the same regardless of output

Variable Costs (production costs, materials) which fluctuate with output

* Salaries can be fixed or variable depending on your business



Taxes & Insurance

Estimating tax liabilities

Business insurance, liability, health coverage

Scenario Modeling



Best-case scenario

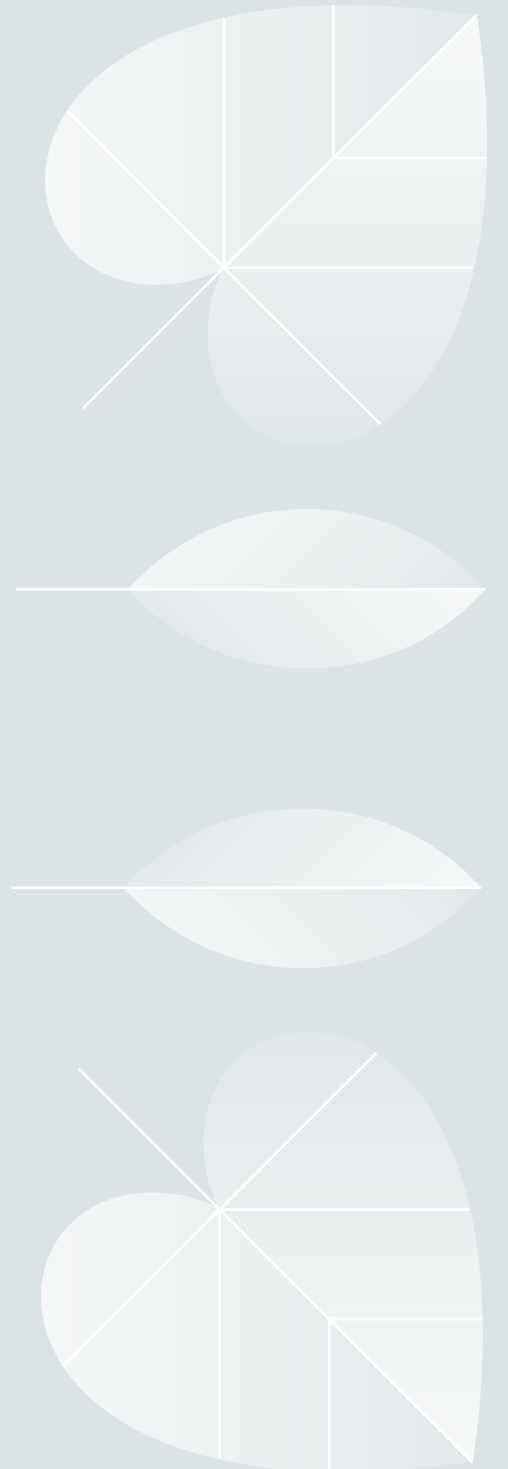
- Rapid growth, controlled costs, favorable market conditions

Moderate scenario

- Reasonable growth in line with historical performance and stable costs

Worst-case scenario

- Slower growth, unexpected expenses, market downturns



Cash Flow Forecasting

- Project inflows and outflows over a given period
- Helps understand when your business might run into liquidity issues
- Accounts receivable, accounts payable, and timing of major expenses.



Accounts Receivable

[ə-ˈkaʊnts ri-ˈsē-və-bəl]

The balance of money due to a firm for goods or services delivered or used but not yet paid for by customers.



Accounts Payable

[ə-ˈkaʊnts ˈpā-ə-bəl]

"Accounts payable" (AP) refers to an account within the general ledger that represents a company's obligation to pay off a short-term debt to its creditors or suppliers.

Reviewing and Updating Forecasts

Forecasts are

NOT static

Forecasts must be updated regularly to reflect new data and changing conditions

Update with new

data

As you gather more information, incorporate it into your forecasts to improve accuracy

Adjust for actual vs.

projected

Compare your forecasted numbers to the actual results and adjust as needed





Breakout Session #1: Forecasting Practice

HANDS-ON EXCEL EXERCISE

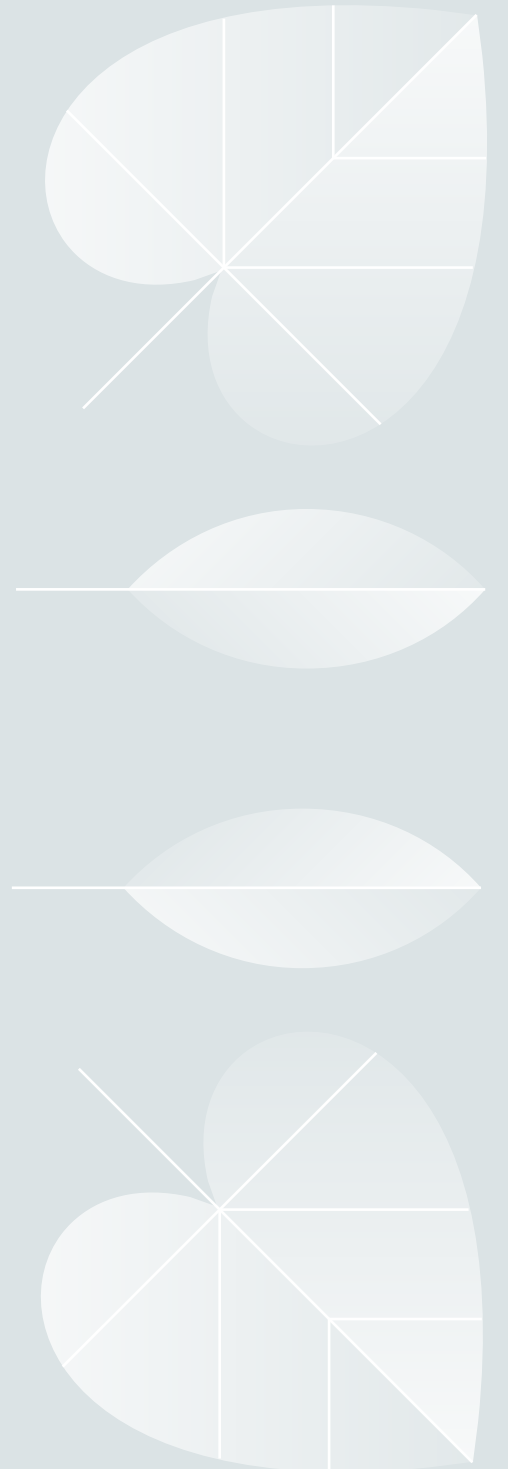


Breakout Session #1: Forecasting

Practice

Create a working forecast model and apply it to your business

- Create revenue projections for the next year
 - Factor in projected growth rates and market conditions
 - Estimating fixed and variable costs, including potential increases for taxes and insurance
- Run different scenarios to see the impact on profitability
- Build a cash flow model to ensure liquidity





Breakout Session #1:

Address any questions

Take the time to address any outstanding questions from the previous session

Customize for your business

tailor the forecasting exercise to your specific business needs and challenges

Tips to add complexity

- Fixed vs. variable growth
- Annual events



Income and Expense Tracking

Tracking your income and expenses effectively



Why Track Income &

Expenses?

Improves Cash Flow Management

Identifies patterns income and spending to avoid shortfalls

Supports Strategic Decision-Making

Provides data-driven insights for investments and growth opportunities

Ensures Accurate Tax Reporting

Keeps records organized for deductions and compliance

Highlights Profitability

Clarifies which areas of the business are driving profits or losses

Prevents Overspending

Enables proactive adjustments by showing real-time expense tracking against budgets

Common Pitfalls: Income & Expense Tracking

Neglecting Small Expenses

- Minor expenses can add up quickly and skew overall picture if left untracked

Inconsistent Record-Keeping

- Inaccuracies and missed insights into spending patterns

Mixing Personal and Business Finances

- Overlooked deductions or misreported income

Ignoring Cash Transactions

- Discrepancies in financial reports and/or can affect cash flow management

Overcomplicating the System

- K.I.S.S: overly complicated software can lead to frustration, errors, and inconsistent use

Not Reconciling with Bank Statements

- Essential for identifying discrepancies and keeping a good handle on business finances and cash flow





Breakout Session #2: Building a Basic Tracker

HANDS-ON EXCEL EXERCISE

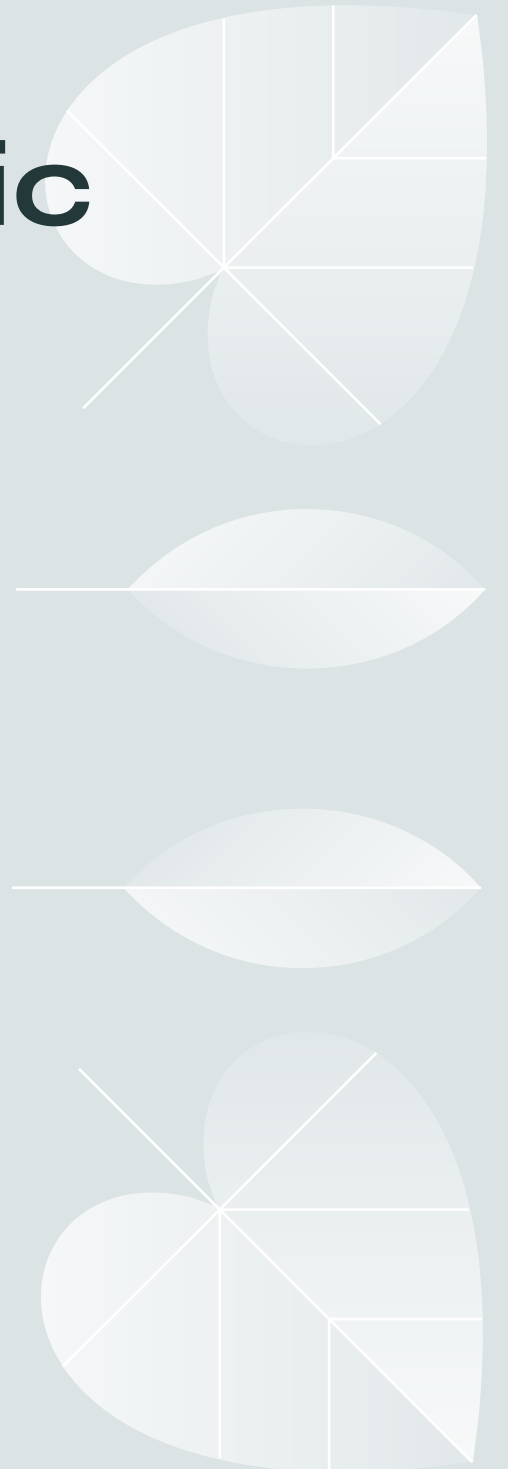


Breakout Session #2: Building a Basic Tracker

Create a basic income & expense tracker and apply it to your business



- Date
- Income/Expense
- Category
 - Drop-down lists are helpful to keep categorization simplified
- Source of Income/Vendor Name
- Amount
- Monthly Totals
- Annual Totals





Breakout Session #2:

Did any questions arise?

Are there any specifics you'd like to see for your business?

Recommended homework: Build a personal income and expense tracker



Closing Thoughts and Next Steps





Closing Thoughts

Empowerment Through Clarity

- Mastering your finances isn't just about numbers; it's about gaining confidence and clarity in every business decision

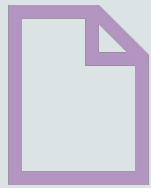
Simplicity as a Strength

- A streamlined, spreadsheet-based system can reveal insights and opportunities without overwhelming complexity

Consistency Leads to Success

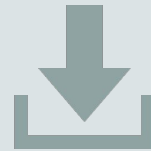
- Regular tracking and forecasting can transform financial health over time, building a stronger foundation for growth.

Next Steps



Start Small, Start Today

Begin with a simple forecast or expense-tracking sheet, even if it's just for the upcoming month



Use Provided Templates

Download and customize the templates shared during this session to get a head start on managing your finances effectively



Reach Out for Support

I'm here to help you implement what you've learned – email support and consultations are available as you get started



Stay Accountable

Set a regular time each month to review your finances, track progress, and adjust forecasts as needed



Thank you

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