#### **Previous Newsletters:**

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ISSUE 6 - FEBRUARY 2013

### **Interesting Articles:**

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# **Assignments Handled:**

- Sales Manager Saudi National (KSA) - IT/ Telecom
- Head of Consultancy & Training - Data Center -IT/Telecom
- Network Operations Center Leader - Persian Speaker -IT/Telecom
- Contracts Manager MEP (Construction)

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# **Executive Search,** Training & Development and Management Business/Corporate Finance Management Consultancies "Quality, Key to Success"

Dear All,

#### Welcome to our 10th monthly newsletter!

It is a real pleasure to liaise with you all every month.

This month, we are going to talk about financial projections you should develop after you have analyzed the market and set clear objectives when you create your business plan. That's when you can allocate resources efficiently. The following is a list of the critical financial statements to include in your business plan packet.

Next month, we will explain why executive search firms only accept to work on retained and exclusive assignment.

Best Regards,

Zoran Marinkovic

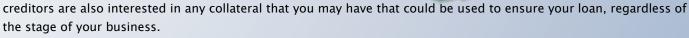
Managing Partner - BM Management Consultancies

# **Developing Financial Projections when Creating Business Plan**

## Historical Financial Data - if you own an established business

You will be requested to supply historical data related to your company's performance. Most creditors request data for the last three to five years, depending on the length of time you have been in business.

The historical financial data to include are your company's income statements, balance sheets, and cash flow statements for each year you have been in business (usually for up to three to five years). Often,



#### **Prospective Financial Data - Startup**



All businesses will be required to supply prospective financial data. Most of the time, creditors would want to see what you expect from your company to be able to do within the next five years. Each year's documents should include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets. For the first year, you should supply monthly or quarterly projections. After that, you can stretch it to quarterly and/or yearly projections for years two through five.

Make sure that your projections match your funding requests; creditors will be on the lookout for inconsistencies. It is much better if you catch mistakes before they do. If you have made assumptions in your projections, be sure to summarize what you have assumed. This way, the reader will not be left guessing.

Next, include a short analysis of your financial information. Include a ratio and trend analysis for all of your financial statements (both historical and prospective). Since pictures speak louder than words, you may want to add graphs of your trend analysis (especially if they are positive).

Finally, you may want to include an Appendix to your plan. This can include items such as your credit history, resumes of key managers, letters of reference, and any additional information that a lender may request.

If you need any support to establish your business plan to start a business or if you believe your organization needs a proper planning process, feel free to approach us.

# Meet BM Management Consultancies

### We Outsource Services of your Accounting and Finance department which include the following

- Set-up your Chart of Accounts depending on your activity with IFRS. US or French GAAPS
- Book-keeping with Monthly, Quarterly and Yearly closing, following your requests
- General Ledger Maintenance
- Bank reconciliations
- Payroll Administration (Payroll processing/Gratuities/ Vacations...)
- Accounts Receivables and Payables (Aging Balance)
- Preparation of cheques & follow up of PDC (Post Dated Cheques)
- Reconciliations of staff advances; saving accounts...
- Assets follow up
- Cash Flow Maintenance
- Monthly, Quarterly and Yearly results analysis for management
- Planning Process (Plan, Budget, Forecast)

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