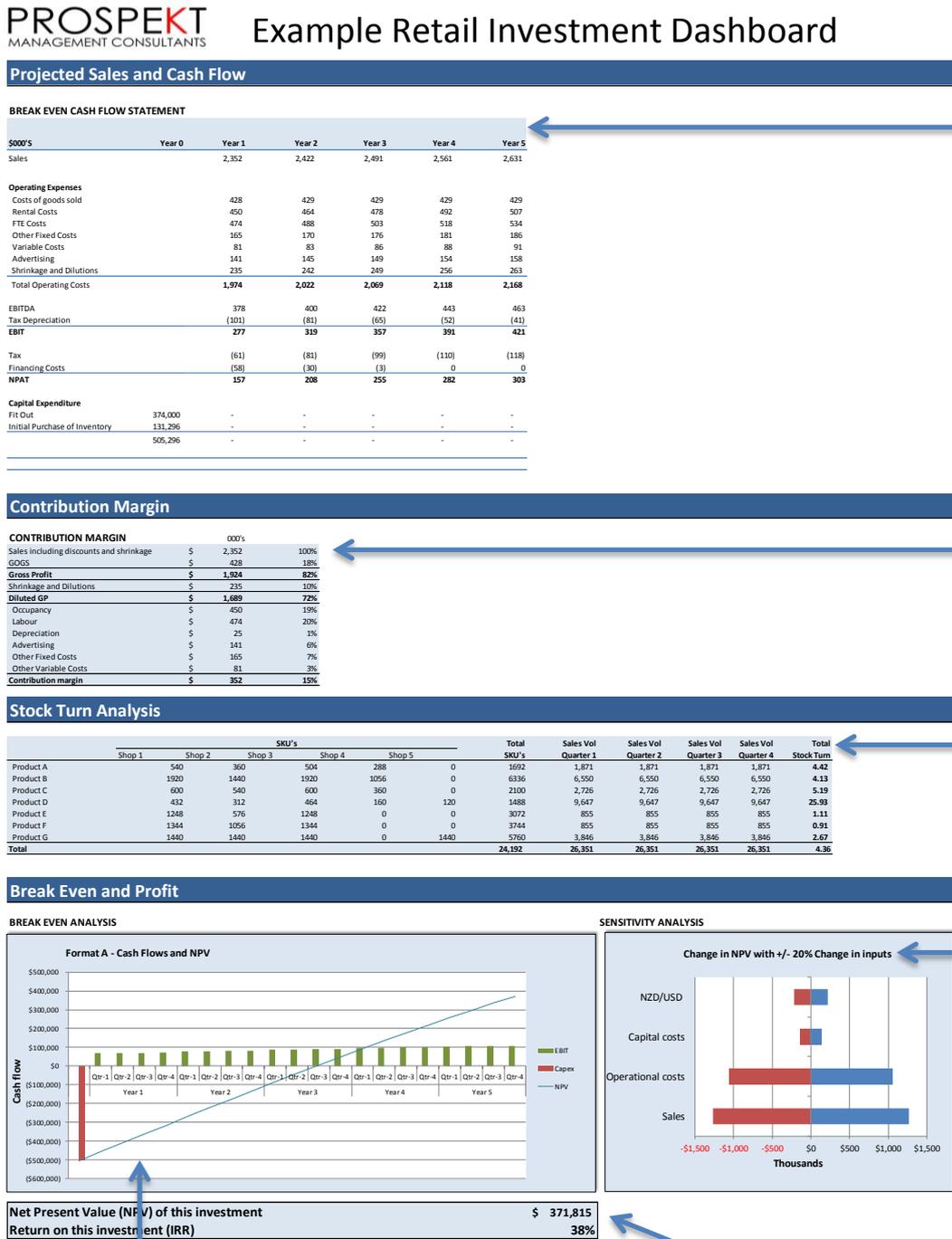


INVESTMENT ANALYSIS

If you are considering investing in your business, a financial model can help understand the likely cash flow that will result, and more importantly the financial risks and rewards if the business environment changes.

The example below shows a financial model to expand a retail business by opening multiple new stores.



Cash Flow
Your projected cash flow statement for a five year period

Contribution Margin
The amount that each product contributes to profit

Stock Turn
Your projected stock-turn for each product and store

Sensitivity Analysis
How your profit and return on investment is impacted by changes in the business environment. These could be either adverse or favourable events

Break Even Analysis
Shows when you will break even and begin making a profit.

Return on Investment
Shows how much profit you will make in real terms (i.e. in today's money), and the effective annual rate of return on your investment