

Prometheus Equity Partners
Simple New Venture Analysis Template

Name of Venture: ABC

1.1 Product/Service Price and Cost Data (Variable Costs)

	Sales Price	Unit Cost	Gross Margin	Percent Margin
Product 1	9,745	5,450	4,295	44%
Product 2	7,000	1,100	5,900	84%
Average	16,745	6,550	10,195	61%

2.1 Expense Data

Sales Commission	8%		
Annual Base Salaries	\$70,000		
to be increased by	\$25,000	after	20 Sales
Wage Overhead	30%	of Salaries	
Annual Office Expense	\$40,000		
to be increased by	\$8,000	after	20 Sales
Sales & Marketing	10%	of Sales &	\$50,000 in Year 1

3.1 Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% Sales
Unit Sales	39	50	100	200	300	689	
Dollar Sales	653,055	837,250	1,674,500	3,349,000	5,023,500	11,537,305	100%
Cost of Goods Sold	255,450	327,500	655,000	1,310,000	1,965,000	4,512,950	39%
Direct Sales Expense	52,244	66,980	133,960	267,920	401,880	922,984	8%
Gross Margin	345,361	442,770	885,540	1,771,080	2,656,620	6,101,371	53%
Operating Expenses							
Salaries	70,000	95,000	95,000	95,000	95,000	450,000	4%
Wage Overhead	21,000	28,500	28,500	28,500	28,500	135,000	1%
Office Expenses	40,000	48,000	48,000	48,000	48,000	232,000	2%
Marketing	65,306	83,725	167,450	334,900	502,350	1,153,731	10%
Total Operating Expenses	196,306	255,225	338,950	506,400	673,850	1,970,731	17%
Net Operating Income Before Interest/Tax	149,055	187,545	546,590	1,264,680	1,982,770	4,130,640	36%
Cumulative Earnings	149,055	336,600	883,190	2,147,870	4,130,640		

4.1 Profitability Standards

ROI discounted for Cost of Ca	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment	(250,000)	(250,000)	0	0	0	0	(500,000)
Net Income Before Tax	0	149,055	187,545	546,590	1,264,680	1,982,770	4,130,640
Net Cash Flow	(250,000)	(100,945)	187,545	546,590	1,264,680	1,982,770	3,630,640
NPV Factor @11%	11%	0.90	0.81	0.73	0.66	0.59	0.74
NPV Cash Flow	(250,000)	(90,941)	152,216	399,662	833,084	1,176,677	
Cumulative NPV Cash Flow	(250,000)	(340,941)	(188,726)	210,936	1,044,020	2,220,698	
Avg Annual ROI	93%	(Cummulative NPV Cash/NPV Total Investment)/ No of years					
Internal rate of return	91.00%	(Adjust IRR until NPV is approx = 0)					
NPV of cash flows at IRR	32						
PV of investment stream	(380,890)						
Internal Rate of Return	91.0%	(Adjust IRR until 5th year investment is approx. 0)					
Ammortization Model	Year	Investment	Cash Flow	Interest	Retire Principal		
	0	250,000					
	1	578,445	149,055	227,500	(78,445)		
	2	917,285	187,545	526,385	(338,840)		
	3	1,205,424	546,590	834,729	(288,139)		
	4	1,037,680	1,264,680	1,096,936	167,744		
	5	(802)	1,982,770	944,288	1,038,482		

Instructions

- 1) Enter Product Price and Cost Data
- 2) Enter Expense Data
- 3) Enter Unit Sales Projection
- 4) Enter IRR in cell B53 until NPV of cash flows = 0
- 5) Enter IRR in cell B57 until final investment sum = 0