

Special Report For:

**Business Owner
Managers
Office Manager**

Looking Ahead Series

- **Starting to Cashflow Forecast**
- **GST/VAT/Sales Tax & Bank**
 - **Direct Costs & Sales**
 - **Use of Scenarios**
- **Multiple Companies and or Cost Centres**
 - **Different Currencies**
 - **Views**
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- **Bank, Investment & Loan Accounts**

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Looking Ahead – Direct Costs & Sales

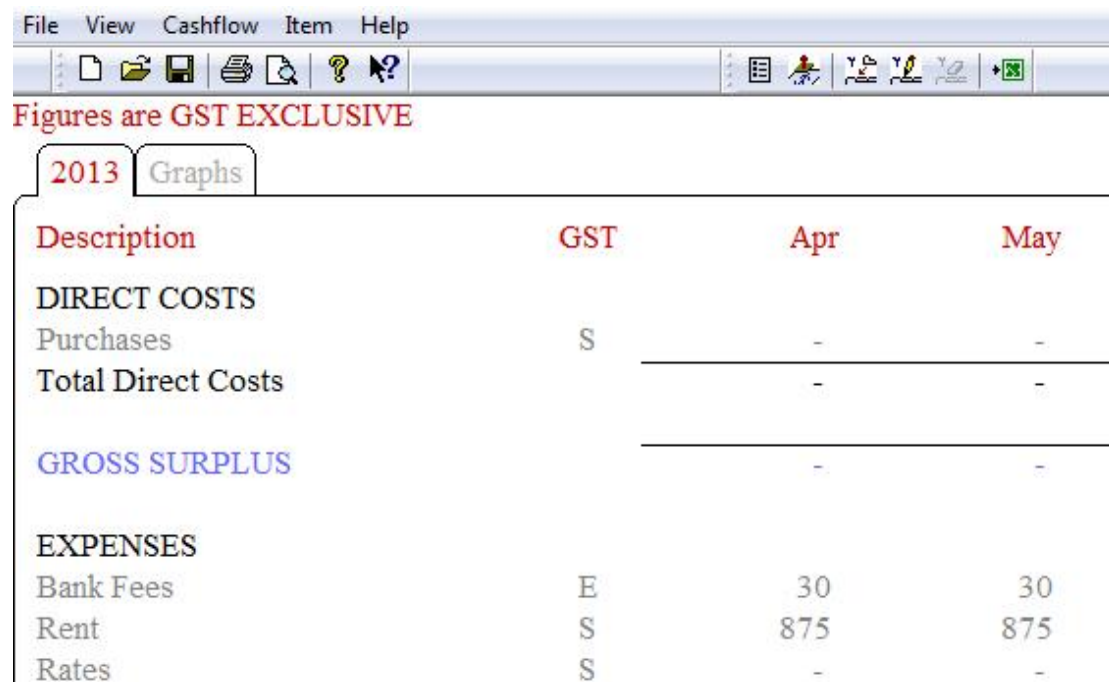
This article will cover setting up direct costs and sales, highlighting the interaction between them.

Direct Costs

In most businesses there is at least one direct cost such as purchases. In many situations the purchases bear a direct relationship to the sales figures and in others there is no direct relationship. Multi-SWAC will allow for both these situations.

Raise a direct cost by adding an item (Direct Cost type) and assign the GST code if any (see previous article).

You should end up with:



Figures are GST EXCLUSIVE

Description	GST	Apr	May
DIRECT COSTS			
Purchases	S	-	-
Total Direct Costs		-	-
GROSS SURPLUS			
EXPENSES			
Bank Fees	E	30	30
Rent	S	875	875
Rates	S	-	-

Double click on Purchases and you will get the following window:

Edit Item X

Year Item Type

Name

GST Hide

	Value	%
April	<input type="text" value="0.00"/>	<input type="checkbox"/>
May	<input type="text" value="0.00"/>	<input type="checkbox"/>
June	<input type="text" value="0.00"/>	<input type="checkbox"/>
July	<input type="text" value="0.00"/>	<input type="checkbox"/>
August	<input type="text" value="0.00"/>	<input type="checkbox"/>
September	<input type="text" value="0.00"/>	<input type="checkbox"/>
October	<input type="text" value="0.00"/>	<input type="checkbox"/>
November	<input type="text" value="0.00"/>	<input type="checkbox"/>
December	<input type="text" value="0.00"/>	<input type="checkbox"/>
January	<input type="text" value="0.00"/>	<input type="checkbox"/>
February	<input type="text" value="0.00"/>	<input type="checkbox"/>
March	<input type="text" value="0.00"/>	<input type="checkbox"/>

You can enter the actual values for each month utilising the copy down button as required.

As mentioned previously you may have purchases being a % of your sales e.g. 60%. This figure may be available from your last set of annual accounts.

To enter the % first select the % box at the right of the month and enter the value as 60. Use the copy down button to fill in the rest of the months. Make any changes as necessary for a change in % for any particular month. See below:

I have used an average figure for the direct costs % based on a yearly basis, as this is usually the best starting point.

Edit Item

Year: 2013 Item Type: Direct Cost

Name: Purchases

GST: S Hide

	Value	%
April	60.00	<input checked="" type="checkbox"/>
May	60.00	<input checked="" type="checkbox"/>
June	60.00	<input checked="" type="checkbox"/>
July	60.00	<input checked="" type="checkbox"/>
August	60.00	<input checked="" type="checkbox"/>
September	60.00	<input checked="" type="checkbox"/>
October	60.00	<input checked="" type="checkbox"/>
November	60.00	<input checked="" type="checkbox"/>
December	60.00	<input checked="" type="checkbox"/>
January	60.00	<input checked="" type="checkbox"/>
February	60.00	<input checked="" type="checkbox"/>
March	60.00	<input checked="" type="checkbox"/>

Buttons: Save & Close, Save, Cancel/Close, Delete Item, Previous Item, Next Item, Previous Year, Next Year, Copy Down, Copy Prev Year

Having saved the Purchases setup and revert back to the main screen, you will see that there are no amounts showing for Purchases. This is because the sales figures have not been entered. 60% of zero sales is zero.

Driving a Business - Example 2.cfb - Multi-SWAC Basic

File View Cashflow Item Help

Figures are GST EXCLUSIVE

2013 Graphs

Description	GST	Apr	May
DIRECT COSTS			
Purchases	S	-	-
Total Direct Costs		-	-
GROSS SURPLUS			
		-	-

Sales

In any forecast the sales figures are usually the hardest to determine. The best forecast for this year is what happened the previous year. Then it is a matter of making any adjustments based on current knowledge as to forward sales and or the market.

First of all add an item Sales of type Income and assign the GST code if any (see previous article).

You should get the following:

Driving a Business - Example 2.cfb - Multi-SWAC Basic

File View Cashflow Item Help

Figures are GST EXCLUSIVE

2013 Graphs

Description	GST	Apr	May
INCOME			
Sales	S	-	-
Total Income		-	-
DIRECT COSTS			
Purchases	S	-	-
Total Direct Costs		-	-
GROSS SURPLUS			
		-	-

Enter the first month sales figure, in this case 5,000.

Driving a Business - Example 2.cfb - Multi-SWAC Basic

File View Cashflow Item Help

Figures are GST EXCLUSIVE

2013 Graphs

Description	GST	Apr	May
INCOME			
Sales	S	5,000	-
Total Income		5,000	-
DIRECT COSTS			
Purchases	S	3,000	-
Total Direct Costs		3,000	-
GROSS SURPLUS			
		2,000	-

Having entered the sales amount the Purchases now has a figure to calculate the 60% on, being 3,000 and it calculates the GROSS PROFIT of 2,000.

This flows throughout the forecast without any additional work required.

Now it is a matter of entering all the sales figures for the year.

Next Article

As mentioned previously determining the sales figures is the most complex and as such it is better to look at various sales options. So the next article will cover how to use various scenarios such as the worst case, most likely case and best case for sales.

We will also move to the next version of Multi-SWAC, Multi-SWAC Standard.

