6. What Are the Numbers?

Understanding the financial side of your business is essential for success. In this section, you’ll work out the key numbers for your business—how much it costs to run, how much you will charge, and how much money you expect to make.

What are the costs of running your business?

 (Consider the expenses involved in making your product or delivering your service. These could include materials, equipment, rent, advertising, or employee wages.)

What will you charge for your product or service?

 (Decide on the price you’ll charge customers. Think about how much it costs to produce your product or service and how much profit you want to make.)

How many customers do you expect to have?

 (Estimate how many people will buy your product or use your service each week or month.)

What is your expected profit?

 (Profit is the money you have left after paying all your costs. How much do you think you will earn after covering your expenses?)

Cost Breakdown:

Write down the main costs of running your business. Make sure to consider everything you’ll need to spend money on.

Materials / Supplies Cost:

 (e.g., the cost of materials to make your product or supplies needed to deliver your service)

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Rent / Utilities (if applicable)

 (e.g., if you need to pay for a workspace or utilities like electricity and water)

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Employee Wages (if applicable):

 (e.g., what you will pay employees, if you have any)

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Marketing / Advertising Costs:

 (e.g., money spent on promoting your business)

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Other Costs:

 (e.g., shipping, technology, equipment, etc.)

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Pricing:

Decide how much you will charge for your product or service. Consider your costs and what customers are willing to pay.

Price per Product/Service:

 (e.g., how much a customer will pay for one unit of your product or one instance of your service)

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Revenue Estimation:

Estimate how much money you expect to make based on your pricing and the number of customers you expect.

Estimated Number of Customers:

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Total Revenue (Price × Number of Customers):

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Profit Calculation:

After covering your costs, how much money do you expect to have left over?

Total Costs:

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Total Revenue:

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Expected Profit (Revenue - Costs):

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Financial Plan Summary:

Write a short summary of your financial plan. Include how much it costs to run your business, how much you will charge, how many customers you expect, and how much profit you hope to make.

Reflection:

- How will you make sure your business stays profitable?

- What will you do if your costs end up being higher than expected?

- How will you adjust if you don’t reach your expected number of customers?