

How to Start a Business

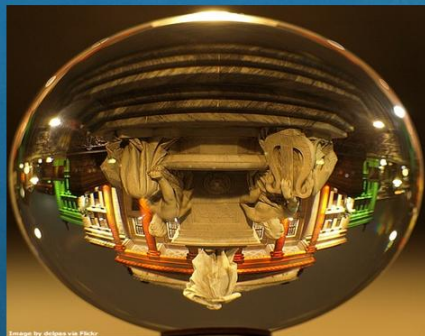
Forecasting Sales

Forecast Your Sales

More Art than Science



There Are No Crystal Balls



How to Start a Business

Forecasting Sales

Try to Estimate Sales in Units



Estimate Unit Sales

Sales Forecast					
	Jan	Feb	Mar	Dec	2011
Unit Sales					
Coffee	600	650	700	1,150	10,500
Tea	200	250	275	500	4,325
Juice	150	300	335	650	5,375
Total Unit Sales	950	1,200	1,310	2,300	20,200

Image from Business Plan Pro

Add Estimated Prices

Sales Forecast			
	Jan	Feb	Mar
Unit Sales			
Coffee	600	650	700
Tea	200	250	275
Juice	150	300	335
Total Unit Sales	950	1,200	1,310
Unit Prices			
Coffee	\$2.00	\$2.00	\$2.00
Tea	\$1.00	\$1.00	\$1.00
Juice	\$3.00	\$3.00	\$3.00

Image from Business Plan Pro

How to Start a Business

Forecasting Sales

Then Calculate Sales

$$\begin{array}{r} 600 \\ \times \$2.00 \\ \hline \$1,200 \end{array}$$

Sales Forecast			
	Jan	Feb	Mar
Unit Sales			
Coffee	600	650	700
Tea	200	250	275
Juice	150	300	335
Total Unit Sales	950	1,200	1,310
Unit Prices			
Coffee	\$2.00	\$2.00	\$2.00
Tea	\$1.00	\$1.00	\$1.00
Juice	\$3.00	\$3.00	\$3.00
Sales			
Coffee	\$1,200	\$1,300	\$1,400
Tea	\$200	\$250	\$275
Juice	\$450	\$900	\$1,005
Total Sales	\$1,850	\$2,450	\$2,680

Image from Business Plan Pro

Finally, Estimate Costs

$$\begin{array}{r} 600 \\ \times \$0.60 \\ \hline \$360 \end{array}$$

Sales Forecast			
	Jan	Feb	Mar
Unit Sales			
Coffee	600	650	700
Tea	200	250	275
Juice	150	300	335
Total Unit Sales	950	1,200	1,310
Direct Unit Costs			
Coffee	\$0.60	\$0.60	\$0.60
Tea	\$0.20	\$0.20	\$0.20
Juice	\$0.90	\$0.90	\$0.90
Direct Cost of Sales			
Coffee	\$360	\$390	\$420
Tea	\$40	\$50	\$55
Juice	\$135	\$270	\$301
Subtotal Direct Cost of Sales	\$535	\$710	\$777

Image from Business Plan Pro

Costs vs. Expenses

