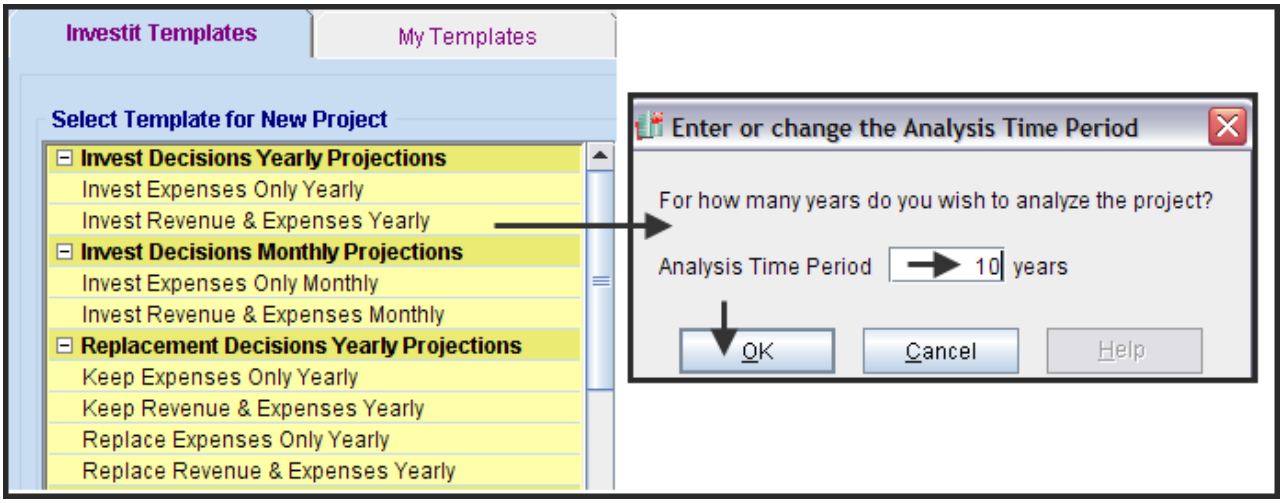
PROJECTION WIZARD. YEARLY PROJECTIONS. PRACTICE EXAMPLES

We will explore how to use the yearly Projection Wizard to enter a variety of different types of projections.

If you have a Project open, close it.

Open the following Template “Invest Revenue & Expenses Yearly” and set the Analysis Time Period to 10 years

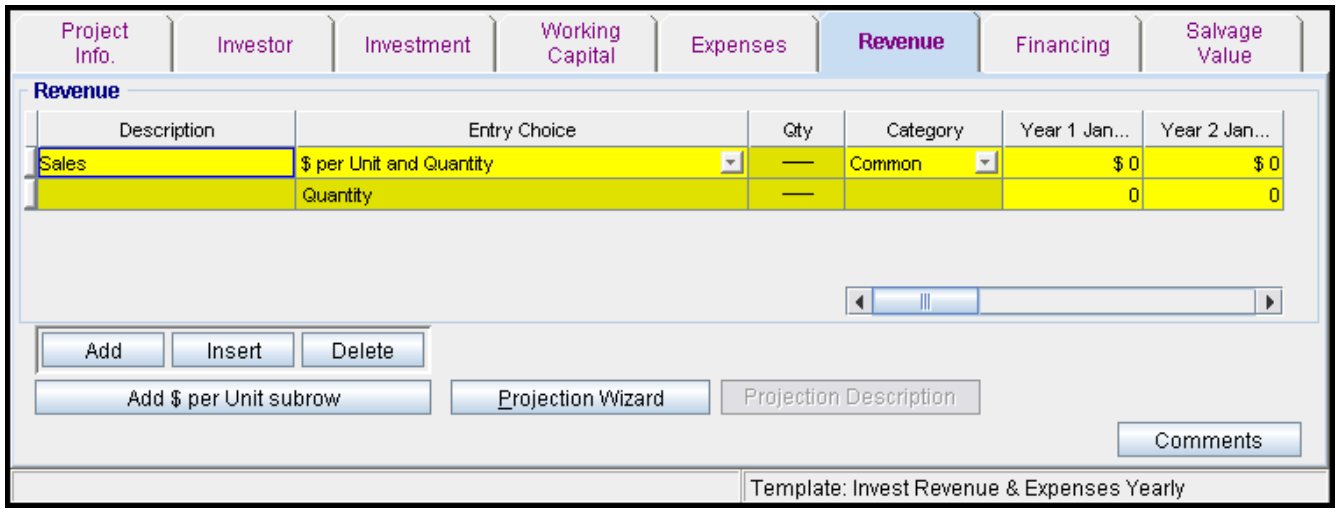


Example 1

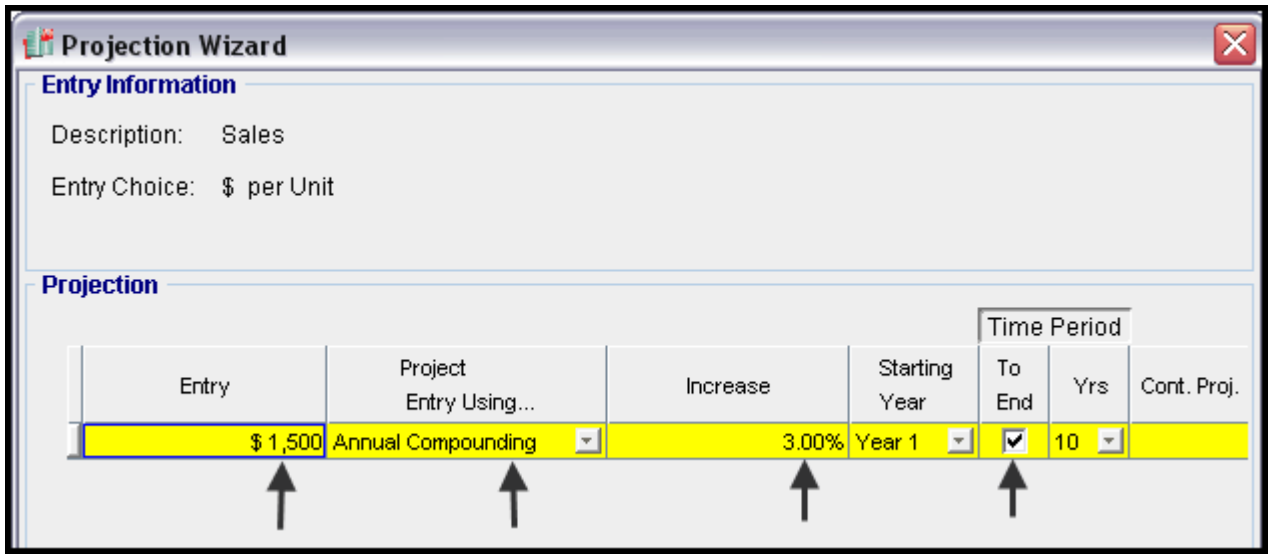
Start with the Revenue folder, as it will make it easier to input the %of Revenues entry in the Expenses folder.

Steps

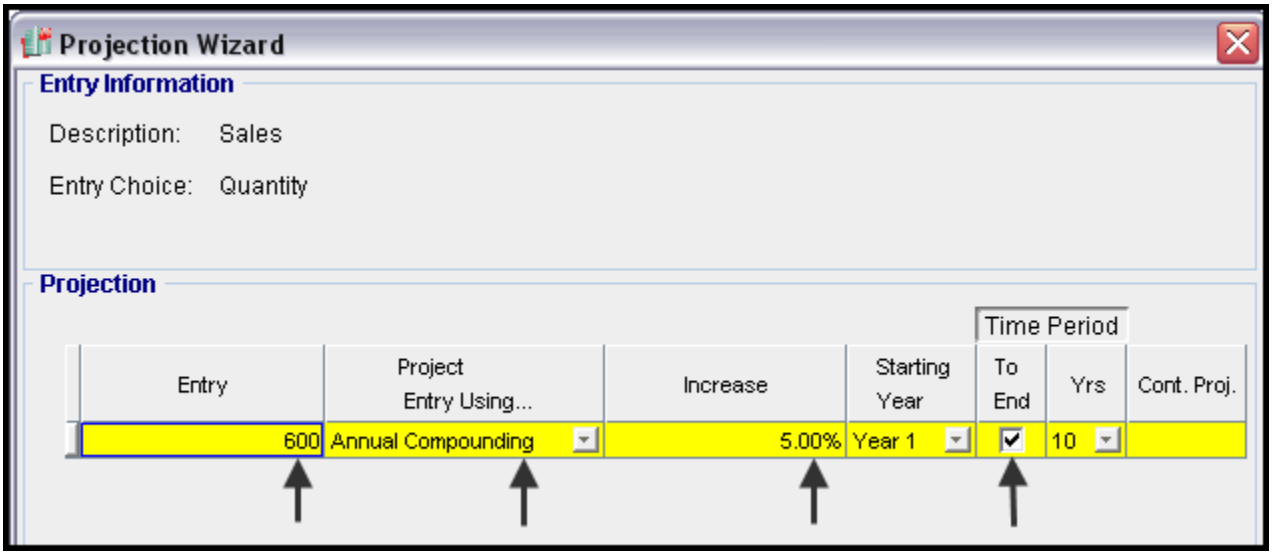
1. Change the Description to 'Sales' and the Entry Choice to '$ per Unit & Quantity'
2. Select row 1 'Sales' and click on the Projection Wizard button



3. Select the "Annual Compounding" projection



4. Select the Quantity row and click on the Projection Wizard



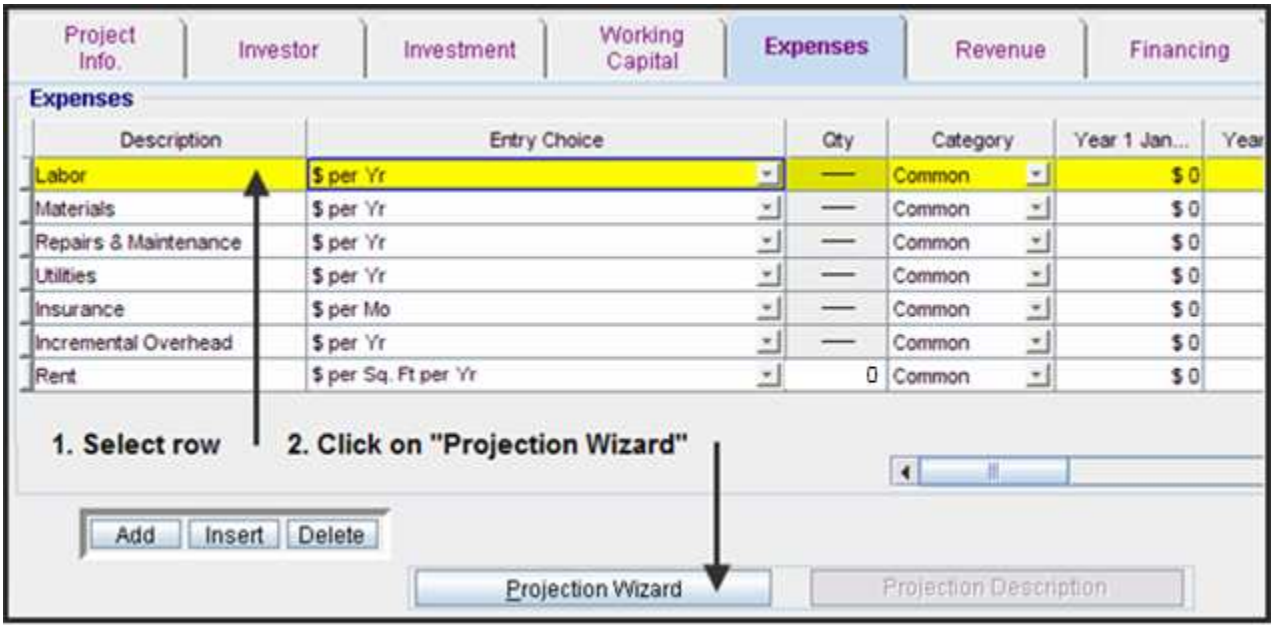
Example 2

Move to the Expenses folder.

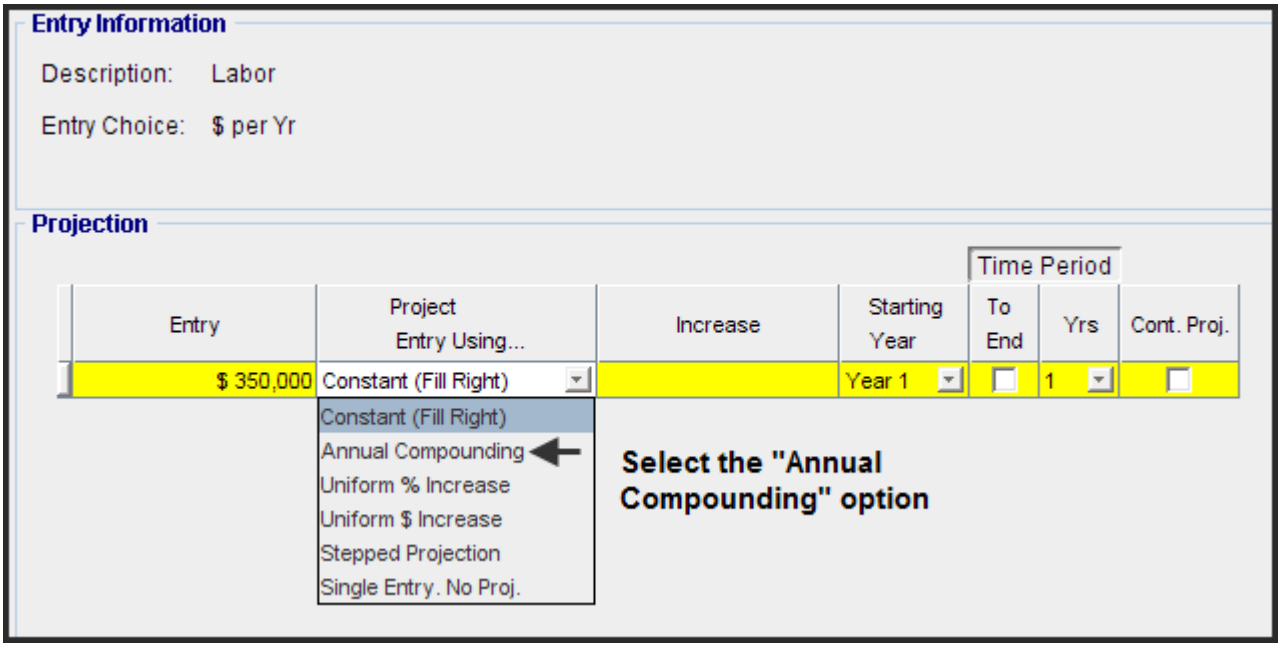
Labor: $350,000 per year increasing at 3.00% compounding for the remaining 9 years

Steps

1. Select the Labor and click on Projection Wizard button to display Projection Wizard dialog

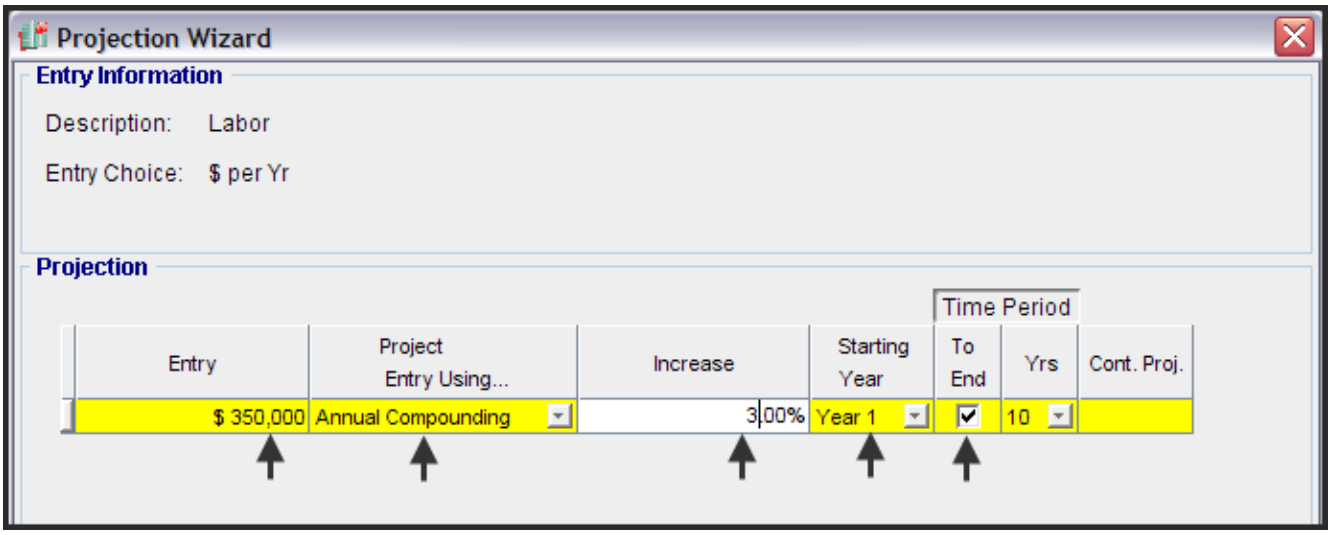


2. Select the “Annual Compounding” projection

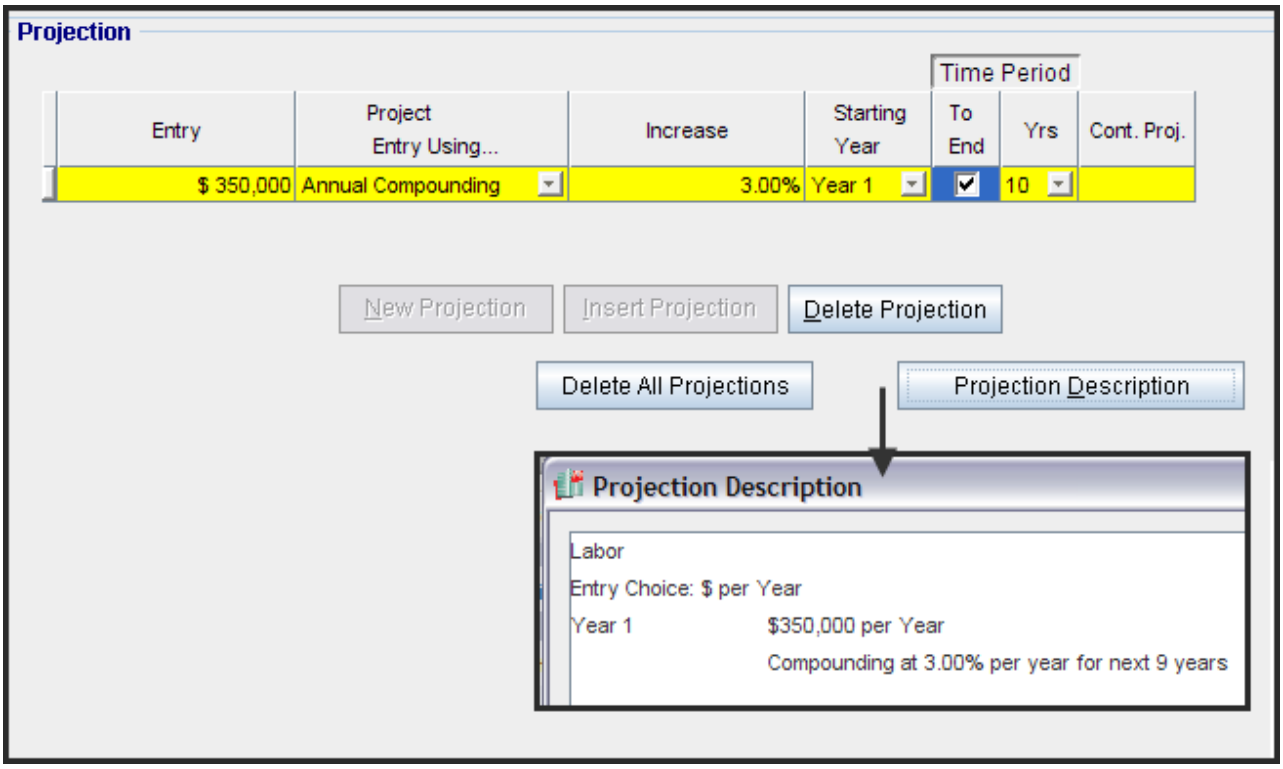


3. Complete the Projection Wizard entries

Note: Checking the “Time Period - To End” box continues the projection until the end of the Analysis Time Period, which is 10 years.



4. Click on the “Projection Description” button to view a description of the projection



5. The projection is complete. Click “OK” to return to the Expenses Folder

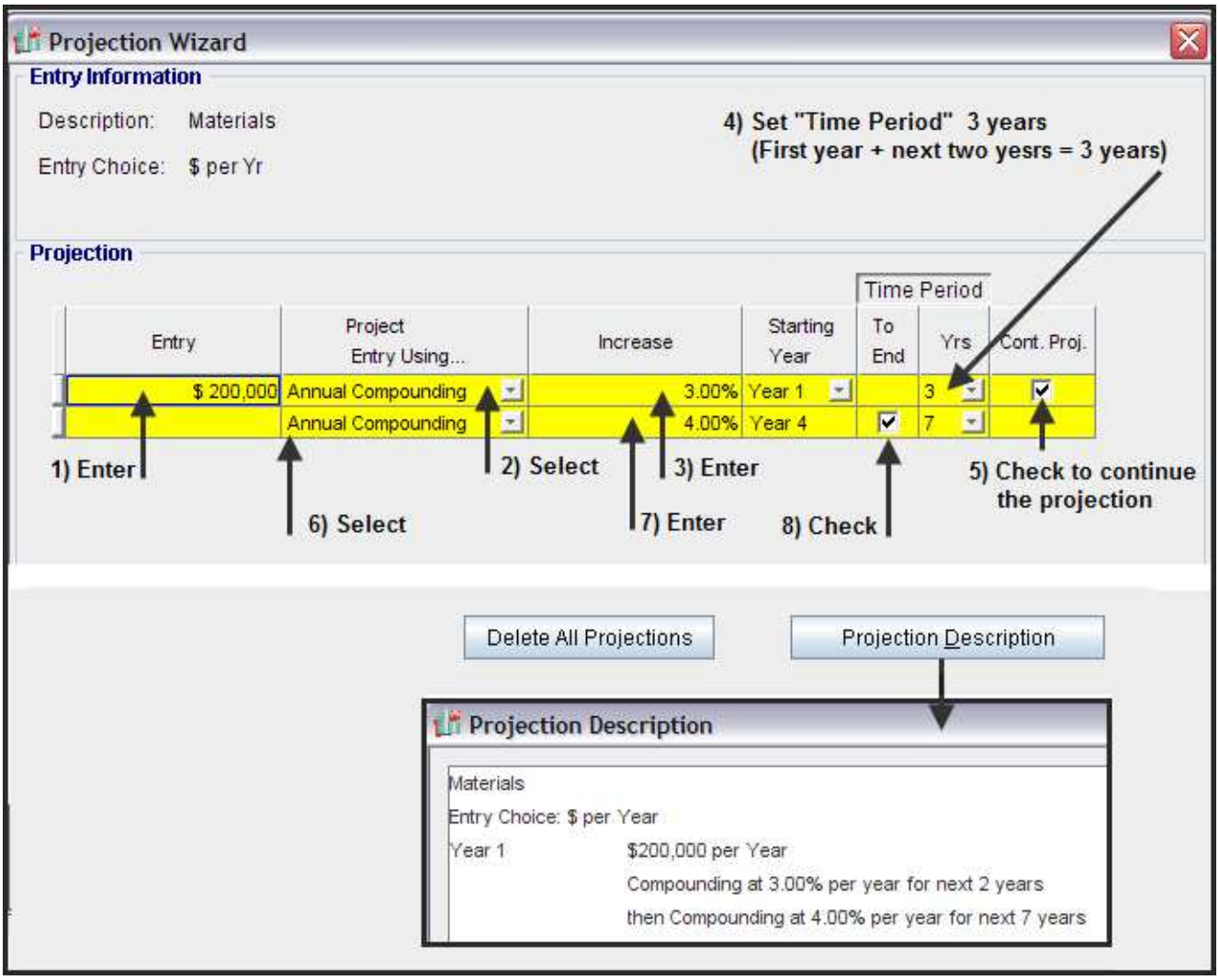
Example 3

Materials: $200,000 per year increasing at 3.00% compounding per year for the next two years (the time period is 3 years. Year 1 + next 2 years = 3 years) then 4.00% compounding per year for the remaining years.

Steps.

1. Select the “Materials” row in the Expenses grid and click on the Projection Wizard button
2. Complete the Projection Wizard as follows;

Note: After entering $200,000 per year increasing at 3.00% compounding for the next two years year in the first row, check the “Cont. Proj.” to enter the remaining portion of the projection.



Example 4

Repairs & Maintenance:
The supplier of the equipment will service the equipment for $80,000 per year for three years.

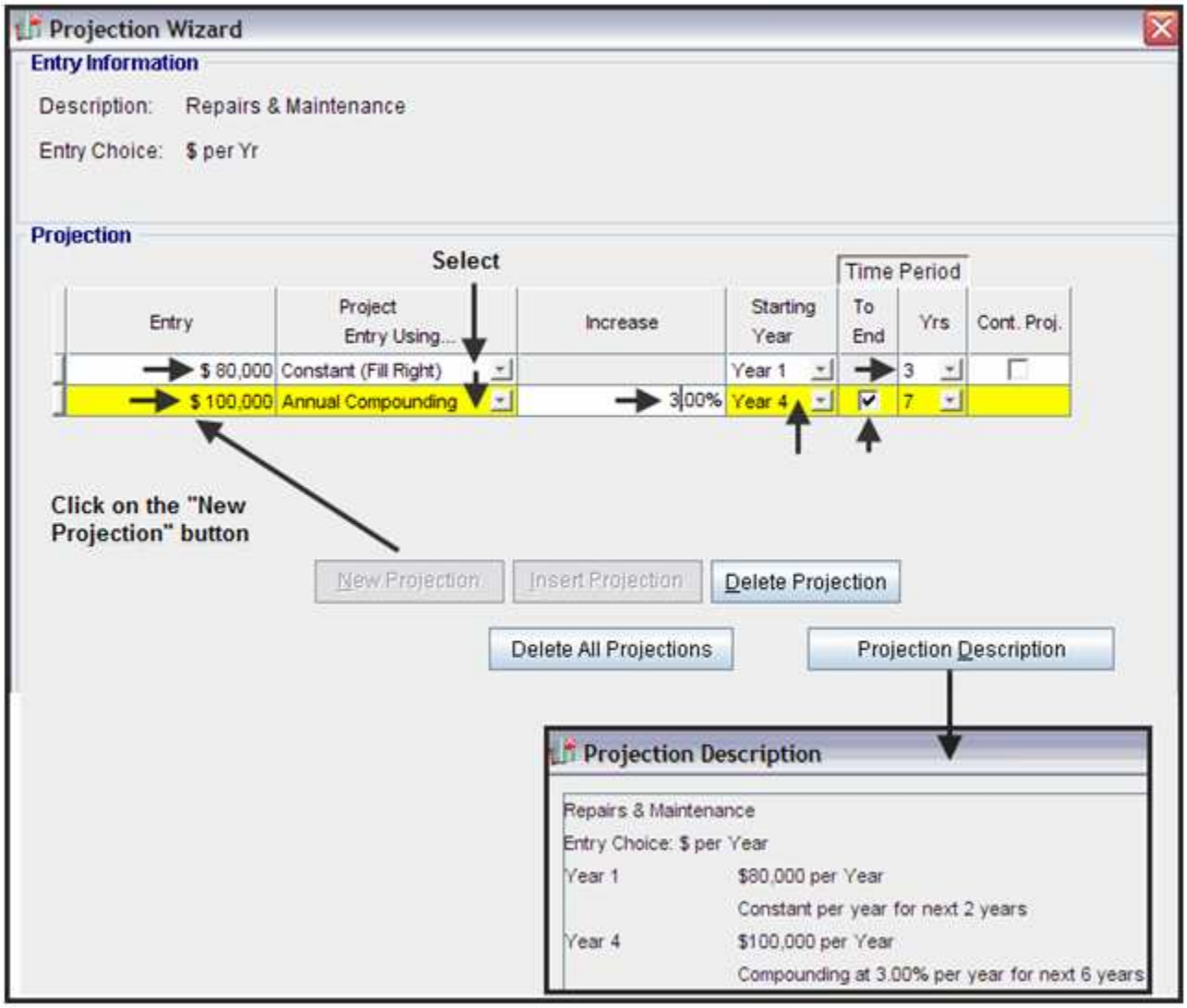
After the first three years the company will take over the maintenance of the equipment as follows;

Year 4. $100,000 per year for one year increasing at 3.00% per year compounding

This example shows how to use the "**New Projection**" feature, which allows you to finish one projection and continue by starting a new projection by clicking on the "New Projection" button.

Steps.

1. Select the "Repairs & Maintenance " row " in the Expenses grid and click on the Projection Wizard button
2. Complete the Projection Wizard as follows;

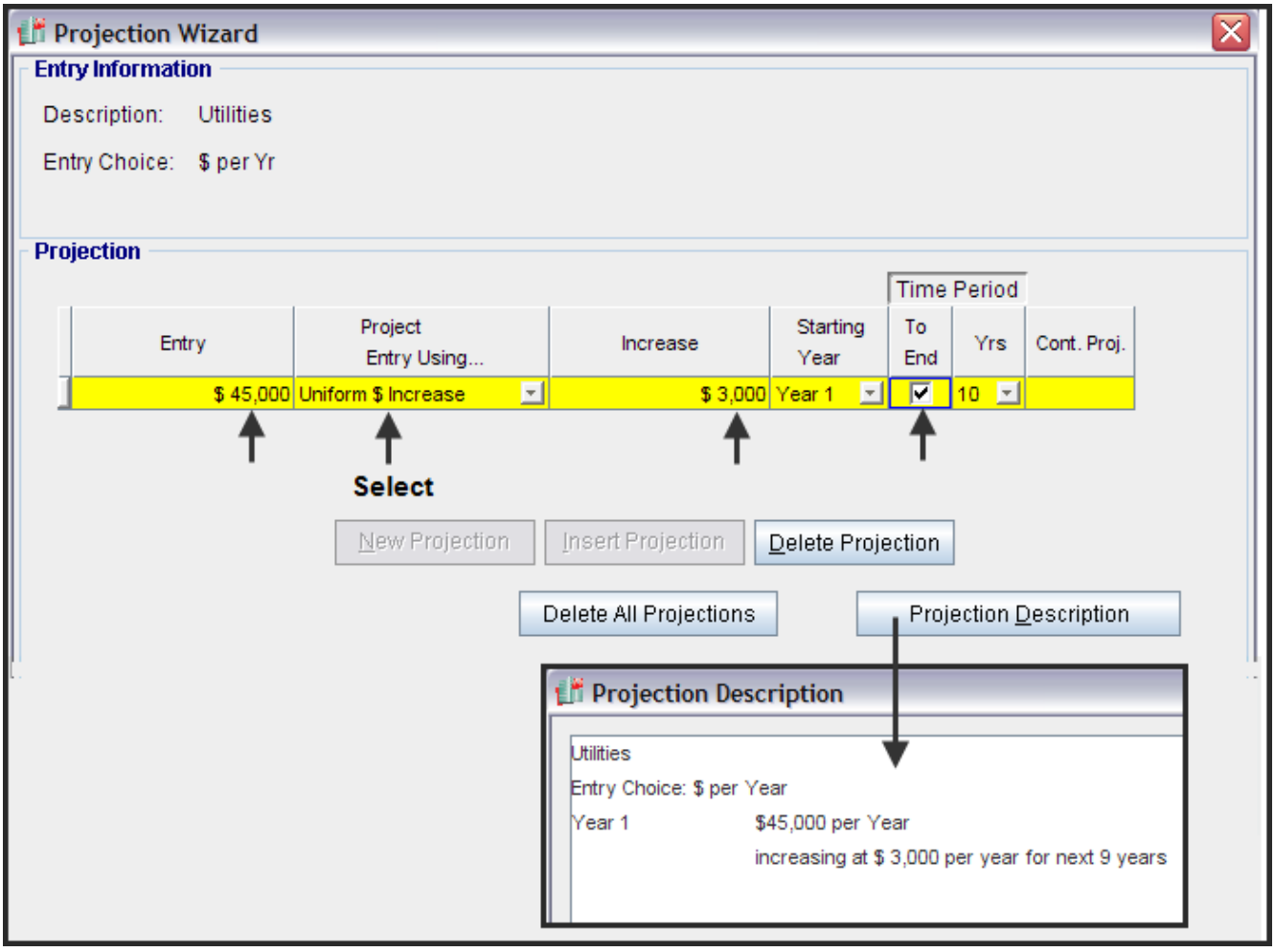


Example 5

Utilities: $45,000 per Year for the first year then increasing at $3,000 per year

Steps.

1. Select the “Utilities “ row in the Expenses Folder and click on the Projection Wizard button
2. Complete the Projection Wizard as follows;



Example 6

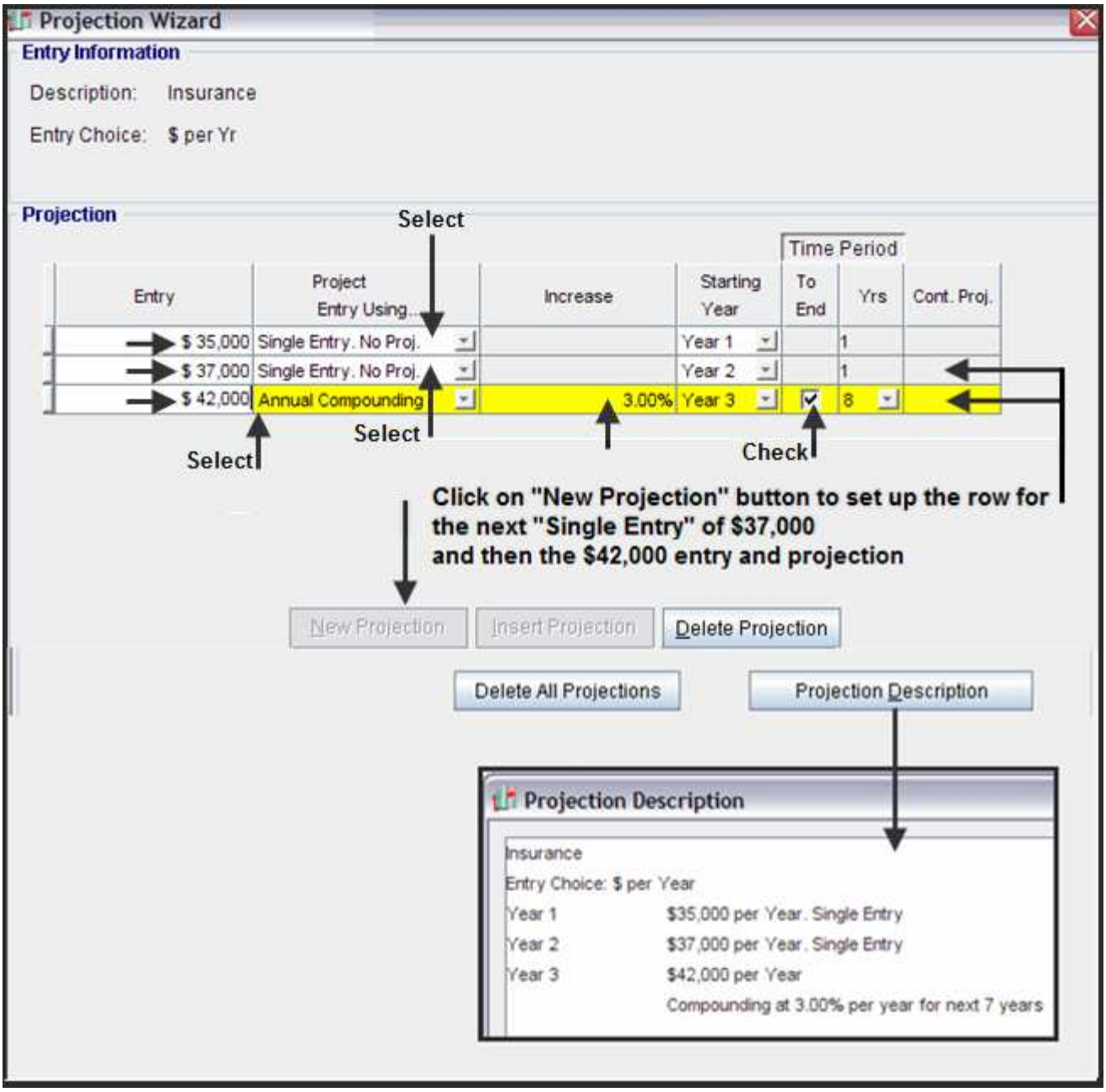
Insurance: Year 1: $35,000
Year 2: $37,000
Year 3: $42,000 then increasing at 3.00% per year compounding

This projection example involves a combination of “Single Entries” and a projection

Steps.

1. Select the “Repairs & Maintenance“ row in the Expenses Folder and then click on the Projection Wizard button

2. Complete the Projection Wizard as follows;

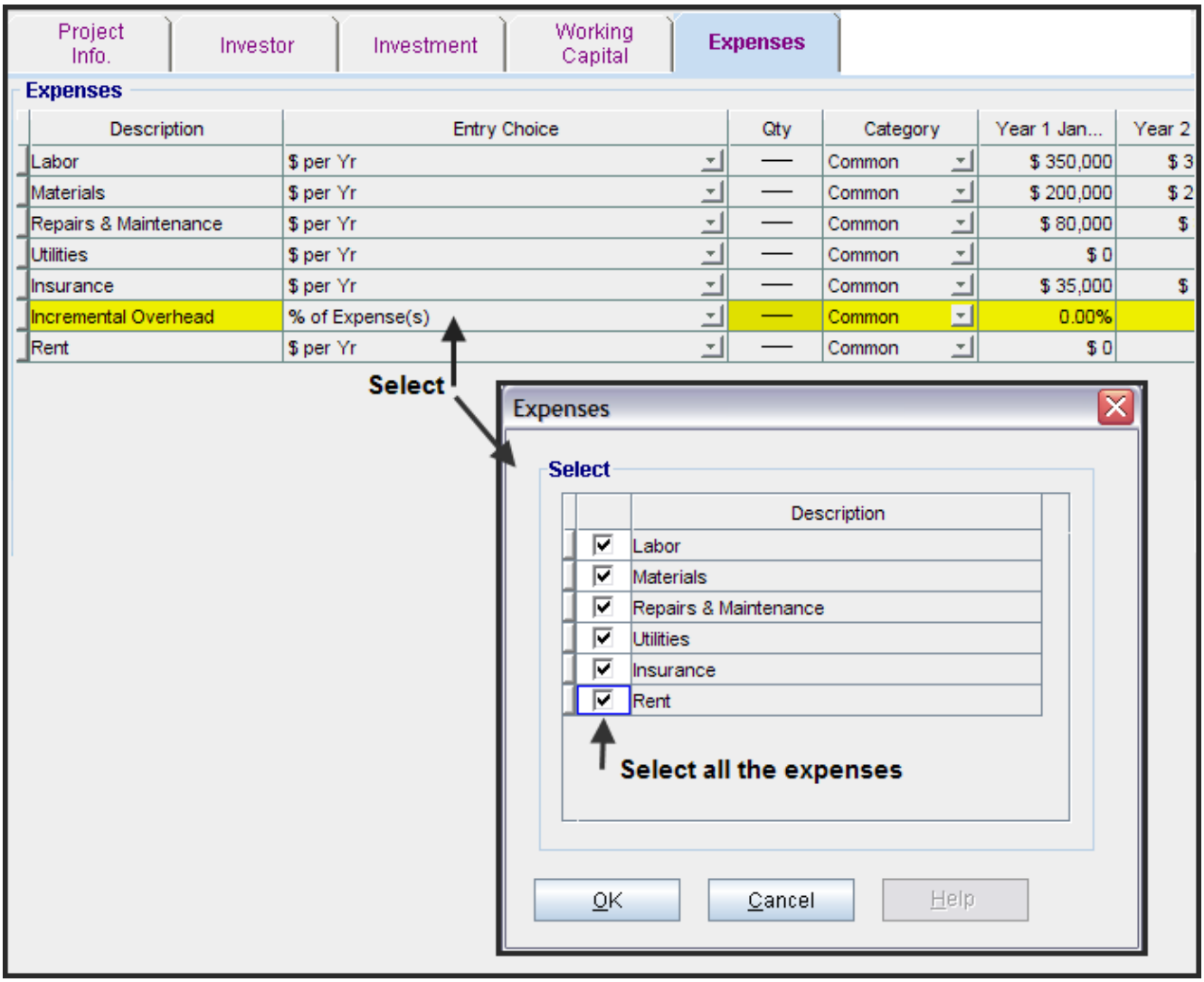

Projection Wizard
Entry Information
Description: Insurance
Entry Choice: $ per Yr
Projection
Select
Time Period
Entry
Project Entry Using...
Increase
Starting Year
To End
Yrs
Cont. Proj.
$ 35,000
Single Entry. No Proj.
Year 1
1
$ 37,000
Single Entry. No Proj.
Year 2
1
$ 42,000
Annual Compounding
3.00%
Year 3
8
Select
Select
Check
Click on "New Projection" button to set up the row for the next "Single Entry" of $37,000 and then the $42,000 entry and projection
New Projection
Insert Projection
Delete Projection
Delete All Projections
Projection Description
Projection Description
Insurance
Entry Choice: $ per Year
Year 1 $35,000 per Year. Single Entry
Year 2 $37,000 per Year. Single Entry
Year 3 $42,000 per Year
Compounding at 3.00% per year for next 7 years

Example 7

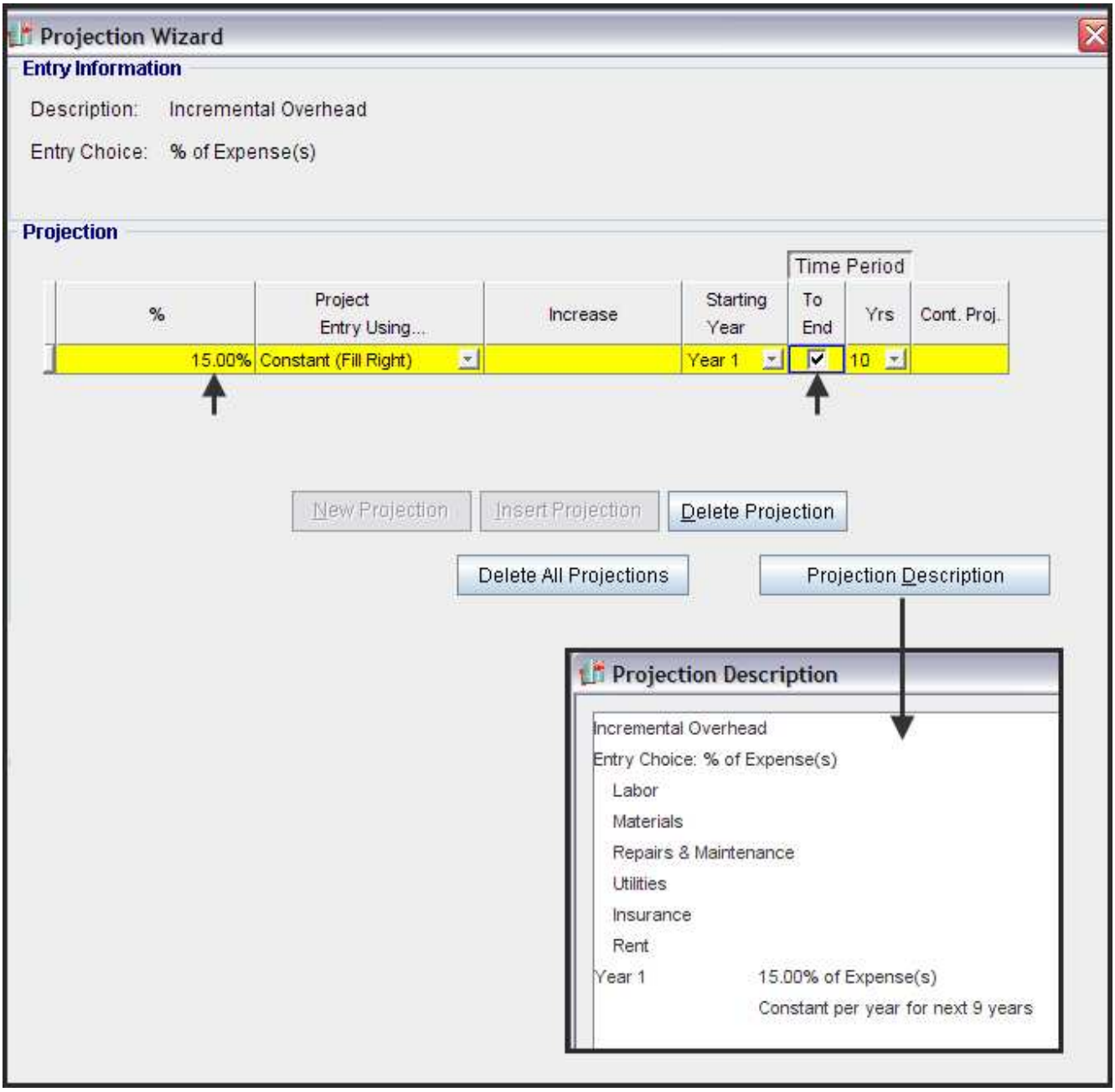
Incremental Overhead: 15.00% of expenses

Steps.

1. Select the “Incremental Overhead row “ in the Expenses Folder and select the “% of Expenses” Entry Choice and select all of the expenses in the “Expenses” dialog



2. Complete the Projection Wizard as follows;



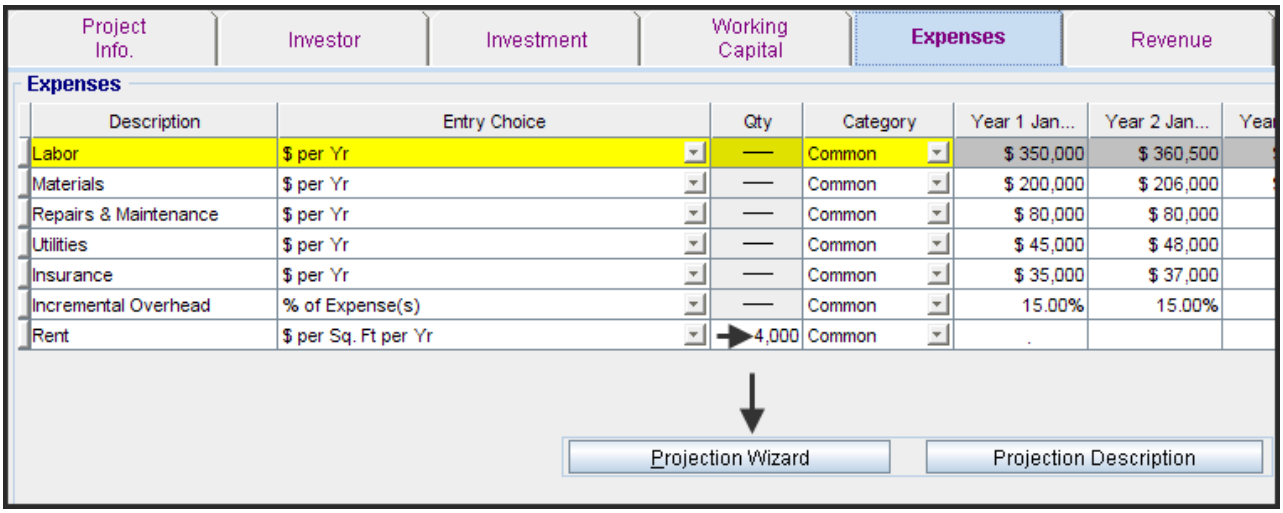
Example 8

Rent: The organization has entered into the following lease arrangement;

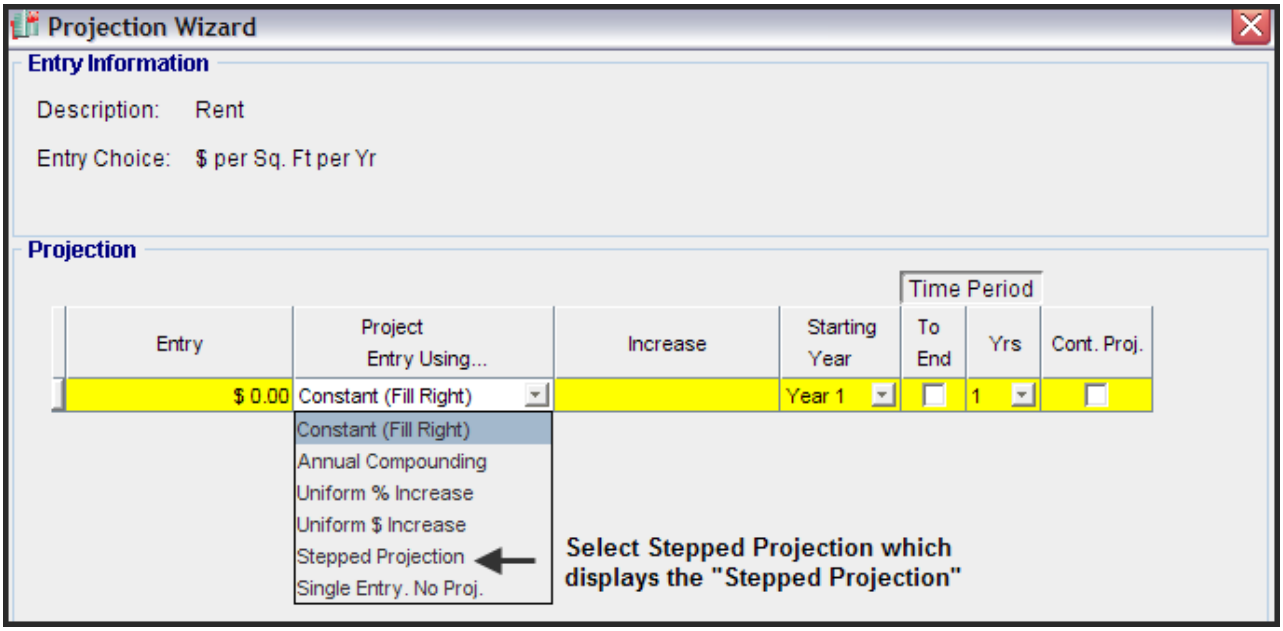
Rentable Area: 4,000 Sq. Ft
Term 1. $14.00 per Sq. Ft per Year for 4 years
Term 2. $16.00 per Sq. Ft per year for 4 years
Term 3: $17.50 per Sq. Ft per Year for 2 years

Steps

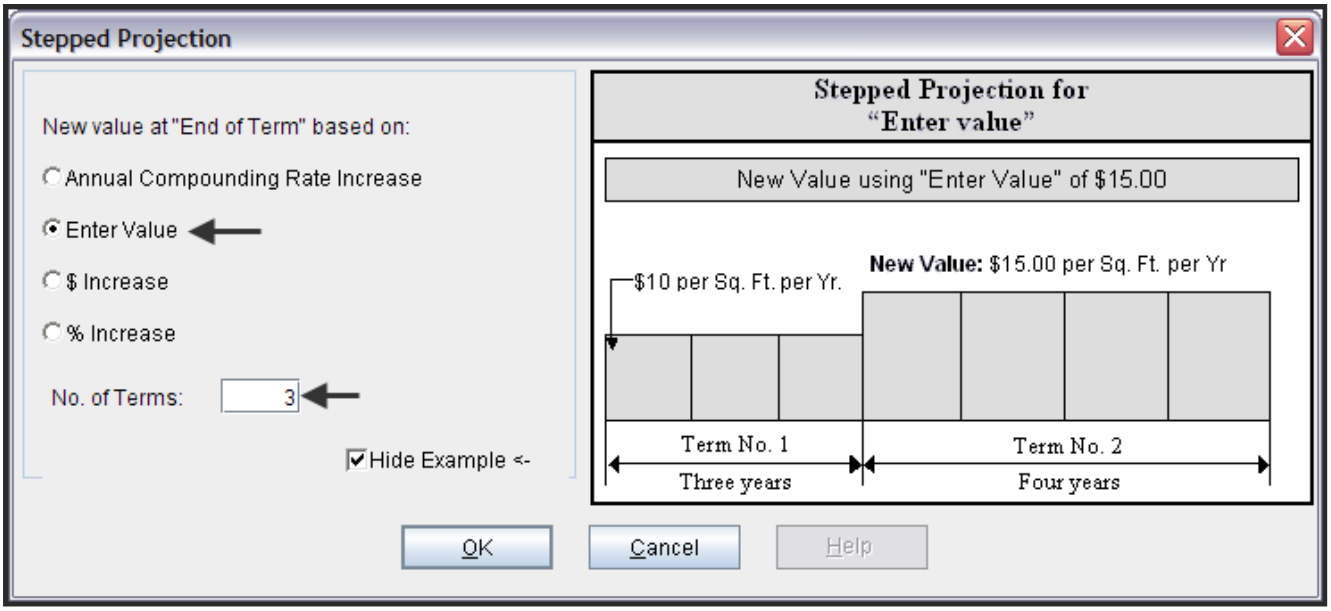
1. Select the “Rent“ row in the Expenses Folder, enter the 4,000 in the “Qty” column and click on the Projection Wizard button



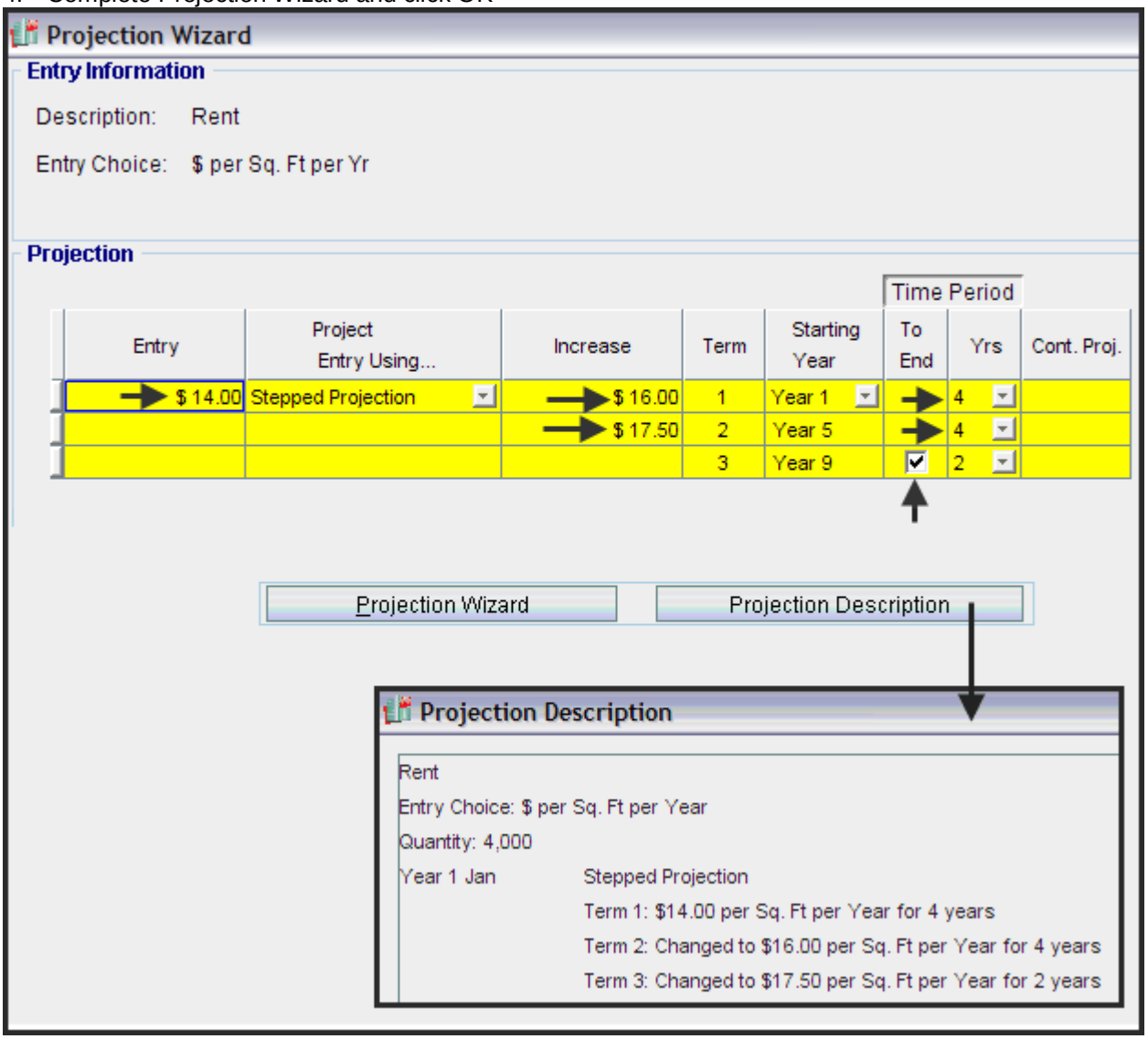
2. Select the “Stepped Projection” option in Projection Wizard which displays the “Stepped Projection” dialog



3. Complete the Stepped Projection Dialog and click OK



4. Complete Projection Wizard and click OK

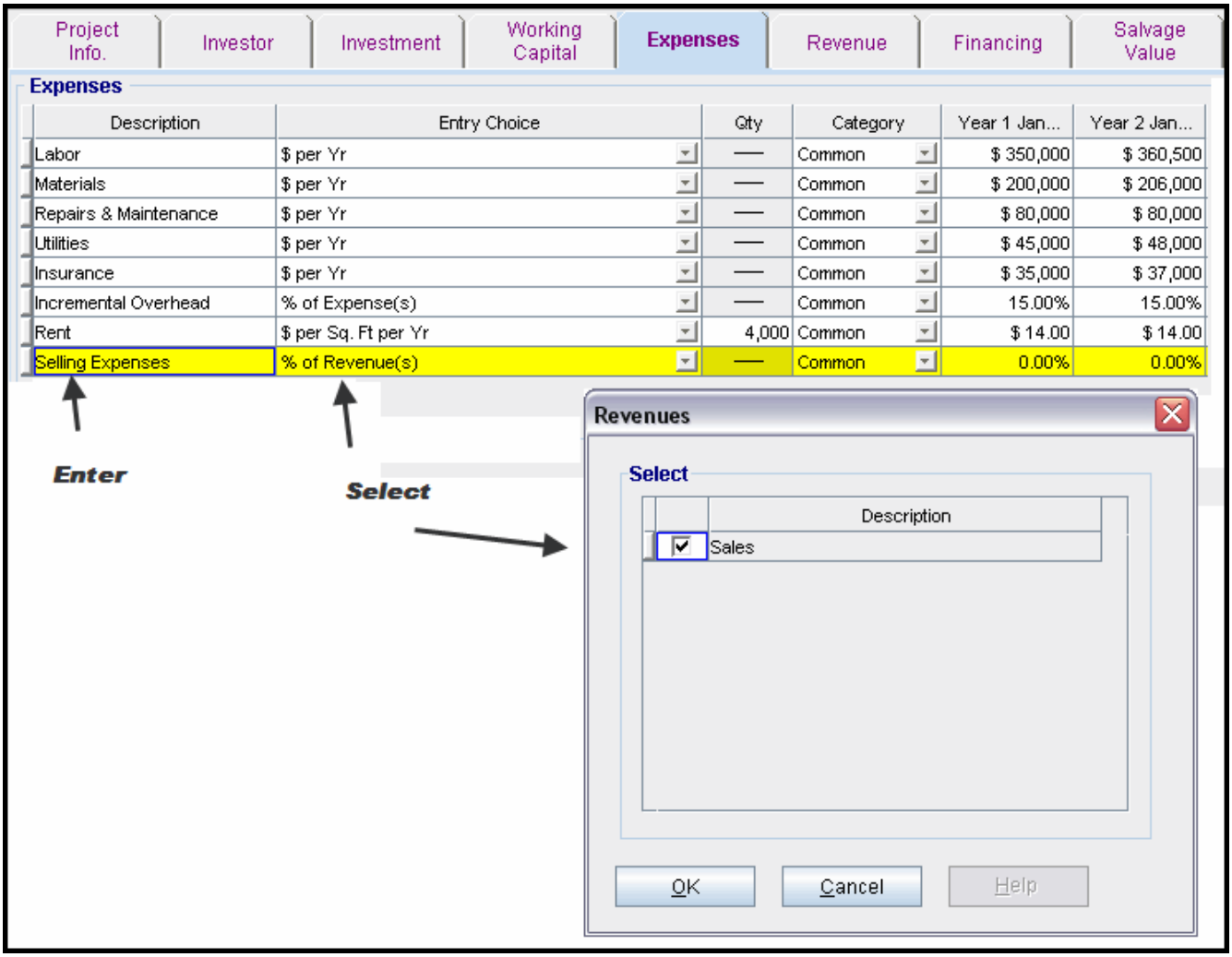


Example 9

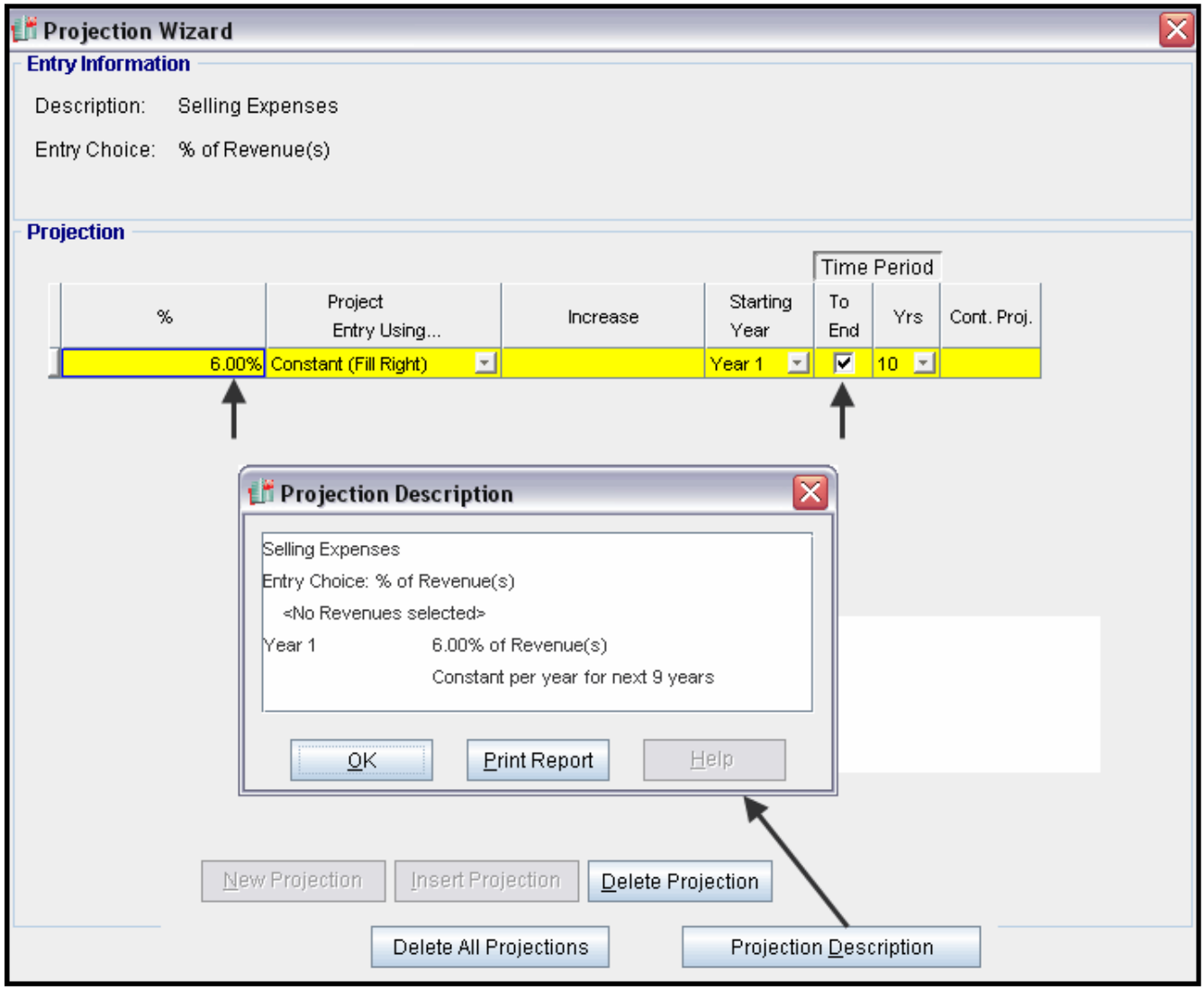
Add the % of Expenses row.

Steps

1. Click on the add button. Input the Description ‘Selling Expenses’ and select the entry choice ‘% of Revenues’



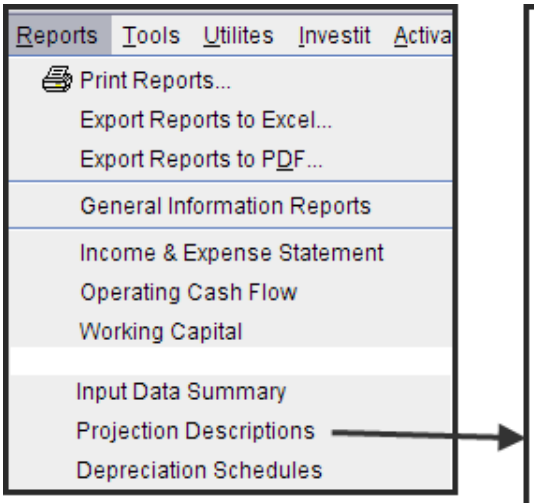
2. Complete the Projection Wizard as follows;



5. Projection Description Report

A description of all the Expense and Revenue projections can be printed from the Report menu as follows;

Select “Projection Descriptions” on the report menu



EXPENSES PROJECTIONS

Labor
Entry Choice: $ per Year
Year 1 — $350,000 per Year
Compounding at 3.00% per year for next 9 years

Materials
Entry Choice: $ per Year
Year 1 — $200,000 per Year
Compounding at 3.00% per year for next 2 years
then Compounding at 4.00% per year for next 7 years

Repairs & Maintenance
Entry Choice: $ per Year
Year 1 — $80,000 per Year
Constant per year for next 2 years
Year 4 — $100,000 per Year
increasing at a Uniform Annual Rate of 3.00% for next 6 years

Utilities
Entry Choice: $ per Year
Year 1 — $45,000 per Year
increasing at $ 3,000 per year for next 9 years

Insurance
Entry Choice: $ per Year
Year 1 — $35,000 per Year. Single Entry
Year 2 — $37,000 per Year. Single Entry
Year 3 — $42,000 per Year
Compounding at 3.00% per year for next 7 years

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