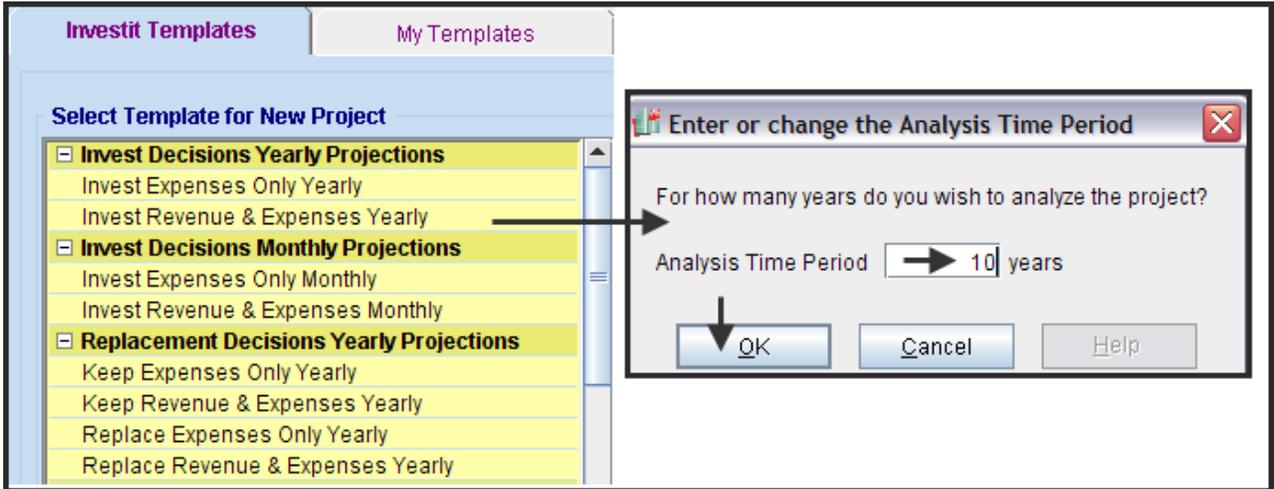


## PROJECTION WIZARD. YEARLY PROJECTIONS. PRACTICE EXAMPLES

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

Description	Entry Choice	Qty	Category	Year 1 Jan...	Year 2 Jan...
Sales	\$ per Unit and Quantity	—	Common	\$ 0	\$ 0
	Quantity	—		0	0

3. Select the "Annual Compounding" projection

Entry	Project Entry Using...	Increase	Starting Year	Time Period		Cont. Proj.
				To End	Yrs	
\$ 1,500	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	10	

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

**Projection Wizard**

**Entry Information**

Description: Sales  
Entry Choice: Quantity

**Projection**

Entry	Project Entry Using...	Increase	Starting Year	Time Period		Cont. Proj.
				To End	Yrs	
600	Annual Compounding	5.00%	Year 1	<input checked="" type="checkbox"/>	10	

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

Description	Entry Choice	Qty	Category	Year 1 Jan...	Year
Labor	\$ per Yr	—	Common	\$ 0	
Materials	\$ per Yr	—	Common	\$ 0	
Repairs & Maintenance	\$ per Yr	—	Common	\$ 0	
Utilities	\$ per Yr	—	Common	\$ 0	
Insurance	\$ per Mo	—	Common	\$ 0	
Incremental Overhead	\$ per Yr	—	Common	\$ 0	
Rent	\$ per Sq. Ft per Yr	0	Common	\$ 0	

1. Select row      2. Click on "Projection Wizard"

Add   Insert   Delete

Projection Wizard      Projection Description

- Select the "Annual Compounding" projection

**Entry Information**

Description: Labor  
Entry Choice: \$ per Yr

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**Projection**

Entry	Project Entry Using...	Increase	Starting Year	Time Period			Cont. Proj.
				To End	Yrs		
\$ 350,000	Constant (Fill Right)		Year 1	<input type="checkbox"/>	1	<input type="checkbox"/>	

Constant (Fill Right)

Annual Compounding ←

Uniform % Increase

Uniform \$ Increase

Stepped Projection

Single Entry. No Proj.

**Select the "Annual Compounding" option**

- 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.

**Projection Wizard**

**Entry Information**

Description: Labor  
Entry Choice: \$ per Yr

---

**Projection**

Entry	Project Entry Using...	Increase	Starting Year	Time Period			Cont. Proj.
				To End	Yrs		
\$ 350,000	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	10		

↑ ↑ ↑ ↑ ↑

- Click on the "Projection Description" button to view a description of the projection

The screenshot shows the 'Projection' window with a table of projection data. The table has columns for Entry, Project Entry Using..., Increase, Starting Year, Time Period (To End, Yrs), and Cont. Proj. The data row is highlighted in yellow and shows a starting entry of \$350,000, annual compounding, a 3.00% increase, starting in Year 1, for a 10-year period.

Entry	Project Entry Using...	Increase	Starting Year	Time Period		Cont. Proj.
				To End	Yrs	
\$ 350,000	Annual Compounding	3.00%	Year 1	<input checked="" type="checkbox"/>	10	

Below the table are buttons for 'New Projection', 'Insert Projection', 'Delete Projection', 'Delete All Projections', and 'Projection Description'. An arrow points from the 'Projection Description' button to a dialog box titled 'Projection Description'.

The 'Projection Description' dialog box contains the following text:

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

- 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.

The screenshot shows the 'Projection Wizard' window with the following configuration:

**Entry Information**  
 Description: Materials  
 Entry Choice: \$ per Yr

**Projection**

Entry	Project Entry Using...	Increase	Starting Year	To End	Yrs	Cont. Proj.
\$ 200,000	Annual Compounding	3.00%	Year 1		3	<input checked="" type="checkbox"/>
	Annual Compounding	4.00%	Year 4	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>

Annotations in the image indicate the following steps:

- 1) Enter: Points to the entry value '\$ 200,000'.
- 2) Select: Points to the 'Project Entry Using...' dropdown menu.
- 3) Enter: Points to the 'Increase' percentage '3.00%'.
- 4) Set "Time Period" 3 years (First year + next two yrs = 3 years): Points to the 'Yrs' field '3'.
- 5) Check to continue the projection: Points to the 'Cont. Proj.' checkbox.
- 6) Select: Points to the second 'Project Entry Using...' dropdown menu.
- 7) Enter: Points to the second 'Increase' percentage '4.00%'.
- 8) Check: Points to the 'To End' checkbox.

Buttons at the bottom: 'Delete All Projections' and 'Projection Description'.

**Projection Description**

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

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;

The screenshot displays the 'Projection Wizard' window with the following details:

- Entry Information:**
  - Description: Repairs & Maintenance
  - Entry Choice: \$ per Yr
- Projection Table:**

Entry	Project Entry Using...	Increase	Time Period			Cont. Proj.
			Starting Year	To End	Yrs	
\$ 80,000	Constant (Fill Right)		Year 1	3		<input type="checkbox"/>
\$ 100,000	Annual Compounding	3.00%	Year 4	7	<input checked="" type="checkbox"/>	<input type="checkbox"/>
- Buttons:**
  - New Projection (highlighted with an arrow pointing to the second row)
  - Insert Projection
  - Delete Projection
  - Delete All Projections
  - Projection Description (with an arrow pointing to the description window)
- Projection Description Window:**

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  
 Compounding at 3.00% per year for next 6 years

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;

The screenshot displays the 'Projection Wizard' window. The 'Entry Information' section shows 'Description: Utilities' and 'Entry Choice: \$ per Yr'. The 'Projection' section contains a table with the following data:

Entry	Project Entry Using...	Increase	Starting Year	To End	Yrs	Cont. Proj.
\$ 45,000	Uniform \$ Increase	\$ 3,000	Year 1	<input checked="" type="checkbox"/>	10	

Arrows point from the 'Select' label to the 'Entry', 'Project Entry Using...', 'Increase', and 'To End' fields. Below the table are buttons for 'New Projection', 'Insert Projection', and 'Delete Projection'. Further down are 'Delete All Projections' and 'Projection Description' buttons. An arrow points from the 'Projection Description' button to a separate window titled 'Projection Description' which contains the following text:

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

#### 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**

Entry	Project Entry Using..	Increase	Starting Year	Time Period		Cont. Proj.
				To End	Yrs	
\$ 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	<input checked="" type="checkbox"/>	8	

Annotations: "Select" points to the "Project Entry Using.." dropdown for the \$42,000 row. "Check" points to the "To End" checkbox in the same row. "Select" also points to the "Entry" column for the \$42,000 row.

**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**

Buttons: **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

Description	Entry Choice	Qty	Category	Year 1 Jan...	Year 2
Labor	\$ per Yr	—	Common	\$ 350,000	\$ 3
Materials	\$ per Yr	—	Common	\$ 200,000	\$ 2
Repairs & Maintenance	\$ per Yr	—	Common	\$ 80,000	\$
Utilities	\$ per Yr	—	Common	\$ 0	
Insurance	\$ per Yr	—	Common	\$ 35,000	\$
Incremental Overhead	% of Expense(s)	—	Common	0.00%	
Rent	\$ per Yr	—	Common	\$ 0	

**Expenses**

Select

Description
<input checked="" type="checkbox"/> Labor
<input checked="" type="checkbox"/> Materials
<input checked="" type="checkbox"/> Repairs & Maintenance
<input checked="" type="checkbox"/> Utilities
<input checked="" type="checkbox"/> Insurance
<input checked="" type="checkbox"/> Rent

Select all the expenses

OK Cancel Help



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

Project Info.		Investor	Investment	Working Capital	Expenses	Revenue
<b>Expenses</b>						
Description	Entry Choice	Qty	Category	Year 1 Jan...	Year 2 Jan...	Year 3 Jan...
Labor	\$ per Yr	—	Common	\$ 350,000	\$ 360,500	\$ 371,000
Materials	\$ per Yr	—	Common	\$ 200,000	\$ 206,000	\$ 212,000
Repairs & Maintenance	\$ per Yr	—	Common	\$ 80,000	\$ 80,000	\$ 80,000
Utilities	\$ per Yr	—	Common	\$ 45,000	\$ 48,000	\$ 51,000
Insurance	\$ per Yr	—	Common	\$ 35,000	\$ 37,000	\$ 39,000
Incremental Overhead	% of Expense(s)	—	Common	15.00%	15.00%	15.00%
Rent	\$ per Sq. Ft per Yr	4,000	Common			

↓

Projection Wizard      Projection Description

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

**Projection Wizard**

**Entry Information**

Description: Rent

Entry Choice: \$ per Sq. Ft per Yr

**Projection**

Entry	Project Entry Using...	Increase	Starting Year	Time Period		
				To End	Yrs	Cont. Proj.
\$ 0.00	Constant (Fill Right)		Year 1	<input type="checkbox"/>	1	<input type="checkbox"/>

Constant (Fill Right)  
 Annual Compounding  
 Uniform % Increase  
 Uniform \$ Increase  
 Stepped Projection  
 Single Entry. No Proj.

Select Stepped Projection which displays the "Stepped Projection"

3. Complete the Stepped Projection Dialog and click OK

**Stepped Projection**

New value at "End of Term" based on:

- Annual Compounding Rate Increase
- Enter Value
- \$ Increase
- % Increase

No. of Terms:

Hide Example <-

**Stepped Projection for "Enter value"**

New Value using "Enter Value" of \$15.00

\$10 per Sq. Ft. per Yr. **New Value: \$15.00 per Sq. Ft. per Yr**

Term No. 1 (Three years) | Term No. 2 (Four years)

OK Cancel Help

4. Complete Projection Wizard and click OK

 **Projection Wizard**

**Entry Information**

Description: Rent

Entry Choice: \$ per Sq. Ft per Yr

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**Projection**

Entry	Project Entry Using...	Increase	Term	Starting Year	Time Period		Cont. Proj.
					To End	Yrs	
→ \$ 14.00	Stepped Projection	→ \$ 16.00	1	Year 1	→ 4	4	
		→ \$ 17.50	2	Year 5	→ 4	4	
			3	Year 9	<input checked="" type="checkbox"/> 2	2	

Projection Wizard
Projection Description

 **Projection Description**

Rent

Entry Choice: \$ per Sq. Ft per Year

Quantity: 4,000

Year 1 Jan      Stepped Projection

                    Term 1: \$14.00 per Sq. Ft per Year for 4 years

                    Term 2: Changed to \$16.00 per Sq. Ft per Year for 4 years

                    Term 3: Changed to \$17.50 per Sq. Ft per Year for 2 years

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'

The screenshot displays the 'Expenses' tab in the software interface. The table below shows the current state of the expense entries, with the 'Selling Expenses' row highlighted in yellow. A 'Revenues' dialog box is open, showing 'Sales' selected in the 'Select' list. Arrows indicate the flow from the dialog to the table and the 'Enter' key action.

Description	Entry Choice	Qty	Category	Year 1 Jan...	Year 2 Jan...
Labor	\$ per Yr	—	Common	\$ 350,000	\$ 360,500
Materials	\$ per Yr	—	Common	\$ 200,000	\$ 206,000
Repairs & Maintenance	\$ per Yr	—	Common	\$ 80,000	\$ 80,000
Utilities	\$ per Yr	—	Common	\$ 45,000	\$ 48,000
Insurance	\$ per Yr	—	Common	\$ 35,000	\$ 37,000
Incremental Overhead	% of Expense(s)	—	Common	15.00%	15.00%
Rent	\$ per Sq. Ft per Yr	4,000	Common	\$ 14.00	\$ 14.00
<b>Selling Expenses</b>	<b>% of Revenue(s)</b>	—	<b>Common</b>	<b>0.00%</b>	<b>0.00%</b>

The 'Revenues' dialog box shows the following 'Select' list:

Description
<input checked="" type="checkbox"/> Sales

Buttons: OK, Cancel, Help

2. Complete the Projection Wizard as follows;

The screenshot displays the 'Projection Wizard' application window. The 'Entry Information' section shows 'Description: Selling Expenses' and 'Entry Choice: % of Revenue(s)'. The 'Projection' section contains a table with the following data:

Time Period						
%	Project Entry Using...	Increase	Starting Year	To End	Yrs	Cont. Proj.
6.00%	Constant (Fill Right)		Year 1	<input checked="" type="checkbox"/>	10	

Below the table is a 'Projection Description' dialog box with the following text:

Selling Expenses  
Entry Choice: % of Revenue(s)  
<No Revenues selected>  
Year 1          6.00% of Revenue(s)  
                    Constant per year for next 9 years

The dialog box has buttons for 'OK', 'Print Report', and 'Help'. At the bottom of the main window are buttons for 'New Projection', 'Insert Projection', 'Delete Projection', 'Delete All Projections', and 'Projection Description'. Arrows indicate that the 'Projection Description' button is used to open the dialog box, and the 'OK' button is used to close it.

## 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

The image shows a software interface with a menu on the left and a report on the right. The menu, titled 'Reports', includes options like 'Print Reports...', 'Export Reports to Excel...', 'Export Reports to PDF...', 'General Information Reports', 'Income & Expense Statement', 'Operating Cash Flow', 'Working Capital', 'Input Data Summary', 'Projection Descriptions', and 'Depreciation Schedules'. An arrow points from 'Projection Descriptions' to the report content. The report, titled 'EXPENSES PROJECTIONS', lists categories: Labor, Materials, Repairs & Maintenance, Utilities, Insurance, and ETC, each with specific entry choices and compounding details.

Category	Entry Choice	Year 1	Compounding
<b>Labor</b>	\$ per Year	\$350,000 per Year	Compounding at 3.00% per year for next 9 years
<b>Materials</b>	\$ per Year	\$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
<b>Repairs &amp; Maintenance</b>	\$ per Year	\$80,000 per Year	Constant per year for next 2 years
		\$100,000 per Year	increasing at a Uniform Annual Rate of 3.00% for next 6 years
<b>Utilities</b>	\$ per Year	\$45,000 per Year	increasing at \$ 3,000 per year for next 9 years
<b>Insurance</b>	\$ per Year	\$35,000 per Year. Single Entry	
		\$37,000 per Year. Single Entry	
		\$42,000 per Year	Compounding at 3.00% per year for next 7 years
<b>ETC</b>			