



BOAT BUILDING FOUNDATIONS

PRESENTED BY CREATE BIRMINGHAM

LOOKING FORWARD

BOAT BUILDING FOUNDATIONS: Looking Forward

1. Review of Break-Even Point

Breaking Free

(30 minutes)

Take a look at your break-even point and cost worksheets.

1. What questions do you still have about determining your break-even point?

2. Did your price change? How? What pricing tactics from Session 3 can work for you?

3. How many units do you need to sell each week? Is this doable?

Let's take a look at a few different scenarios.

	#1	#2	#3	#4
Typical Unit of Sale				
Price				
Variable Costs				
Gross Profit				
Fixed Costs				
Break-even Point				
Work Days per Month				
Work Weeks per Month				
Units per Day				
Units per Week				

2. Sales Projections & Breaking Even Over Time

Fortunetelling

(30 minutes)

So much about your current situation may be unknown and out of your control. While taking it a day at a time might be better for your mental health, it doesn't really work well for your business. You need to plan ahead to understand your financial situation and what sort of decisions you need to make to move from surviving to thriving. How can you determine what sales will look like in the coming months and year?

Use What You Know

Projecting how many sales you need to make month to month will help you calculate the amount of cash needed to keep your business running. These sales projections are typically based on the number of sales in the past month, quarter, or year. It's unlikely these numbers will tell the whole story or be a reliable picture right now. In addition to people buying differently, you may have completely changed what your business is even selling. How can you make an accurate sales forecast?

You can guess, but talking to customers, observing customer behavior, using customer surveys, and talking to other businesses making similar changes will give you a more accurate picture. Also, consider what you do know about the future that may affect sales. Is a large order on the horizon in a specific month? Do holidays or weather conditions affect sales?

Lastly, consider your capacity. The numbers need to be realistic for what you are actually capable of doing. Remember, once you reach your limit, you will need to bring additional people on to help and that will affect your costs.

How can you predict your business's future sales? What information do you need? How will you get it? Who can help you? Write your thoughts below:

Journal Box...

Fill out the chart for your business to find out how long it will take you to break even and what sort of gaps you'll need to cover.

Month						
Cash Balance at Month's Start						
What's Driving Sales This Month?						
Estimated Units Sold						
Estimated Sales (Cash In)						
Total Variable Costs						
Fixed Costs						
Special Expenses						
Total Expenses						
Gain/Loss						
Balance						

Note: It'll be important to evaluate whether your new offering should become part of your core business model moving forward. Does it have applicability beyond the immediate situation? If so, you should do projections further out to see if it will be profitable over the long-term. If not, continually reevaluate your short-term projections as more information becomes available.

3. Looking Forward

Baby Steps

(20 minutes)

Moving Mountains

Step back and look at the big picture. What needs to be done by the end of the next three months for your business to stay on track? We know there are a lot of unknowns right now. Do your best to guess. Focus on the big items, not the details. For example, do you need to secure a loan? Do you need to offer delivery? Do you need to get the word out? Looking at the big picture first and working backward makes you more likely to stay on track.

In the space below, write down the “big-picture” themes that need to happen by the end of the next three months. Which of these steps are the most critical to moving you along? Draw a star next to the three to five most important items. Milestones should be big enough that they cannot be completed through one task.

What three to five things need to be done in the next 30 days? In the next 60?

Hashing Out the Details

Scheduling out exactly what tasks need to be done each week will help ensure that nothing falls through the cracks. When setting tasks, make sure they are specific and concise, can be accomplished in a week, and don't have multiple parts. If a task has multiple parts, break it down into separate tasks. Be aware that some things need to be done before others, so plan to do them in the right order.

Be S.M.A.R.T.

S: Specific. Tasks that are specific are well defined, easy to understand, and simple. To help you be specific make sure each one answers the “w” questions:

- What do you want to accomplish?
- Why is it important?
- Who is involved or responsible?
- Where will it be done?

M: Measurable. Measurable tasks help you track progress and stay motivated by letting you know how close you are to achieving it. It answers the “how” questions of:

- How many?
- How much?
- How will you know you've accomplished it?

A: Actionable. Tasks are actionable when it is immediately clear what needs to be done. Make sure your tasks contain verbs outlining actions you will take and things you will do.

R: Realistic. Realistic tasks can be accomplished with the time, resources, and expertise you already have available.

T: Timely. Tasks that are timely specify by when they will be achieved and provide a deadline for completion.

Revisit Often

It's okay to not know all the details up front – and especially right now, the situation is changing daily. Revisit your plan often. As you have a clearer picture of what needs to be accomplished and when, update your tasks accordingly.

Missing Pieces

Are you ready for the next phase of your journey? If not, what do you feel is still missing? Where are you strong? Where are you weak? What steps will you take to address the missing or weak parts?



Journal Box...

Make sure the steps you need to take to address the weaknesses are included in the planning chart. Reach out to people who can help you. As you plan, don't forget to step back and look at the big picture. Don't lose the vision amidst the details.