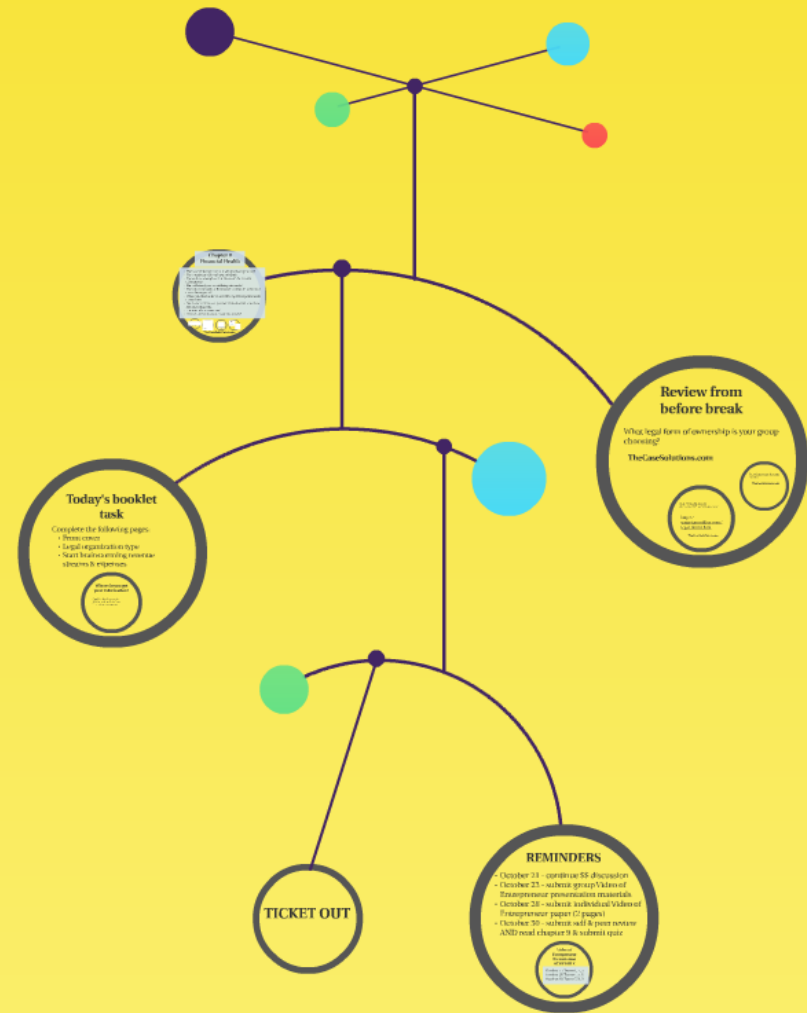


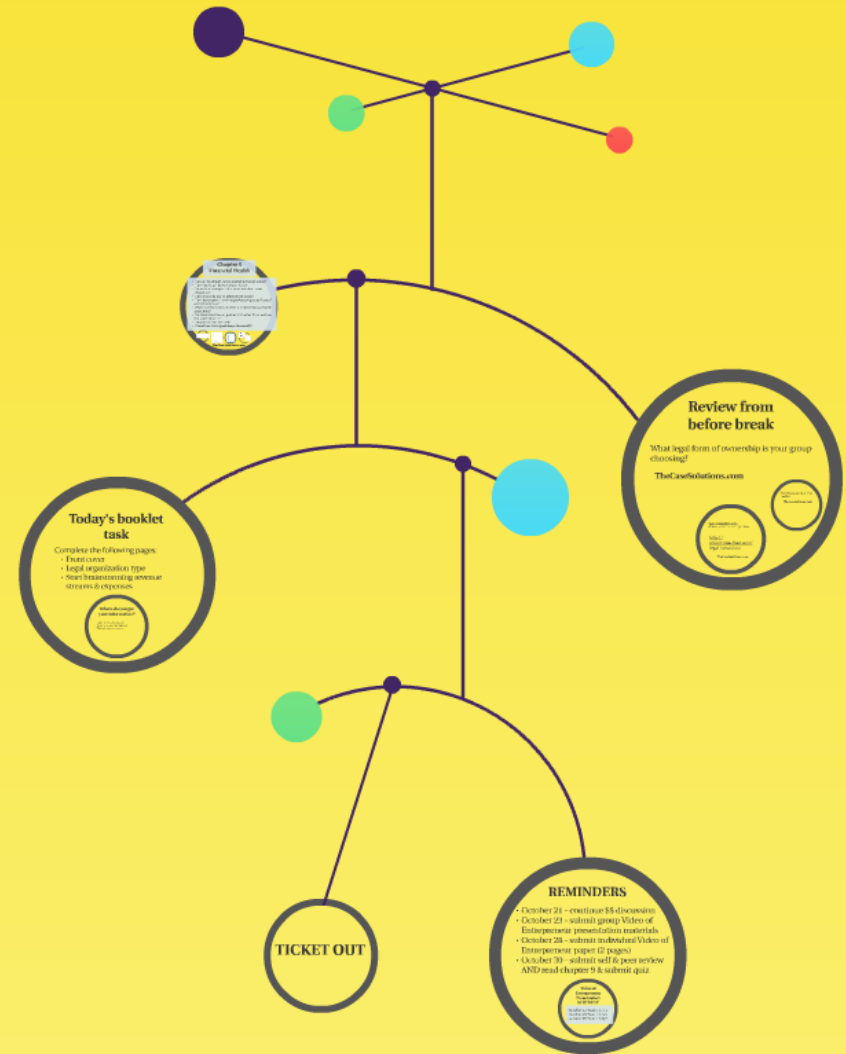
Venture Viability Research

TheCaseSolutions.com



Venture Viability Research

TheCaseSolutions.com



Review from before break

What legal form of ownership is your group choosing?

TheCaseSolutions.com

Introduce group planning
booklet

TheCaseSolutions.com

[http://www.diften.com/
difference/LLC vs S Corporation](http://www.diften.com/difference/LLC_vs_S_Corporation)

[http://
www.tannedfeet.com/
legal_forms.htm](http://www.tannedfeet.com/legal_forms.htm)

TheCaseSolutions.com

[http://www.diffen.com/
difference/LLC vs S Corporation](http://www.diffen.com/difference/LLC%20vs%20S%20Corporation)

[http://
www.tannedfeet.com/
legal forms.htm](http://www.tannedfeet.com/legal%20forms.htm)

TheCaseSolutions.com



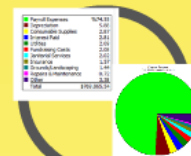
Introduce group planning
booklet

TheCaseSolutions.com

Chapter 8

Financial Health

- How are we doing? Are we making or losing money?
- How much cash do we have on hand?
- Do we have enough cash to meet our short-term obligations?
- How efficiently are we utilizing our assets?
- How do our growth and net profits compare to those of our industry peers?
- Where will the funds we need for capital improvements come from?
- Are there ways we can partner with other firms to share risk and reduce the
 - amount of cash we need?
- Overall, are we in good shape financially?



Profitability

A company's ability to make a profit

Liquidity

A company's ability to meet its short-term obligations

Efficiency

How productively a firm utilizes its assets

Stability

The overall health of the financial structure of the firm, particularly as it relates to its debt-to-equity ratio

Copyright ©2013 Pearson Education, publishing as Prentice Hall

TheCaseSolutions.com

1 Preparation of Historic Financial Statements

- Income statement
- Balance sheet
- Statement of cash flows

2 Preparation of Forecasts

- Income
- Expenses
- Capital expenditures

3 Preparation of Pro Forma Financial Statements

- Pro forma income statement
- Pro forma balance sheet
- Pro forma statement of cash flows

4 Ongoing Analysis of Financial Results

- Ratio analysis
- Measuring results versus plans
- Measuring results versus industry norms

TheCaseSolutions.com

Montessori Income vs Expenses

		Jul '12 - Jun 13
Ordinary Income/Expense		
Income		
Tuition		
	Extended Day	82,302.42
	P/I	6,493.82
	Elementary	121,449.81
	Morning	275,636.95
	Afternoon	111,452.96
	Toddler	77,180.45
	Employee Discounts	-6,690.60
	Sibling Discounts	-5,300.00
	Tuition Assistance	-12,917.00
	Total Tuition	649,608.81
	ADP	69,373.13
	Summer School	33,530.00
	Interest	2,806.16
	Deposits Retained	5,900.00
	Other Income	21.00
	Total Income	761,239.10
	Gross Profit	761,239.10

TheCaseSolutions.com