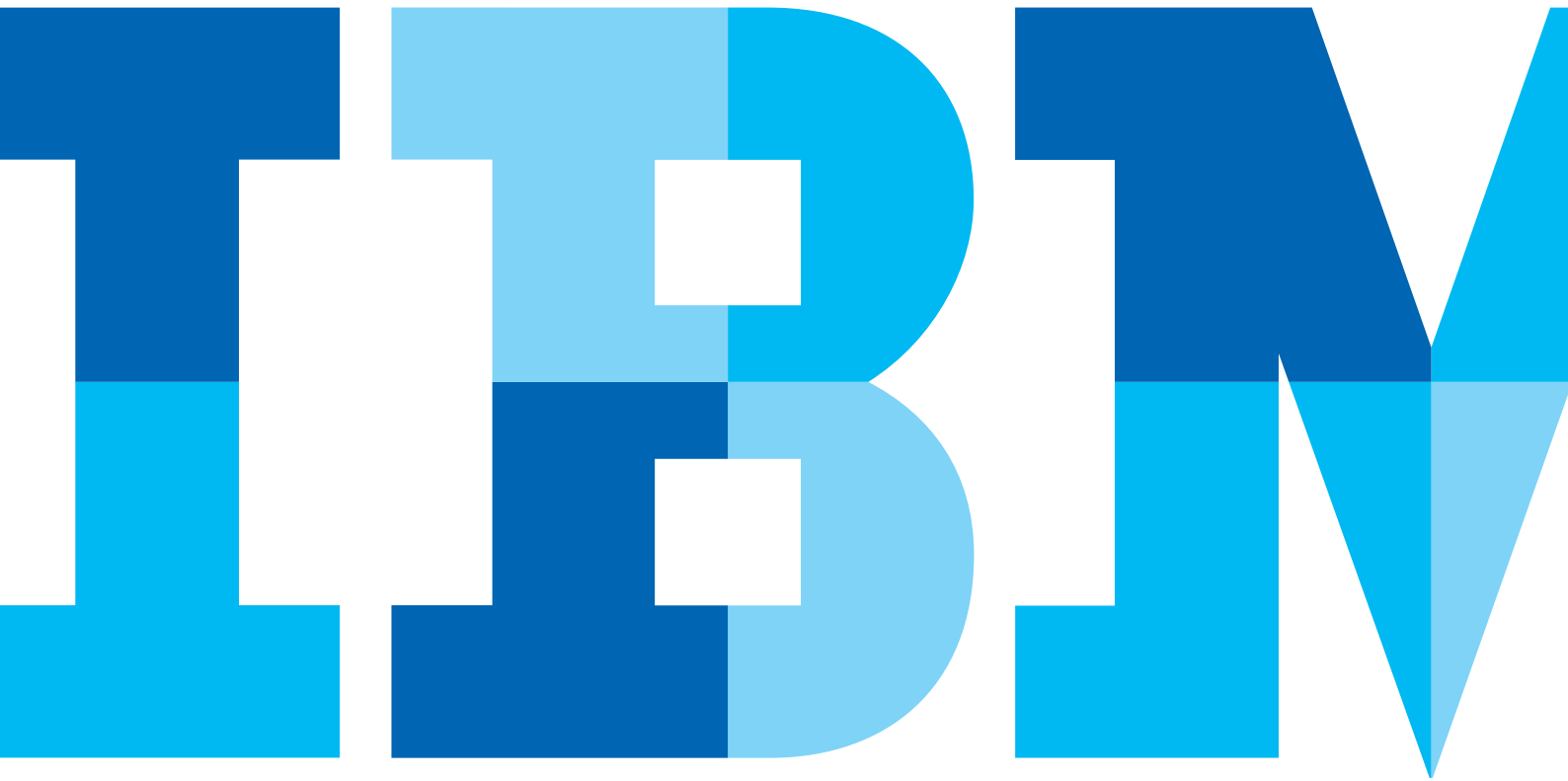


Strategic Finance Performance Blueprint



Overview

The goals of strategic planning include maximizing shareholder value, achieving growth, and meeting other financial objectives defined by the board of directors. Strategic planning is usually the start- and end-point for the planning process in an organization; as such, defining and articulating such goals requires a logical and consistent approach. The *IBM Cognos Strategic Finance Performance Blueprint Powered by TM1* provides a complete performance management framework that enables users to identify and measure organizational objectives clearly.

While strategic planning is typically performed by a small group or even an individual, outcomes have major significance to the entire organization and its stakeholders. Performance management systems help express strategic goals and provide a measurement process, so that the goals can be tracked to ensure that long-term objectives will be met. This application brief demonstrates how this *Blueprint*, a Web-based process for defining and analyzing long-term objectives, is set up and how it works.

The model and processes described in this document are generic for most North American companies, but can be configured to support alternative model requirements and to accommodate planning in any country.

Blueprint objectives

Determining how best to develop a strategic plan requires a reasonable standard approach. Typically, this process is performed in the “back office” using spreadsheets that can change from year to year. The major objective of this *Blueprint* is to allow users to evaluate how successful they have been in meeting goals over a number of years with a reliable, consistent modeling tool. The *Strategic Finance Blueprint Powered by TM1* meets this objective and:

- Evaluates the impact of multiple strategies
- Allows for comparison and analysis of what-if growth scenarios
- Provides a means of evaluating internal or external growth opportunities
- Provides for merger and acquisition planning
- Provides an assessment of the current portfolio —allowing for analysis and impact of divestitures
- Includes tax and credit rating impacts

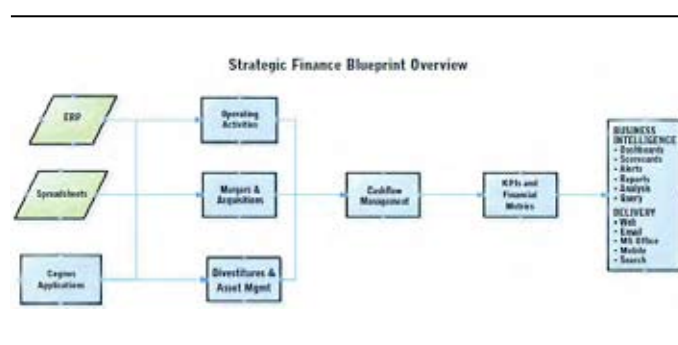
It also contains a full set of consolidated financial statements with distinct views for base growth, acquisitions and divestitures.

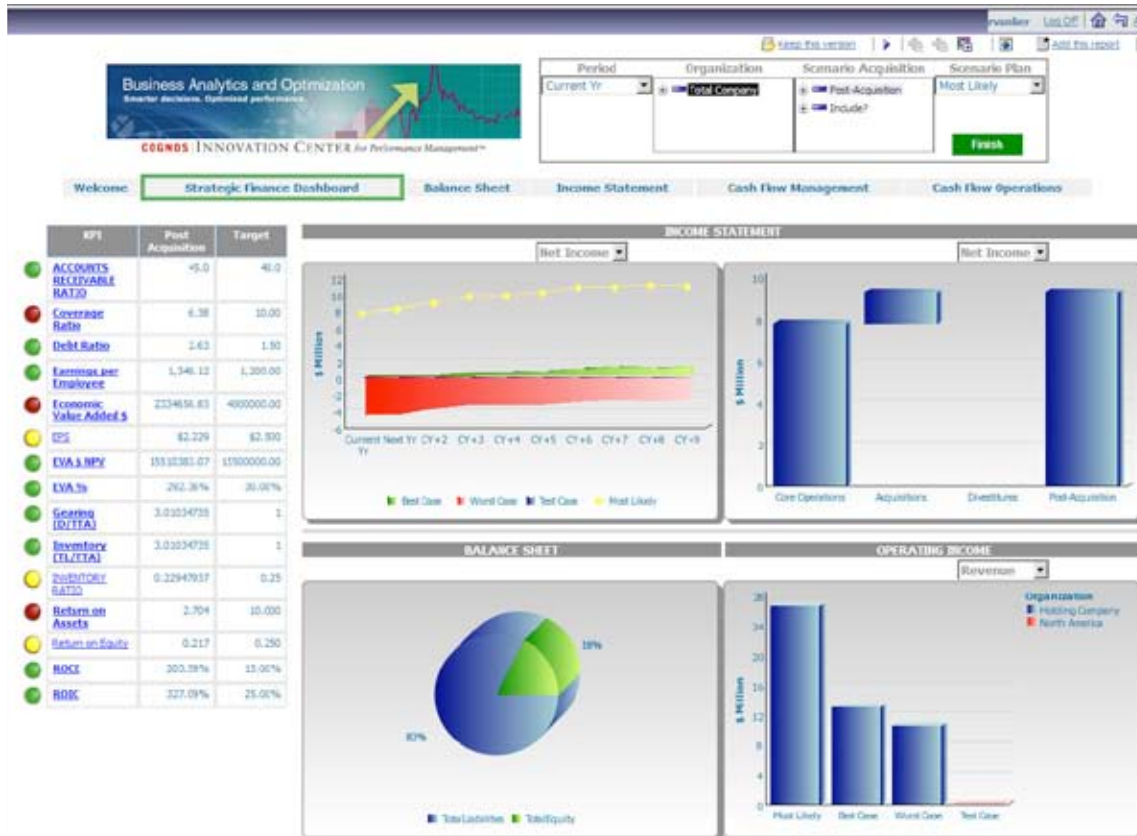
This *Blueprint* provides a methodology for long-range strategic planning over a ten-year period. It is assumed that this type of application will typically be used by a small group of strategic planners, among whom company-wide decisions are made. Other contributors may include legal entities or divisions. The key premise is that cash is generated (or used) by the core operations, and strategic decisions regarding investment and divestiture strategies are largely driven by the cash position of the base company.

This *Blueprint* contains three tabs for merger and acquisition planning. These tabs, along with the Cash Management and Divestiture tabs, represent the key areas for the corporate strategic planning decision maker. In addition to providing a full set of financials for these acquisition scenarios, the *Blueprint* provides additional what-if scenarios for comparison. The resulting process will give the planners insight into various key economic indicators and shareholder results.

Model design overview

This flowchart represents a high level overview of the *Blueprint* model design.





Representative workflow

The following sections of this application guide describe how a strategic planner might use this planning tool.

Strategic Finance Portal

Logging into the Strategic Finance Portal offers users a number of key metrics with indicators that show performance versus target. Users can select from various what-if scenarios for comparison.

To the right of the metrics, we can see a graph showing the Income Statement outcomes for various scenarios: best case, most likely, and worst case. This graphic is invaluable when making the type of what-if decisions required in most organizations. The top-right graphic lets the user view the incremental impact of Acquisitions and Divestitures for the Income Statement. This is demonstrated in the form of a waterfall chart.

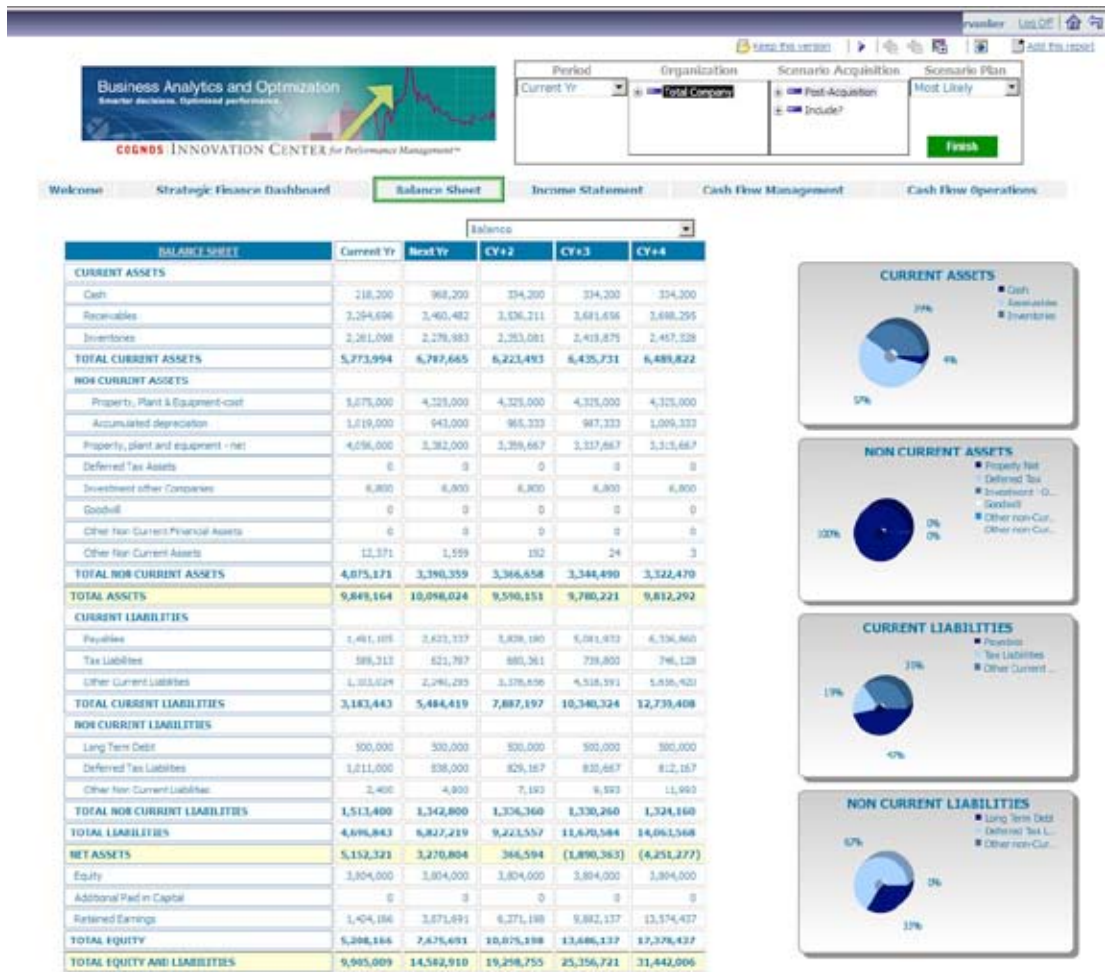
The pie graph shows the split between Debt and Equity in a pre- and post-acquisition situation for any selected year and scenario.

The bar chart in the lower right allows the user to see various metrics for the indicated scenarios. These include Revenue, Volume, COGS and Margin.



Income Statement

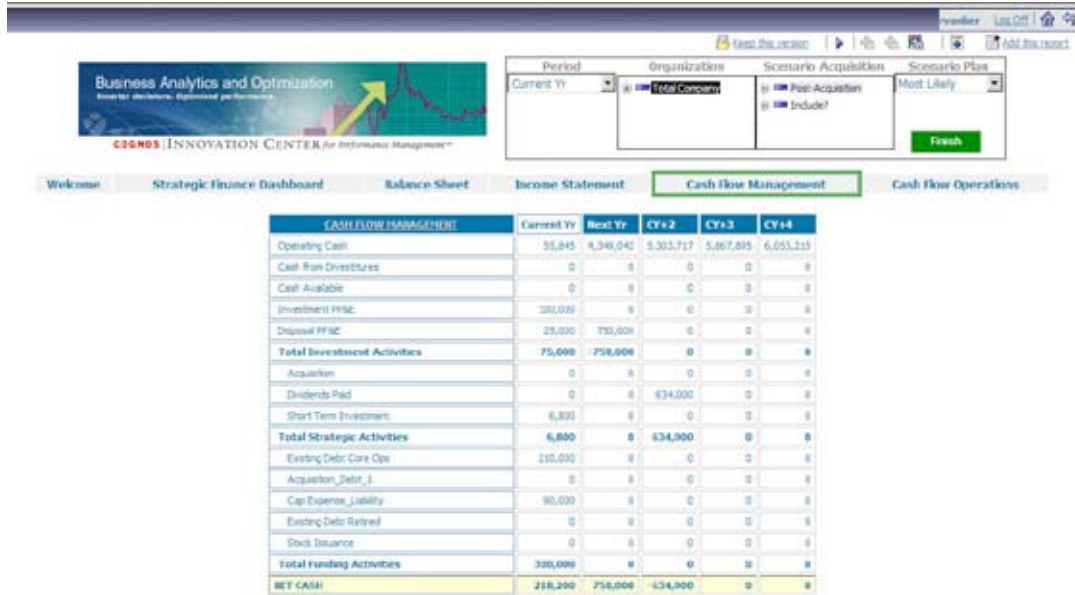
You might want to see the detail numbers behind these graphs and charts. These are available in the form of reports for the income statement, balance sheet and cash flow. Some of these reports also contain related graphics so you can quickly assess the impact on financials.



Balance Sheet



Cash Flow from Operations



Cash Flow Management

Key Lists

Based on the above analysis, you can use the *Blueprint* to update the strategic plan in the Cognos TM1 interface. It is important to note the following key lists in this *Blueprint*:

Scenario - Plan

This list is used for what-if comparisons. You can customize this list to define your own scenarios or versions.

Scenario - Acquisition

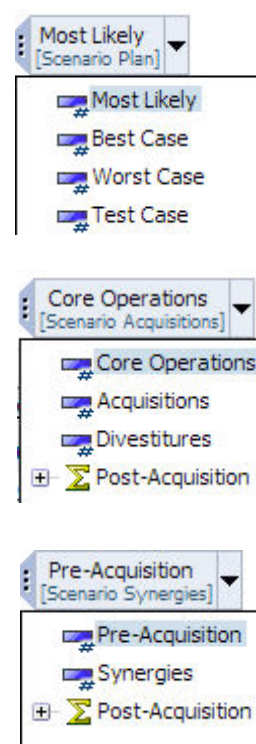
This list is used in most tabs including the key Financial Statements and other tabs. Core Operations represents the base organization. Note the calculation below.

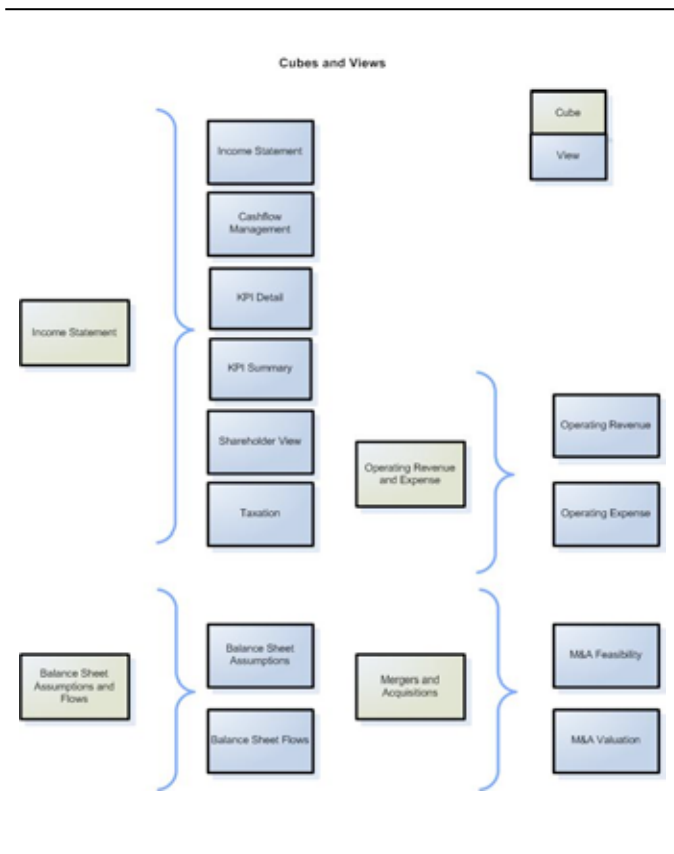
Post Acquisition =
Core Operations + Acquisitions - Divestitures

Scenario - Synergies

The data for pre-acquisition and synergies is input, while post-acquisition is calculated. This list is used in the M&A Synergies tab. Costs and expenses are input as a negative number to generate positive synergies in the form of cost savings, like a reduction in rents or maintenance.

Post Acquisition = Pre-Acquisition + Synergies





Cubes and views

Many of the views shown in the TM1 model consist of a single cube as shown here.

Blueprint tabs

We will proceed through the *Blueprint* as a “Corporate” contributor. This node encompasses all of the tabs available to planners. In our representation, the legal entities have read/write privileges to only those tabs required for internal strategic decisions.

Income Statement

When you open the TM1 model, the first tab you see is the Income Statement. The only input required for this tab are core operations items including “Other Revenue,” “Extraordinary Items” and “Income from Foreign Subs.” Other data is linked from other tabs. The Operating Revenue and Operating Expense tabs are the main feeds for Core Operations, while the data for the Acquisition and Divestitures items come from the M&A tabs and the Divestitures tabs.

Rows:	Columns:	Context:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10yr Total
Revenue	26,723,642	27,458,172	28,761,185	29,862,318	29,997,278	30,349,287	30,840,901	30,876,614	31,224,255	31,079,494	297,173,146		
Cost of Goods Sold	6,703,294	6,863,775	7,281,541	7,560,199	7,596,696	7,687,336	7,813,902	7,813,287	7,908,897	7,861,962	75,170,889		
GROSS PROFIT	19,940,348	20,594,398	21,479,644	22,302,119	22,400,582	22,661,951	23,026,998	23,063,327	23,315,358	23,217,531	222,002,257		
Other Revenue	0	0	0	0	0	0	0	0	0	0	0		
Total Operating Expense	12,177,960	12,186,745	12,296,799	12,325,482	12,338,995	12,245,538	11,986,804	12,029,177	12,036,097	12,043,223	121,664,820		
Interest Expense	0	0	0	0	0	0	0	0	0	0	0		
Profit before Tax	7,762,389	8,407,652	9,182,845	9,976,637	10,061,587	10,418,413	11,040,195	11,034,149	11,279,261	11,174,308	100,337,437		
Extraordinary Items	0	0	0	0	0	0	0	0	0	0	0		
Income from Foreign Subs	100,000	0	0	0	0	0	0	0	0	0	100,000		
Interest ST Investment	340	0	0	0	0	0	0	0	0	0	340		
Net Income	7,862,729	8,407,652	9,182,845	9,976,637	10,061,587	10,418,413	11,040,195	11,034,149	11,279,261	11,174,308	0		
Income Tax Expense Current Year	2,368,819	2,522,296	2,754,854	2,992,991	3,018,476	3,125,524	3,312,058	3,310,245	3,383,778	3,352,293	30,141,333		
Total Deferred Tax Assets	0	0	0	0	0	0	0	0	0	0	0		
Total Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0	0	0		
NET INCOME AFTER TAX	(2,368,819)	(2,522,296)	(2,754,854)	(2,992,991)	(3,018,476)	(3,125,524)	(3,312,058)	(3,310,245)	(3,383,778)	(3,352,293)	(30,141,333)		
Depreciation and amortization	18,000	(82,000)	18,000	18,000	18,000	13,000	0	0	0	0	0		

The following tabs do not require any input. They do, however provide the key metrics and measures that are critical to the strategic planning process. These tabs are also used in generating much of the business intelligence for this *Blueprint*.

Measures	Current Yr	Next Yr	CY+2	CY+3	CY+4	CY+5	CY+6	CY+7	CY+8	CY+9
NET INCOME AFTER TAX	(2,368,819)	(2,522,296)	(2,754,854)	(2,992,991)	(3,018,476)	(3,125,524)	(3,312,058)	(3,310,245)	(3,383,778)	(3,352,293)
No of Shares	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000
Book Value per Share	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Dividend Payout Ratio	.00%	.00%	-23.01%	.00%	.00%	.00%	.00%	.00%	.00%	.00%
EPS	(\$3.736)	(\$3.978)	(\$4.345)	(\$4.721)	(\$4.761)	(\$4.930)	(\$5.224)	(\$5.221)	(\$5.337)	(\$5.288)
P/E	4.000	4.020	4.052	3.950	4.015	4.200	4.200	4.200	4.200	4.500
P/E Growth	.00%	.50%	.80%	-2.52%	1.65%	4.61%	.00%	.00%	.00%	7.14%
Share Price	(\$14.99)	(\$16.01)	(\$17.64)	(\$18.93)	(\$19.19)	(\$20.93)	(\$21.94)	(\$21.93)	(\$22.40)	(\$24.17)
Net Yield	.00%	.00%	-5.67%	.00%	.00%	.00%	.00%	.00%	.00%	.00%
Gross Yield	.00%	.00%	-.76%	.00%	.00%	.00%	.00%	.00%	.00%	.00%
Yield Factor	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Total Dividends paid	0	0	634,000	0	0	0	0	0	0	0

Shareholder View

This tab highlights key data for shareholders. There is no input required. It communicates the anticipated future growth plans of the company and the potential impact this will have on the market share price.

	Core Operations	Acquisitions	Divestitures	Post-Acquisition
NET INCOME AFTER TAX	(2,368,819)	(465,743)	0	(2,834,562)
Income Tax Expense Current Year	2,368,819	465,743	0	2,834,562
NET OPERATING PROFIT AFTER TAX	(2,368,819)	(465,743)	0	(2,834,562)
Income Tax Expense Current Year	2,368,819	465,743	0	2,834,562
ECONOMIC CAPITAL	5,124,888	15,902,122	0	21,027,010
Revenue	26,723,642	5,344,728	0	32,068,371
EPS	(\$3.736)	\$ 0.00	\$ 0.00	(\$3.736)
Book Value per Share	6.00	0.00	0.00	6.00
Revenue	26,723,642	5,344,728	0	32,068,371

	Core Operations	Acquisitions	Divestitures	Post-Acquisition
OPERATIONAL METRICS				
ECONOMIC VALUE ADDED	0	0	0	0
Economic Value Added \$	1,150,387	982,962	(10,500)	2,343,849
EVA %	21.41%	11.92%	.00%	33.33%
EVA \$NPV	21,671,370	(6,428,467)	(298,802)	15,541,705
DUPONT ANALYSIS	0	0	0	0
Total Asset Turnover	2.712	0.270	6.667	2.982
Return on Investments (ROI)	0.143	0.054	0.300	0.197
Equity Multiplier (EM)	1.888	0.000	0.000	1.888
Return on Equity (ROE)	0.271	0.000	0.000	0.271
Return on Assets	2.758	(0.054)	0.000	2.704
Return on Equity	0.271	(0.054)	0.000	0.217
ROCE	14.25%	5.38%	.00%	19.63%
ROIC	27.09%	.00%	.00%	27.09%
EPS	\$2.229	\$ 0.00	\$ 0.00	\$2.229
Earnings per Employee	283.60	1,045.40	0.00	1,348.12
ACCOUNTS RECEIVABLE RATIO	45.0	0.0	0.0	45.0
INVENTORY RATIO	22.9%	.0%	.0%	22.9%
COVENANTS	0	0	0	0
Coverage Ratio	268.27	1.06	0.00	6.38

KPI Detail and KPI Summary

These tabs, like the Shareholder View above, do not require any input. The key metrics available are displayed in two views: summary and detail. The detail view contains the calculated KPIs and the input elements used to generate them. The Summary view shows only the calculated KPIs.

	Core Operations	Post-Acquisition	Variance	Movement	Target Value	Target Min	Target Rating	Industry Avg	Industry Rating
ECONOMIC VALUE ADDED	0	0	0	-	0	0		0	
Economic Value Added \$	1,350,387	2,343,849	993,462	+	4,000,000	2,400,000	Bad	2,500,000	Bad
EVA %	21.41%	33.33%	11.92%	+	30.00%	20.00%	Excellent	35.00%	OK
EVA \$ NPV	21,671,370	15,541,705	(6,129,665)	-	15,500,000	12,000,000	Excellent	20,000,000	OK
DUPOINT ANALYSIS	0	0	0	-	0	0		0	
Return on Assets	2.758	2.704	(0.054)	-	10.000	9.000	Bad	5.000	Bad
Return on Equity	0.271	0.217	(0.054)	-	0.250	0.200	OK	0.240	OK
ROCE	14.25%	19.63%	5.38%	+	15.00%	10.00%	Excellent	20.00%	OK
ROIC	27.09%	27.09%	.00%	-	25.00%	20.00%	Excellent	30.00%	OK
EPS	\$2.229	\$2.229	\$0.000	-	\$2.500	\$2.000	OK	\$1.800	Excellent
Earnings per Employee	282.69	1,348.12	1,065.42	+	1,200.00	1,000.00	Excellent	1,400.00	OK
ACCOUNTS RECEIVABLE RATIO	45.0	45.0	0.0	-	40.0	45.0	Excellent	47.0	OK
INVENTORY RATIO	22.9%	22.9%	.0%	-	25.0%	20.0%	OK	25.0%	OK
COVENANTS	0	0	0	-	0	0		0	
Inventory (TL/TTA)	47.8%	147.3%	99.6%	+	100.0%	50.0%	Excellent	80.0%	Excellent
Gearing (D/TTA)	47.8%	147.3%	99.6%	+	100.0%	50.0%	Excellent	80.0%	Excellent
Debt Ratio	0.47	1.47	1.00	+	1.50	1.00	OK	2.00	OK
Coverage Ratio	268.27	6.38	(261.89)	-	10.00	10.00	Bad	10.00	Bad

KPI Review

Data in this tab is linked from the KPI views. Note, however, that this tab does require additional input. The user should enter target values, target minimums and industry averages for the defined KPIs. Based on the standards provided, target ratings are calculated for each KPI.

The ratings include:

- Excellent
- OK
- Bad

The calculation for the Target Rating is a conditional statement:

IF {Post-Acquisition} >= {Target Value} THEN “Excellent”
 IF {Post-Acquisition} >= {Target Min} THEN “OK”
 IF {Post-Acquisition} < {Target Min} THEN “Bad”

The calculation for the Industry Rating is:

IF {Post-Acquisition} >= {Industry Avg} THEN “Excellent”
 IF {Post-Acquisition} < {Industry Avg} AND {Post-Acquisition} > {Target Min} THEN “OK”
 IF {Post-Acquisition} < {Industry Avg} THEN “Bad”

The screenshot shows a software interface with a toolbar at the top containing various financial statement options: Income Statement, Shareholder View, KPI Detail, KPI Review, Operating Revenue, Operating Expense, Taxation, Balance Sheet, Balance Sheet Assumptions, Cashflow, Cashflow Management, Debt, Divestitures, M&A Feasibility, M&A Valuation, Balance Sheet Flows, Assumptions, and Credit Rating. Below the toolbar is a data table with the following structure:

Measure Credit Rating [Measure Credit Rating]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Coverage Ratio	15	15	15	15	15	15	15	15	15	15
Pre-Acquisition Rating	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+
Post-Acquisition Rating	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
Band 1 Lower Limit	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Band 1 Rating	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Band 2 Lower Limit	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Band 2 Rating	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+
Band 3 Lower Limit	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Band 3 Rating	AA	AA	AA	AA	AA	AA	AA	AA	AA	AA
Band 4 Lower Limit	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Band 4 Rating	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Band 5 Lower Limit	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Band 5 Rating	A+	A+	A+	A+	A+	A+	A+	A+	A+	A+
Band 6 Lower Limit	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Band 6 Rating	A	A	A	A	A	A	A	A	A	A
Band 7 Lower Limit	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Band 7 Rating	A-	A-	A-	A-	A-	A-	A-	A-	A-	A-

At the bottom of the interface, there are navigation controls: Top, Page up, Page down, Bottom, Page 1 of 1, and a status bar indicating 'Current Owner: Corporate'.

Credit Rating

This tab does require input of credit bands to calculate Credit Ratings. It is assumed this information is available by Industry from various credit service bureaus such as Moody's.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10yr Total
Volume	59,785,772	61,470,309	64,370,057	66,868,911	67,156,080	67,921,327	69,003,022	69,089,110	69,835,734	69,501,082	665,001,404
Rate	446.99	446.69	446.81	446.58	446.68	446.83	446.95	446.91	447.11	447.18	4468.73
Revenue	26,723,642	27,458,172	28,761,185	29,862,318	29,997,278	30,349,287	30,840,901	30,876,614	31,224,255	31,079,494	297,173,146
COGS Rate	113.46	111.66	113.12	113.06	113.12	113.18	113.24	113.09	113.25	113.12	113.04
Cost of Goods Sold	6,783,294	6,863,775	7,281,541	7,560,199	7,596,696	7,687,336	7,813,902	7,813,287	7,908,897	7,861,962	75,170,889
Margin \$	19,940,349	20,594,398	21,479,644	22,302,119	22,400,582	22,661,951	23,026,998	23,063,327	23,315,358	23,217,531	222,002,257
Margin %	74.62%	75.00%	74.68%	74.68%	74.68%	74.67%	74.66%	74.70%	74.67%	74.70%	74.70%
Multipliers											
Volume Growth %	.00%	2.82%	4.72%	3.88%	.43%	1.14%	1.59%	.12%	1.06%	-.48%	15.30%
Revenue Growth %	.00%	2.75%	4.75%	3.83%	.45%	1.17%	1.62%	.12%	1.13%	-.46%	15.35%

Operating Revenue

This data contained here may be linked from an existing application (such as the *Sales Planning Blueprint*) or input manually. Input required includes volume, rate, and COGS rate. Margins and growth rates are calculated. The data in this tab is linked to the Income Statement.

Measure Operating Accounts	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10Yr Total
Salaries	2,018,368	1,933,786	1,934,626	1,938,887	1,935,918	2,033,638	2,387,013	2,373,827	2,372,365	2,370,719	21,299,247
Wages	2,992,134	2,884,443	2,876,767	2,841,235	2,887,471	3,028,625	3,510,944	3,498,160	3,502,961	3,509,542	31,532,284
SALARIES & WAGES	5,010,503	4,818,229	4,811,393	4,780,223	4,823,390	5,062,263	5,897,957	5,871,987	5,875,325	5,880,261	52,831,531
Misc. Employee Expense	244,780	245,782	238,232	192,236	270,479	268,643	282,767	362,858	368,825	374,728	2,849,329
Automobiles	70,837	64,640	60,682	70,511	73,901	85,161	107,041	103,423	105,753	107,190	849,138
PERSONNEL EXPENSES	315,616	310,422	298,914	262,747	344,380	353,804	389,808	466,281	474,578	481,917	3,698,467
Travel	335,293	329,213	286,178	394,863	312,602	344,514	404,972	472,416	477,200	481,917	3,839,169
Accommodation	153,479	150,325	157,323	174,423	173,668	185,905	215,866	257,682	262,198	266,667	1,997,436
Meal Allowance	74,772	76,666	101,886	100,943	100,506	105,290	121,313	119,200	118,863	118,519	1,037,955
TRAVEL EXPENSE	563,544	556,204	545,387	670,229	586,776	635,609	742,151	849,298	858,260	867,102	6,874,560
TOTAL EMPLOYEE EXPENSE	5,889,662	5,684,855	5,655,694	5,713,199	5,754,546	6,051,676	7,029,915	7,187,566	7,208,164	7,229,280	63,404,558
Advertising	236,122	245,782	254,714	253,841	249,047	270,966	312,203	286,605	285,795	284,967	2,680,042
Other Marketing Exp	78,707	82,679	89,899	92,778	92,377	96,774	111,501	109,539	109,249	108,932	972,454
MARKETING EXPENSE	314,829	328,461	344,613	346,619	341,424	367,740	423,704	396,144	395,044	393,900	3,652,497
IT Costs	220,380	221,730	213,510	224,152	223,182	233,805	269,386	264,693	263,946	263,181	2,397,965
Communications	122,783	120,260	146,835	148,448	147,803	154,838	178,402	178,294	174,788	174,282	1,543,749
Shipping	39,354	45,098	48,695	51,956	51,731	54,193	62,441	61,353	61,179	61,002	537,801
Supplies	78,707	78,921	82,407	89,067	92,377	96,774	111,501	109,539	109,249	108,932	957,494
Corporate Allocations	157,414	157,842	164,815	163,289	162,583	170,321	196,242	192,823	192,270	191,721	1,749,329
CORPORATE OVERHEADS	618,639	623,850	656,262	676,909	677,675	709,931	817,971	803,721	801,451	799,128	7,185,538
Depreciation & Amortization	15,000	-82,000	18,000	18,000	18,000	13,000	0	0	0	0	-0
Rent	4,379,332	4,633,923	4,611,720	4,566,193	4,544,817	4,172,252	3,032,827	2,979,992	2,971,574	2,962,963	38,855,593
	798.76%	831.38%	840.96%	837.61%	838.76%	766.43%	557.50%	447.79%	546.34%	544.66%	7,096.21%

Operating Expense

This data in this tab may also be linked from an existing application (such as the *Expense Planning Blueprint Powered by TMI*) or it may be input manually. It contains typical expense items and can easily be modified to meet user needs. The items here can also be viewed as a percent of Revenue. This data is also linked to the Income Statement.

Measure Operating Accounts	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10Yr Total
Salaries	7.22%	7.04%	6.72%	6.91%	6.91%	6.91%	7.91%	7.91%	7.91%	7.91%	7.66%
Wages	11.22%	11.02%	10.98%	10.98%	10.98%	11.02%	12.02%	12.02%	12.02%	12.02%	11.22%
SALARIES & WAGES	18.23%	17.55%	16.72%	16.81%	16.89%	16.88%	19.82%	19.82%	19.82%	19.82%	18.82%
Misc. Employee Expense	0.7%	0.7%	0.5%	0.4%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%
Automobiles	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
PERSONNEL EXPENSES	1.18%	1.13%	1.04%	0.8%	1.15%	1.17%	1.26%	1.26%	1.26%	1.26%	1.15%
Travel	1.2%	1.2%	1.0%	1.3%	1.0%	1.1%	1.3%	1.3%	1.3%	1.3%	1.1%
Accommodation	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.6%
Meal Allowance	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
TRAVEL EXPENSE	2.11%	2.03%	1.90%	2.24%	1.90%	2.09%	2.41%	2.41%	2.41%	2.41%	2.29%
TOTAL EMPLOYEE EXPENSE	22.04%	20.78%	19.64%	19.12%	19.18%	19.98%	22.79%	22.79%	22.79%	22.79%	23.20%
Advertising	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.8%
Other Marketing Exp	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
MARKETING EXPENSE	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.8%
IT Costs	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.8%
Communications	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.5%
Shipping	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Supplies	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Corporate Allocations	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
CORPORATE OVERHEADS	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Depreciation & Amortization	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rent	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Rent	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%

Here, the data is viewed as a percent of revenue.

Measures (Measures)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10yr Total
Net Profit Before Int & Tax	7,747,389	8,489,652	9,164,845	9,958,637	10,043,587	10,405,413	11,040,195	11,034,149	11,279,261	11,174,308	0
Depreciation and amortization	15,000	(82,000)	18,000	18,000	18,000	13,000	0	0	0	0	0
Interest ST Investment	340	0	0	0	0	0	0	0	0	0	340
Extraordinary Items	0	0	0	0	0	0	0	0	0	0	0
CY Taxable Income/(Loss)	7,762,729	8,407,652	9,182,845	9,976,637	10,061,587	10,418,413	11,040,195	11,034,149	11,279,261	11,174,308	0
Income Tax Payable	2,368,819	2,522,296	2,754,854	2,992,991	3,018,476	3,125,524	3,312,058	3,310,245	3,383,778	3,352,293	30,141,333
Income from Foreign Subs	100,000	0	0	0	0	0	0	0	0	0	100,000
Current Foreign Tax	(40,000)	0	0	0	0	0	0	0	0	0	0
Capital Gains Tax	0	0	0	0	0	0	0	0	0	0	0
Opening Balance Tax	0	0	0	0	0	0	0	0	0	0	0
Closing Income Tax Payable	0	0	0	0	0	0	0	0	0	0	0
Total Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0	0	0
Deferred Tax Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Tax Assets	0	0	0	0	0	0	0	0	0	0	0
Income Tax including Deferrals	2,368,819	2,522,296	2,754,854	2,992,991	3,018,476	3,125,524	3,312,058	3,310,245	3,383,778	3,352,293	30,141,333
Income Tax Expense Current Year	2,368,819	2,522,296	2,754,854	2,992,991	3,018,476	3,125,524	3,312,058	3,310,245	3,383,778	3,352,293	30,141,333

Taxation

The key data here is linked from Income Statement and Balance Sheet. Optional data may be entered for deferred asset or liability taxes. As taxation varies greatly by tax domain, this tab is mainly included to provide a high-level view of tax impact as a result of the selected strategies. The information generated here does not represent an exact calculation of tax liability. It is expected that further understanding of tax implications will be handled outside of this application.

	Core Operations	Acquisitions	Divestitures	Post-Acquisition
Cash	518,299	(224,138)	0	(6,924)
Receivables	3,294,696	0	0	3,294,696
Inventories	2,261,098	0	0	2,261,098
TOTAL CURRENT ASSETS	5,773,994	(225,128)	0	5,548,865
Property, Plant & Equipment cost	5,075,000	0	15,000	5,090,000
Accumulated depreciation	1,015,000	0	0	1,015,000
Property, plant and equipment - net	4,060,000	0	15,000	4,075,000
Investment other Companies	6,800	20,100,000	0	20,106,800
Other Non Current Assets	12,371	0	0	12,371
TOTAL NON CURRENT ASSETS	4,075,171	20,100,000	15,000	24,194,171
TOTAL ASSETS	9,853,164	19,874,872	15,000	29,713,036
Payables	1,491,135	0	0	1,491,135
Tax Liabilities	595,015	0	0	595,015
Other Current Liabilities	1,101,397	0	0	1,101,397
TOTAL CURRENT LIABILITIES	3,187,517	0	0	3,187,517
TOTAL CURRENT LIABILITIES	3,187,517	0	0	3,187,517
Deferred Tax Liabilities	1,015,000	0	0	1,015,000
Long Term Debt	500,000	19,790,649	0	20,290,649
Other Non Current Liabilities	2,400	0	0	2,400
TOTAL NON CURRENT LIABILITIES	1,517,400	19,790,649	0	21,308,049
TOTAL LIABILITIES	4,704,917	19,790,649	0	24,495,566
Equity	3,804,000	0	0	3,804,000
Retained Earnings	1,413,470	0	0	1,413,470

Balance Sheet

The data in this tab is fed primarily from the Balance Flow tab, which is a trial balance (explained in detail later). You should note the balance and change dimension items. This tab also includes data for the Acquisition/Divestiture scenarios. The last item, *Bal check* should always be zero for post-acquisition. This indicates that the balance sheet is in balance.

Currently, when an acquisition is selected for inclusion, the acquisition price is shown as a single line item on the Balance Sheet – Investment other Companies under the acquisition scenario. Changes to future periods in the Balance Sheet should be made as the acquisition is absorbed into the company.

	Current Yr	Next Yr	CY+2	CY+3	CY+4	CY+5	CY+6	CY+7	CY+8	CY+9	10yr Total
Days	365	365	366	365	365	365	366	365	365	365	3,652
Days sales outstanding	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	450.0
Days Accts Payable Outstanding	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0
Days Payroll exp outstanding	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	150.0
Days accrual outstanding	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	500.0
Inventory Turns	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	30.0
ST Investment Rate %	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Common Shares B/Fwd	634,000	0	0	0	0	0	0	0	0	0	634,000
Common Shares Opening	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000
New Shares Issues:											
Total New Share Issues	0	0	0	0	0	0	0	0	0	0	0
Share Issue 1	0	0	0	0	0	0	0	0	0	0	0
Share Issue 2	0	0	0	0	0	0	0	0	0	0	0
Share Issue 3	0	0	0	0	0	0	0	0	0	0	0
Shares Repurchased	0	0	0	0	0	0	0	0	0	0	0
Ending Shares	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000
Weighted Avg Shares	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000	634,000
Book Value per Share	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	60.00
Market Value per Share	(14.95)	(16.01)	(17.64)	(18.53)	(19.19)	(20.93)	(21.94)	(21.93)	(22.42)	(24.17)	0.00
Common Stock B/Fwd	3,804,000	0	0	0	0	0	0	0	0	0	0
Cash from Shares Issued	0	0	0	0	0	0	0	0	0	0	0
Cash for Share repurchase	0	0	0	0	0	0	0	0	0	0	0
Additional Paid in Capital	0	0	0	0	0	0	0	0	0	0	0

Bal Sheet Assumptions

This is a very important tab that does require input. Most of the items here will be used to drive Balance Sheet calculations and key metrics. As shown below, input is required for days outstanding for receivables, days payables, inventory turns and so on.

Also included in this tab is the option to provide for any dividend payments, share issuances and repurchases. P/E ratios are input here. This tab is also used to input shares issuance and/or share repurchases. The output of these numbers is used in various metrics in the KPI and Shareholder View tabs.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	# 10Yr Total
Cash Receipts from Sales	21,448,947	27,292,386	28,685,456	29,738,874	29,880,639	30,305,888	30,790,680	30,861,822	31,181,395	31,097,341	293,361,428
Other Revenue	87,988	10,012	1,367	100	21	3	0	0	0	0	100,340
Payments to Employees	5,647,622	5,461,211	5,423,903	5,478,430	5,538,058	5,802,977	6,741,804	6,892,187	6,911,938	6,932,187	60,880,316
Payments Inventory	7,549,286	5,750,428	6,149,797	6,373,241	6,379,220	6,448,761	6,557,447	6,545,206	6,625,537	6,576,377	64,958,298
Payments other Expense	5,413,942	5,681,968	5,718,309	5,690,937	5,666,936	5,732,442	4,279,718	4,178,377	4,168,572	4,154,499	50,283,738
Income Tax Paid	4,830,044	6,079,186	6,066,454	6,381,197	6,345,845	6,438,252	6,581,660	6,626,938	6,681,635	6,676,404	62,551,600
Interest Expense	26,800	26,800	26,807	26,800	26,800	26,800	26,807	26,800	26,800	26,800	268,013
NET CASH FROM OPERATING ACTIVITIES	69,223	4,353,585	5,301,553	5,862,438	6,043,802	6,276,659	6,603,340	6,592,315	6,768,913	6,728,075	54,599,802
(Increase)/decrease in receivables	(3,274,696)	(165,786)	(79,729)	(145,446)	(16,638)	(43,396)	(50,221)	(14,792)	(42,960)	17,847	(3,811,718)
(Increase)/decrease in inventory	(2,251,098)	(17,861)	(74,399)	(66,794)	(37,452)	(30,034)	(29,118)	(19,500)	(20,024)	(11,718)	(2,557,922)
(Increase)/decrease in Other Assets	(12,371)	10,812	1,367	368	21	3	0	0	0	0	(14,148)
Increase/(decrease) in payables	1,485,355	1,131,232	1,205,843	1,253,752	1,254,928	1,288,609	1,285,774	1,287,581	1,303,384	1,294,304	12,770,512
Increase/(decrease) in accrued expenses	1,311,397	1,135,527	1,136,586	1,138,115	1,136,002	1,095,138	965,282	958,614	957,587	956,538	10,580,766
Increase/(decrease) in interest payable	2,400	2,400	2,393	2,400	2,400	2,400	2,393	2,400	2,400	2,400	23,987
Increase/(decrease) in income taxes payable	575,015	33,369	38,139	39,534	6,371	26,762	46,634	(433)	18,383	(7,871)	815,883
Increase/(decrease) in deferred taxes payable	1,015,000	(167,000)	(4,300)	(4,500)	(4,500)	(3,250)	0	0	0	0	831,250
Total adjustments	(1,359,247)	1,962,669	2,250,001	2,237,232	2,341,131	2,316,210	2,220,344	2,213,850	2,218,871	2,251,499	18,652,758
Net Income	1,413,470	2,472,917	3,033,552	3,607,206	3,684,671	3,947,448	4,582,696	4,378,465	4,550,043	4,476,576	35,947,044
Depreciation and amortization	15,000	(82,000)	18,000	18,000	18,000	13,000	0	0	0	0	(9)
NET CASH OPERATIONS_Indirect	69,223	4,353,585	5,301,553	5,862,438	6,043,802	6,276,659	6,603,340	6,592,315	6,768,913	6,728,075	54,599,802

Cashflow from Operations

This tab contains two views of operational cash. No input is required. The top view shows the “Direct” changes to the cash accounts, while the bottom shows “Indirect” changes as they impact the Balance Sheet. Both Direct and Indirect net cash should be the same.

	Core Operations	Acquisitions	Divestitures	Post-Acquisition
Operating Cash	69,223	0	0	69,223
Cash from Divestitures	0	0	15,000	(15,000)
Cash Available	0	84,223	0	84,223
Investment PP&E	100,000	0	0	100,000
Disposal PP&E	25,000	0	0	25,000
Total Investment Activities	75,000	0	0	75,000
Acquisition	0	20,100,000	0	20,100,000
Dividends Paid	0	0	0	0
Short Term Investment	6,800	0	0	6,800
Total Strategic Activities	6,800	20,100,000	0	20,106,800
Debt Category_1		7 1/2% Series		
Acquisition_Debt_1	0	15,000,000	0	15,000,000
Debt Category_2		Revolving Credit Line	Revolving Credit Line	
Acquisition_Debt_2	0	4,790,649	0	4,790,649
Cap Expense_Liability	90,000	0	0	90,000
Existing Debt Core Ops	210,000	0	0	210,000
Existing Debt Retired	0	0	0	0
Stock Issuance	0	0	0	0
Total Funding Activities	300,000	19,790,649	0	20,090,649

Cashflow Management

This is one of the main input tabs. You use it to plan and fund investments and other strategic activities. Cash from core represents the operating cash available for investment activity under the acquisition item. Any cash from divestitures would also result in additional cash for acquisitions. The cash planning is done in the Acquisitions scenario and it includes capital investment and disposal, along with Dividend payouts. It is assumed that at the end of this exercise, there is no remaining cash balance. Cash is either invested or borrowed to arrive at a zero balance.

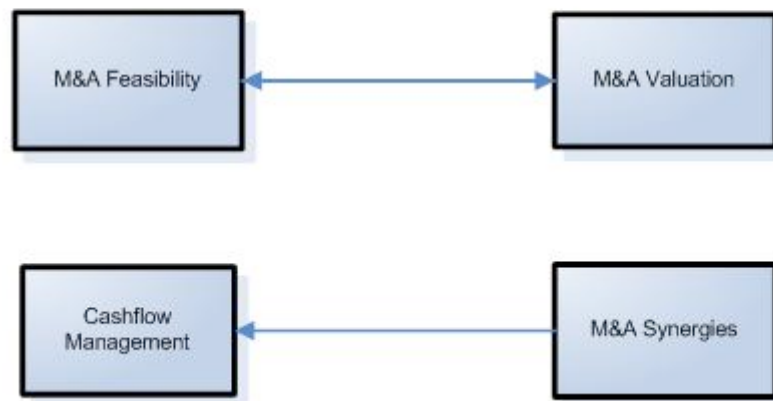
The screenshot shows a software interface with a menu bar at the top containing tabs like 'Income Statement', 'Shareholder View', 'KPI Detail', 'KPI Summary', 'KPI Review', 'Credit Rating', 'Operating Revenue', 'Operating Expense', 'Taxation', and 'Balance Sheet'. Below the menu bar, there are more tabs including 'Balance Sheet Assumptions', 'Cashflow from Operations', 'Cashflow Management', 'Debt', 'Divestitures', 'M&A Feasibility', 'M&A Valuation', 'M&A Synergies', 'Balance Sheet Flows', and 'Assumptions'. The 'Debt' tab is active, displaying a table with columns for different debt categories and a 'Total Debt' column. The table includes rows for 'Debt Shift', 'Opening Debt Balance', 'New Debt', 'Retired Debt', 'Ending Debt Balance', 'Interest Rate', 'Interest Expense', 'Maximum Debt Allowed', and 'Warning'.

	1. % Series	2. 1Q% Series	3% 30 Year Note	Revolving Credit Line	Cap Expense Liability	Total Debt
Debt Shift	200,000	0	0	0	0	200,000
Opening Debt Balance	200,000	0	0	0	0	200,000
New Debt	0	200,000	10,000	0	90,000	300,000
Retired Debt	0	0	0	0	0	0
Ending Debt Balance	200,000	200,000	10,000	0	90,000	500,000
Interest Rate	5.00%	7.50%	6.00%	6.50%	4.00%	.06%
Interest Expense	10,000	15,000	600	0	1,600	26,500
Maximum Debt Allowed	500,000	1,000,000	2,000,000	25,000	5,000,000	8,525,000
Warning						

Debt

You can use this tab to plan debt for core operations. Debt planning for acquisitions is created in the Cashflow Management tab. For example, when you input the amount and type of debt to fund an acquisition, this debt is linked to the Debt cube and interest is calculated. You must also put in a maximum or upper limit of borrowing for each debt type. If this amount is exceeded, a warning appears.

Mergers & Acquisition Overview



Mergers and Acquisition Planning

M&A planning is an important part of this *Blueprint*. Because most companies plan for growth and profitability, acquisition planning is a critical component of the strategic planning process. The next section of this *Blueprint* outlines its M&A component as shown in the flowchart here.

Rows	1	2	3	Total
No of Shares Owned	50,000	50,000	0	100,000
No of Shares Issued	1,000,000	1,000,000	0	2,000,000
Percentage of Entity Owned	5.00%	5.00%	.00%	.00%
Current Market Share Price	\$20.00	\$20.00	\$0.00	\$40.00
Market Value of Entity	20.000M	20.000M	.000M	.000M
Book Value of Existing Equity	15.000M	15.000M	.000M	30.000M
Market Value of Entity Owned	1.000M	1.000M	.000M	.000M
Valuation Method	NPV	Asset Valuation		
Sum of Parts Valuation	10.000M	9.000M	.000M	19.000M
Valuation of Non-owned Equity	9.000M	8.000M	.000M	.000M
Percentage Ownership Required	50.00%	50.00%	.00%	100.00%
Market Value of Equity Req'd	9.000M	9.000M	.000M	.000M
Proposed Offer Price	20.000M	18.500M	.000M	38.500M
Offer Share Price	\$21.05	\$18.47	\$0.00	\$0.00
Premium Offer %	5.26%	-2.63%	.00%	.00%
Fees & Charges	.100M	.100M	.000M	.200M
Estimated Goodwill	11.000M	10.500M	.000M	.000M
Acquisition Price	20.100M	18.600M	.000M	38.700M
Market Value of Equity	0	0	0	0
ASSETS	26,290,000	26,290,000	0	52,580,000
Accounts Receivable	4,000,000	4,000,000	0	8,000,000
Inventories	2,290,000	2,290,000	0	4,580,000
Land and Buildings	20,000,000	20,000,000	0	40,000,000

M&A Feasibility

The M&A Feasibility tab begins the initial M&A process. Required is some basic information about the purchase price, shares currently owned and percentage of ownership desired. The user must select a valuation method from the drop-down and most importantly, whether to include the acquisition from the drop-down "Include." Only by selecting "Yes" will users see the effect of this acquisition on all of the financials and metrics.

By indicating what price you are willing to pay in order to make the acquisition, you can immediately see the resulting Premium Offer %.

This tab allows the user to plan for up to three acquisition evaluations per year/scenario. Of course, this list can be expanded or modified to accommodate user needs. You may also want to input the acquisition with varying offer prices, and valuations via the Scenarios dimension. Additionally, the "Fair Market Value" of existing Assets and Liabilities must be entered to calculate goodwill.

	Current Yr	Next Yr	CY+2	CY+3	CY+4	CY+5	CY+6	CY+7	CY+8	CY+9	CY+10	10Yr Total
Projected Cash Flow	10,000,000	0	0	0	0	0	0	0	0	0	0	10,000,000
Interest Rate	5.25%	4.00%	4.00%	4.00%	4.00%	4.30%	4.00%	4.00%	4.00%	4.00%	4.00%	41.25%
No of Periods	1	0	0	0	0	0	0	0	0	0	0	1
DCF	9,501,188	0	0	0	0	0	0	0	0	0	0	9,501,188
NPV	10,000,000	0	0	0	0	0	0	0	0	0	0	10,000,000
Asset Valuation	9,000,000	0	0	0	0	0	0	0	0	0	0	9,000,000
Market Valuation	10,000,000	0	0	0	0	0	0	0	0	0	0	10,000,000
Synergies Valuation	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	2,152,000	2,500,000	0	0	0	0	0	0	0	0	0	5,452,000
DCF with Synergies	1,965,377	1,826,726	0	0	0	0	0	0	0	0	0	3,792,102
NPV with Synergies	2,952,000	0	0	0	0	0	0	0	0	0	0	0
Include?	Yes	Yes										

M&A Valuation

This tab is used to input the projected cash flows, asset valuation, market valuation, and interest rate for the acquisition. Based on the interest rate that is input, the valuation for net present value and discounted cash flow is calculated. Net Income is linked from the M&A Synergies tab to calculate the values for NPV and discounted cash flow with synergies.

	Pre-Acquisition	Synergies	Post-Acquisition
REVENUES	26,723,642	5,370,000	5,370,000
Cost of Goods Sold	6,793,294	1,342,500	1,342,500
COGS % of Rev	25.00%	25.00%	50.00%
Customers	0	5	5
Avg No of Purchases	0	5	5
Avg Volume	0	3,580	3,580
Rate	0	60	60
Total Operating Expense	6,380,000	1,069,075	7,449,075
SALARIES & BENEFITS	6,380,000	1,069,000	7,449,000
Salaries Total	6,140,000	869,000	7,009,000
Executive Salaries	900,000	200,000	1,100,000
Adm Salaries	4,400,000	364,000	4,764,000
IT Salaries	200,000	(175,000)	25,000
Sales Salaries	340,000	480,000	1,020,000
Benefits	240,000	200,000	440,000
IT	0	25	25
RETRAINING	0	50	50
Staff Numbers	24	15	39
Executive Staff	5	2	7
Adm Staff	8	7	15
IT Staff	5	(2)	3
Sales Staff	6	8	14
Executive Avg Salary	180,000	300,000	280,000

M&A Synergies

This tab is used to input projected synergies for the acquisition. The items in this tab represent key factors used to determine revenue and cost synergies. These include Customers; Average Purchases; and Volume, Headcount and Facilities. In our example, note that the anticipated synergies from this acquisition include a negative number for IT Staff and Floorspace indicating a reduction in this expense or positive synergy.

Rows:	Columns:	Context:									
Measure Divestitures (Measure Divestitures)	Year Default (Year)	Most Likely (Scenario Plan) Corporate (Organization)									
	Current Yr	Next Yr	CY+2	CY+3	CY+4	CY+5	CY+6	CY+7	CY+8	CY+9	10Yr Total
Divestiture type	Product Line 1	Fixed Assets - Property									
Warning											
Revenue Impact	100,000	0	0	0	0	0	0	0	0	0	100,000
Cost Impact	50,000	0	0	0	0	0	0	0	0	0	50,000
Net Income Impact	50,000	0	0	0	0	0	0	0	0	0	50,000
Description	packaging	Building									
Book Value	10,000	500,000	0	0	0	0	0	0	0	0	510,000
Accumulated Depreciation	0	100,000	0	0	0	0	0	0	0	0	100,000
Net Value	10,000	400,000	0	0	0	0	0	0	0	0	410,000
Book Value	10,000	500,000	0	0	0	0	0	0	0	0	510,000
Accumulated Depreciation	0	100,000	0	0	0	0	0	0	0	0	100,000
Asset Type	Machinery & Equipment	Buildings									
Disposition Price	25,000	800,000	0	0	0	0	0	0	0	0	825,000
Selling Expenses	0	50,000	0	0	0	0	0	0	0	0	50,000
Gain/(Loss) on Sale	15,000	350,000	0	0	0	0	0	0	0	0	365,000
Disposition Price	25,000	800,000	0	0	0	0	0	0	0	0	825,000
Selling Expenses	0	50,000	0	0	0	0	0	0	0	0	50,000
Taxable Amount	.00%	100.00%	.00%	.00%	.00%	.00%	.00%	.00%	.00%	.00%	100.00%
Capital Gain/(Loss) Taxes	0	350,000	0	0	0	0	0	0	0	0	350,000
Capital Gains Tax	0	105,000	0	0	0	0	0	0	0	0	105,000
Net Gain/(Loss)	15,000	245,000	0	0	0	0	0	0	0	0	260,000
Cum Divestitures_(Hidden)	15,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	275,000

Divestitures

This tab requires input for divestitures. The drop-down list for divestiture type includes fixed assets, product lines, and entire divisions. Additionally, you should add data detailing the revenue and cost impact of the divestiture. The sales period must be included to capture the divestiture in the correct period. If you are divesting of a capital asset, you should also indicate the Disposition Price and any associated Selling Expense. The data in this tab is linked to the Cash Flow Management tab.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10yr Total
Days	365	365	366	365	365	365	366	365	365	365	3,652
Days Prior Yr	366	365	365	366	365	365	365	366	365	365	3,653
FLOW_OPERATING ITEMS											
Receivables B/Paid	20,000	0	0	0	0	0	0	0	0	0	20,000
Receivables - beg period	20,000	3,294,696	3,460,482	3,536,211	3,681,656	3,698,295	3,741,693	3,791,914	3,806,706	3,849,566	20,000
Revenue	26,723,642	27,458,172	28,761,185	29,842,218	29,997,278	30,349,287	30,640,901	30,876,614	31,224,255	31,079,494	297,173,146
Cash Receipts	23,448,947	27,262,386	28,685,456	29,716,874	29,990,639	30,305,888	30,790,680	30,861,822	31,181,795	31,097,341	260,494,053
Receivables - end period	3,294,696	3,460,482	3,536,211	3,681,656	3,698,295	3,741,693	3,791,914	3,806,706	3,849,566	3,831,718	3,831,718
Days sales outstanding	45.0	46.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	451.0
Other Revenue B/Paid	0	0	0	0	0	0	0	0	0	0	0
Other Rev - beg period	0	12,371	1,559	192	24	3	0	0	0	0	0
Total Other Revenue	100,340	0	0	0	0	0	0	0	0	0	100,340
Other Revenue	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Items	0	0	0	0	0	0	0	0	0	0	0
Foreign Income	100,000	0	0	0	0	0	0	0	0	0	100,000
Interest ST Investment	340	0	0	0	0	0	0	0	0	0	340
Cash Receipts Other Revenue	87,969	10,812	1,367	168	21	3	0	0	0	0	100,340
Other Revenue - end period	12,371	1,559	192	24	3	0	0	0	0	0	0
Short Term Investment B/Paid	0	0	0	0	0	0	0	0	0	0	0
Short Term Investment - beg bal	0	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	0
Short Term Investment	6,800	0	0	0	0	0	0	0	0	0	6,800
Short Term Investment - end bal	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800
ST Investment Rate %	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Balance Sheet Flows

This tab represents a trial balance. You may use this tab to input much of the same information that was input in the Balance Sheet Assumptions view, such as DSO.

It is important that the balance forward accounts are correct as these represent prior year actual data. To check this, make sure the “Bal_check” column for “Post Acquisition” in the Balance Sheet is zero. Balances for many of the accounts are calculated based on the input in the Bal Sheet Assumptions tab.

Row:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Deferred Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Corporate tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cost of capital	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
ST Investment Rate %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Premium %	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Required Rate of Return %	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
No of Employees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Foreign Tax Rate	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Tax % paid CY	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Tax % paid NY	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

Assumptions

This tab includes corporate-provided data about interest and tax rates that is used in most of the financials. This tab would typically be read-only for non-corporate users.

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