

Projection Assumptions (assumptions to accompany financial projections)

Please explain how the projections for your business were derived. Use the questions below as a guideline and add any additional information pertaining to your business that would be useful in explaining the projected numbers.

(A) Explain how you arrived at the projected numbers. Pay particular attention to Sales, Cost of Goods Sold, Employee Costs, and other expense that is substantial for your business

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| 1. What is the basis for your figures? | |
| 2. What variables did you use to arrive at these numbers? | |
| 3. For Cost of Goods Sold, what is the mark-up on your products/services? | |
| 4. If you are already in business, how will the new facility affect your Sales? | |

(B) New Facility

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| 1. How will the new facility affect your products/services? (Will you have more space, hire more employees, increase productivity, add products/services?) | |
| 2. How will the new facility affect your marketing? | |
| 3. Will you do any advertising because of the new facility? If so, please explain. | |

(C) What could seriously change these sales projections? (changes in economy, changes in demand, etc.)