

iPlan

v.3.6 - 2017

Starting Guide

Giorgio Di Maio & Paolo Landoni © 2014-2017
giorgiodimaio@gmail.com - paolo.landoni@polito.it



SIT

social innovation teams

iPlan

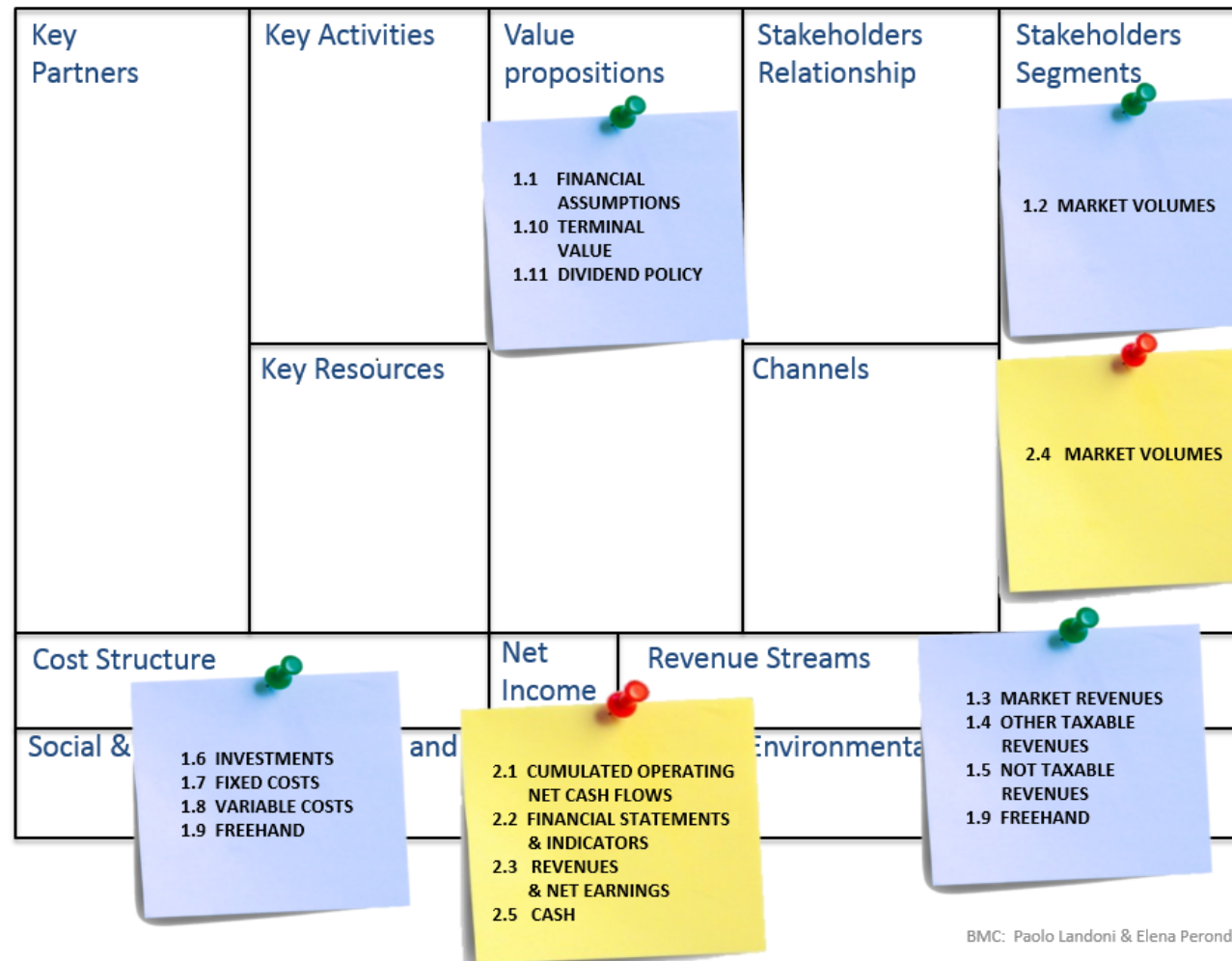
iPlan is a tool to estimate in a simple and quick way market demand, financial results (economic sustainability) and financial and impact indicators of new organizations.

To launch a new organization (profit or nonprofit) it is necessary to analyze its economic sustainability over time. For this purpose, a structured document called **Business Plan** or Sustainability Plan is normally drafted.

A particularly critical phase in the development of this plan is the collection and management of data, the development of financial estimates and the evaluation of performance over time of the new organization.

iPlan is a spreadsheet and a process developed to facilitate this phase.

The following figure shows the relationship between iPlan and the Sustainability Model Canvas (SMC), i.e., a canvas that adapts the original Business Model Canvas (Osterwalder et al., 2010) for sustainable organizations. In particular, the figure shows the correspondence between the sections of the Sustainability Model Canvas (e.g. cost structure, revenue streams) and the iPlan worksheets (e.g. fixed costs, market revenues). For instance, worksheet 1.2 “Market Volumes” helps to quantify the stakeholder segments (customers, beneficiaries, etc.), worksheets 1.3 - 1.5 help to quantify the revenue streams and worksheets 1.6-1.8 help to quantify the cost structure.



iPlan STRUCTURE

iPlan's is a spreadsheet file (.xlsx), whose worksheets are organized in 3 sections:

- Section 1 - **Assumptions** - is the main section of iPlan, in which you can insert your business plan's data;
- Section 2 - **Results** - shows the outcomes of the business plan both in terms of indicators and graphs;
- Section 3 - **Computations** - contains the worksheets with the calculations. If you're not interested in checking the formulas used in iPlan and the intermediate results you can skip it completely.

In the following, we briefly describe the first two sections starting from the second one, i.e., from the output that can be obtained using iPlan. The worksheets of iPlan are accessible from the links in the first worksheet shown below.

iPlan

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ASSUMPTIONS

Revenues

Costs

1.1

Financial Assumptions

1.2

Markets Volumes

1.3

Markets Revenues

1.4

Other Taxable Revenues

1.5

Not Taxable Revenues

1.6

Investments

1.7

Fixed Costs

1.8

Variable Costs

1.9

Freehand

1.10

Dividends

1.11

Terminal Value

Do It Yourself

RESULTS

2.1

Cumulated Operating Net Cash Flows

2.2

Financial Statement & Indicators

2.3

Revenues & Net Earnings

2.4

Market Volumes

2.5

Cash Balance

COMPUTATIONS

3.0

Discount Factors

3.1

Taxable Revenues

3.2

Depreciations

3.3

Bank Overdraft

3.4

Mortgage

3.5

Mortgage Cash Flows

3.6

Taxation Data

3.7

Income Statements & Taxes

3.8

Cash Flows

3.9

Operating Income Statements & Taxes

3.10

Operating Cash Flows

3.11

NPV & IRR

3.12

Capital

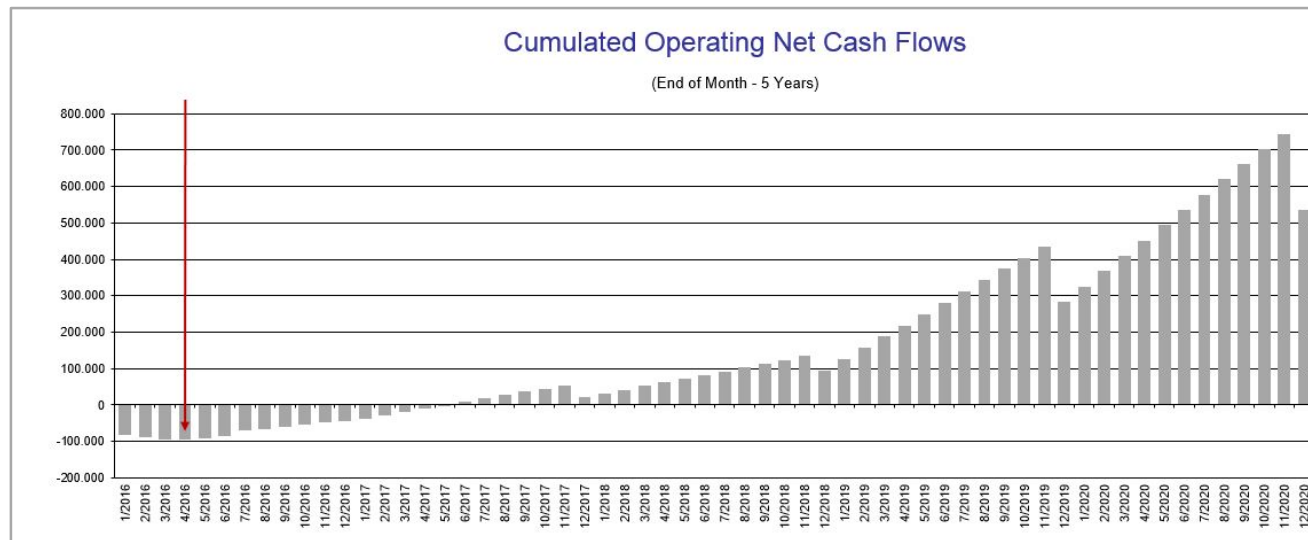
3.13

Periods

iPlan RESULTS SECTION

The iPlan “Results” section (section 2), includes 5 worksheets that present the main outcomes needed in a business plan to assess the sustainability and performance of the new organization:

1. the cumulated net cash flows (incoming cash flows minus outgoing cash flows) of the business operations and the **financial need**, i.e., the financial resources needed to sustain the start-up of the company with capital contributions or resorting to debt (2.1 Cumulated Operating NCFs);



2. the **financial statements** of the organization, i.e., **balance sheet**, **income statement**, and **cash flow statement** (2.2 Financials & Indicators) The **Net Present Value (NPV)** and **Internal Rate of Return (IRR)** of the business, according to the shareholders' and the company's perspectives, and the Return on Equity (ROE) and Return on Investment (ROI) of the business (2.2 Financials & Indicators).

Balance Sheet						
	2016	2017	2018	2019	2020	2021
LIABILITIES						
Capital	100.000	100.000	100.000	100.000	100.000	100.000
Retained Earnings	0	0	0	0	0	0
Equity	100.000	100.000	100.000	100.000	100.000	100.000
Bank Overdraft	0	0	0	0	0	0
Mortgage	0	0	0	0	0	0
Debt	0	0	0	0	0	0
TOTAL LIABILITIES	100.000	100.000	100.000	100.000	100.000	100.000
ASSETS						
Gross Fixed Assets (Plant & Equipment)	76.000	76.000	76.000	76.000	76.000	76.000
Accumulated Depreciation	-22.800	-45.600	-68.400	-76.000	-76.000	-76.000
Net Fixed Assets	53.200	30.400	7.600	0	0	0
Bank & Cash	46.800	69.600	92.400	100.000	100.000	100.000
TOTAL ASSETS	100.000	100.000	100.000	100.000	100.000	100.000

Income Statement					
	2016	2017	2018	2019	2020
Taxable Revenues	167.375	334.125	360.855	703.667	886.621
Not Taxable Revenues	5.000	0	0	0	0
REVENUES	172.375	334.125	360.855	703.667	886.621
Costs and Expenses	-140.028	-224.700	-235.536	-330.772	-383.493
EBITDA	32.347	109.425	125.319	372.895	503.127
Depreciations & Amortizations	-22.800	-22.800	-22.800	-7.600	0
EBIT	9.547	86.625	102.519	365.295	503.127
Interests	0	0	0	0	0
EARNINGS BEFORE TAXES	9.547	86.625	102.519	365.295	503.127
Taxes	-2.274	-43.313	-51.260	-182.648	-251.564
NET EARNINGS	7.274	43.313	51.260	182.648	251.564

Cash Flow Statement

	2016	2017	2018	2019	2020	2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Earnings	7.274	43.313	51.260	182.648	251.564	251.564
Depreciation	22.800	22.800	22.800	7.600	0	0
Net cash provided by operating activities	30.074	66.113	74.060	190.248	251.564	251.564
CASH FLOWS FROM INVESTING ACTIVITIES						
Investments (Plant & Equipment)	-76.000	0	0	0	0	0
Net cash provided by investing activities	-76.000	0	0	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES						
Initial Capital	100.000					
Dividends	-7.274	-43.313	-51.260	-182.648	-251.564	-251.564
Bank Overdraft						
Mortgage						
Net cash provided by financing activities	92.727	-43.313	-51.260	-182.648	-251.564	-251.564
NET INCREASE IN CASH IN THE YEAR	46.800	22.800	22.800	7.600	0	0
CASH AT THE END OF THE YEAR	46.800	69.600	92.400	100.000	100.000	100.000

Shareholders' perspective

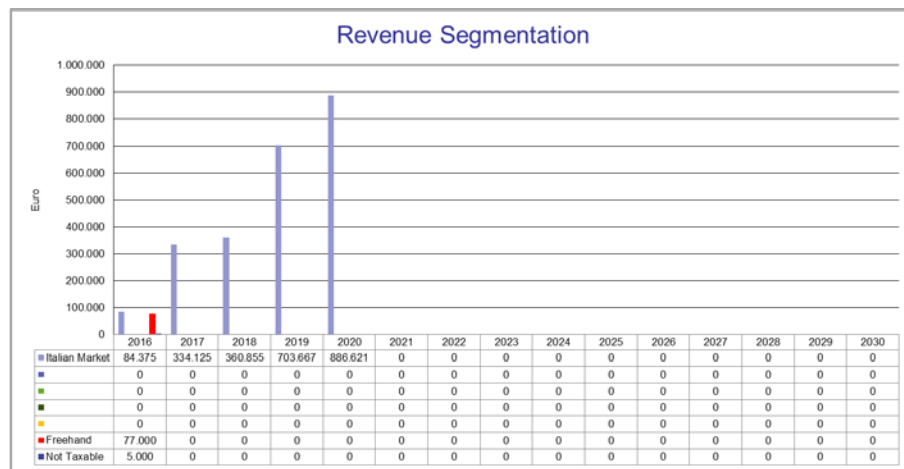
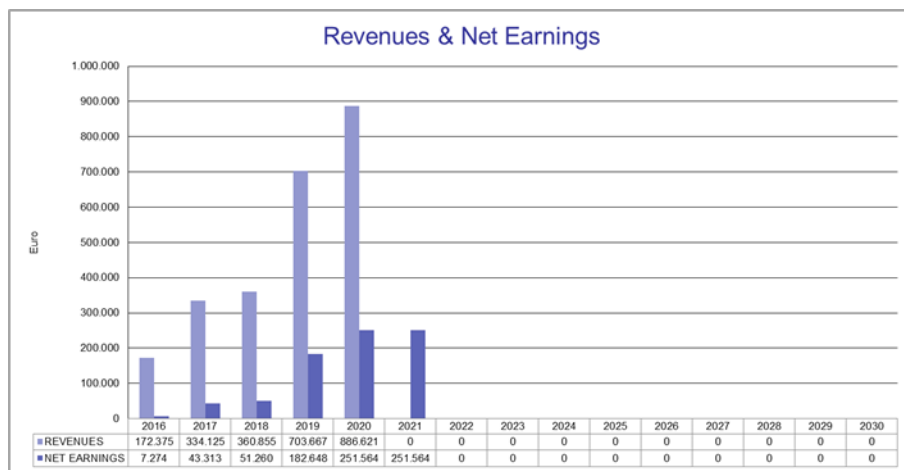
Shareholders' Net Cash Flows: capital contributions, dividends, and terminal value

NET PRESENT VALUE (NPV)	40.704	EUR	See details
INTERNAL RATE OF RETURN (IRR)	85%		

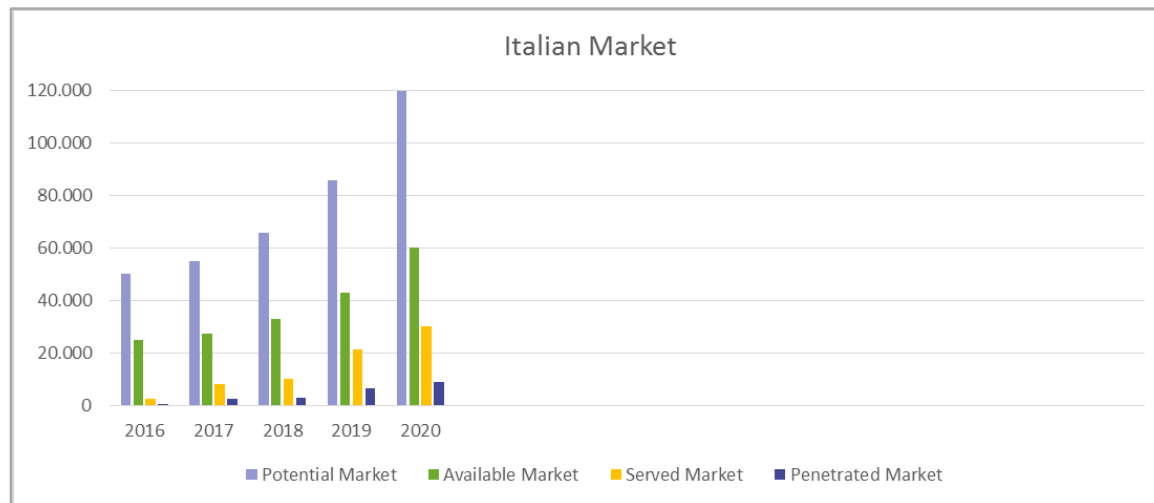
The NPV and IRR according to the Company's perspective are shown [Here](#)

	2016	2017	2018
RETURN ON EQUITY (ROE)	98%	13%	9%
RETURN ON INVESTMENT (ROI)	100%	13%	9%

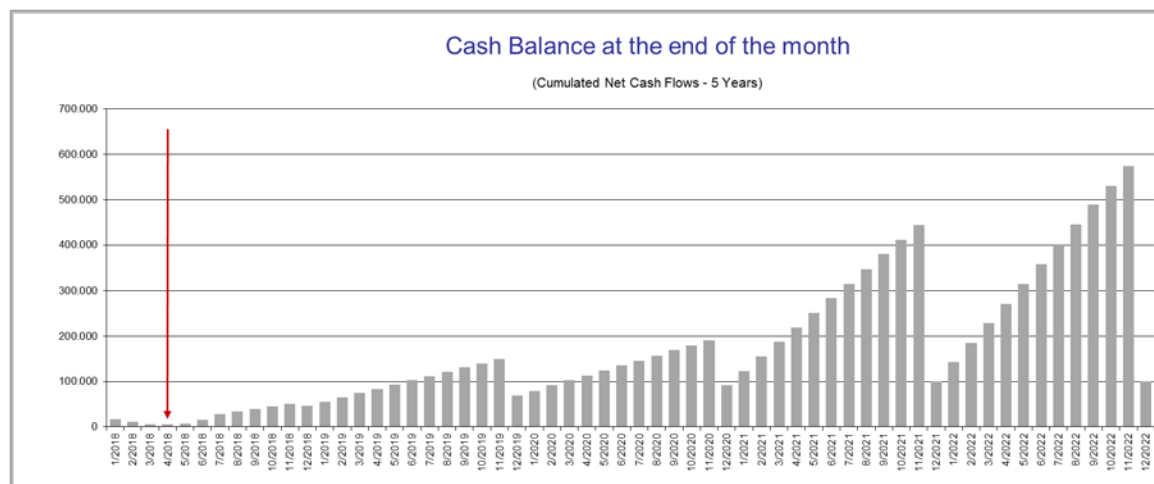
3. the **revenues** and **net earnings** of the business, and the revenue segmentation, i.e., how each market contributes to total revenues (2.3 Revenues & Net Earnings);



4. the **market volumes**, showing the potential, the available, the served, and the penetrated markets for each year of the business plan (2.4 Market Volumes);



5. the amount of **cash** available in each period of the business plan (2.5 Cash Balance);



iPlan ASSUMPTIONS SECTION

To obtain the results shown above, you need to enter in the first section of iPlan the assumptions on which your business plan is based and the data that you collected in drafting it.

The iplan “Assumption” section (section 1) is composed by 11 worksheets.

The main assumptions required are:

1. the business plan’s **time horizon**, i.e. the number of years for which data will be inserted in iPlan (1.1 Financial Assumptions);
2. the **capital contributions**, i.e., the money that should be invested in the company by the shareholders; including both the initial capital, required at the beginning of the business plan’s time horizon (T=0), and any expected subsequent rounds of capital contribution (1.1 Financial Assumptions);
3. the foreseen **market volumes**, i.e., the quantities of products or services that you plan to sell. You can estimate these quantities deriving the volume of the penetrated market from the potential market, through the available market and the served market¹ (1.2 Markets Volumes). You can also directly estimate the quantities of products or services that you plan to sell and revenues (1.4 Other Taxable Revenues, 1.5 Not Taxable Revenues, 1.9 Freehand);
4. the foreseen **revenues**, both from the penetrated markets (1.3 Markets Revenues) and from other activities, taxable (1.4 Other Taxable Revenues, 1.9 Freehand) or not (1.5 Not Taxable Revenues);
5. the foreseen **costs**, which can be variable costs or fixed costs. Variable costs are those costs that vary with the volume of the penetrated market or, in general, with the quantities of products or services that you plan to sell (1.8 Variable Costs, 1.9 Freehand). Fixed costs are those costs that do not depend directly on the quantities of products or services that you plan to sell and, in general, are not avoidable in the short term (1.7 Fixed Costs);
6. the foreseen **investments**, i.e., the purchases of tangible properties, such as buildings, machinery, vehicles, furniture, and equipment, or intangible properties, such as patents, that can be depreciated (1.6 Investments);
7. the **terminal value** of the company and/or the net earnings beyond the business plan’s time horizon (1.11 Terminal Value).

¹ There are different possible interpretations of potential market, penetrated market, etc. however they all share the idea that not all potential customers will buy the product or service of your company, for instance because they don’t have the means to, because you are not reaching them or because they prefer the product of a competitor.

NEXT STEPS

To better understand the potential of iPlan and how to use this tool, we suggest the following steps:

1. read the Phidias case, which gives a better idea of how the different data of a business plan can be included in iPlan;
2. read the Reference Manual, which details every part of the iPlan worksheets;
3. read the Mate case, which is another example of the use of iPlan developed considering a nonprofit organization.