

Financial Reporting & Projecting:

Monitoring, Modelling, and Planning for Organizations

Management Decision Framework: Self-Evaluation Checklist

- Measurable, time-based objectives (Goals)
- Unambiguous standards and limits (Non-Negotiables)
- Weekly P&L's (financial Visibility and Literacy)
- Responsibilities, Roles, and Routines (Managing People)
- Business Process Documentation (Workflow, Quality, Safety)
- Production-Sales Coordination (Capacity Planning)
- Sales Programs (Channels, Budgets, Metrics)
- Projections & Models (Assumptions, Projections, Tests)

Terms	Best Practices
<ul style="list-style-type: none"> ● Cash vs. Accrual <ul style="list-style-type: none"> ○ Cash is future-blind ○ Accrual is present-blind ● Financial Statements <ul style="list-style-type: none"> ○ Profit & Loss (Income Statement) ○ Balance Sheet ○ Cash Flow ● Costs: "Direct," Fixed, & Variable ● Cash Flow, Cash Burn (or burn rate) 	<ul style="list-style-type: none"> ● Explicit Assumptions ● Be greedy <i>for</i> Data ● Be generous <i>with</i> Data ● Learn financials by immersion ● Weekly Update & Examination ● Periodic Review ● Focus on Patterns & Changes

Modelling: Analysis, Projection, Planning

- Avoid Procrustean Plans
 - Make your projected outcome fit reality, not vice-versa
- Call out Artificial Subsidy
 - Grants, Volunteering, Debt
- Clarify, Simplify, Concentrate
- Identify your best “Units of Analysis”
 - Ideal if suited to be abstracted, generalized, or specific
 - E.g., Sales/Visitor, Sales/Booth, Costs/Transaction, Costs/Gross (i.e. % fee)
- Begin with Annual Break-Even
- Average month or average active-month
- Until proven otherwise, assume everything costs more and takes longer

Resources

<http://www.wafarmersmarkettoolkit.org/>

<http://corvusnw.com/open-knowledge>

<http://www.foodfromfarms.org/>

Quotes

“Fools ignore complexity. Pragmatists suffer it. Some can avoid it. Geniuses remove it.”

“Dealing with failure is easy: Work hard to improve. Success is also easy to handle: You've solved the wrong problem. Work hard to improve.”

— Alan Perlis

“To talk about the future is only useful if it leads to action now.”

“An ounce of practice is generally worth more than a ton of theory.”

— E. F. Schumacher, *Small is Beautiful*, 1973

“Plans are only good intentions unless they immediately degenerate into hard work.”

“The one man to distrust, however, is the man who never makes a mistake, never commits a blunder, never fails in what he tries to do. He is either a phony, or he stays with the safe, the tried, and the trivial.”

— Peter F. Drucker

“In the realm of ideas, everything depends on enthusiasm; in the real world, all rests on perseverance.”

— Johann Wolfgang von Goethe

