User Guide for Startup Cash Requirements Template for a Small Startup

Welcome to your customized ModelSheet Template! We are delighted that you have chosen ModelSheet to get the most out of your spreadsheet models. In order to use your ModelSheet template effectively, we urge you to take a few minutes to read the description of what the template contains and the tips for using the template.

Contents

1 What the Startup Cash Requirements for a Small Startup Does

Your *Cash Requirements for a Small Startup* Template[1] helps you to organize and plan your cash spending when embarking on a startup venture. The Model provides some built-in segments for cash spending, and you can customize the individual spending accounts in each of these categories.

ModelSheet offers several planning templates for small startups. We recommend starting with *Sales Plan for a Small Startup*, next this template *Cash Requirements for a Small Startup*, then *Cash Flow for a Small Startup*, because the information from each of these templates is useful in setting up the following templates.

2 Entering Data into the Cash Requirements Template

Cells where you can enter data without breaking the model are shaded blue. You can edit this workbook like any Excel workbook, but you may change or break the model if you enter data or formulas in cells other than the blue input cells.

When you customized the template, you specified the number of accounts in each category. You can change the names of these accounts in Excel on the Labels worksheet. You cannot change the number of such accounts without making a new customized template.

2.1 Enter Cash Sources and Cash Spending Data

In each account in each category in the template, enter the data for cash receipts in the blue cells. The model will compute the cash requirements from this data.

2.2 Document Assumptions Behind the Numerical Input Data

When you customized an Advanced versions of the Cash Requirements Template, you had the option to include a separate worksheet that organizes your assumptions, in words. If your template has worksheet 'Assumptions', then (1) edit the names of the assumptions as you wish on the worksheet 'Labels' (not on worksheet 'Assumptions'), and (2) Enter or edit the statements of the assumptions in the blue cells on worksheet 'Assumptions'.

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[1] This template is an enhanced version of a cash requirements template used by SCORE (Service Corps of Retired Executives), an organization of counselors to small businesses. See http://www.score.org.

3 How to Understand the Variables and Computations in the Template

3.1 How to Use Excel Comments

Each variable in the Model has an Excel Comment attached to the worksheet cell that displays the name of that variable. Each Comment explains what the variable is and often tells you how it is used in the Model. At the end, each Comment displays the “formula name” of that variable, if the formula name differs from the displayed name.[2] The presence of an Excel Comment is indicated by a small red triangle in the upper right corner of the cell containing the variable display name.

Moving the mouse cursor over the cell, or left-clicking on the cell, causes the Excel Comment to appear.

3.2 How to Use the Labels Worksheet to Understand Variables and Dimensions in the Model

The “Labels Worksheet” tab is located towards the extreme right of the workbook tabs next to the “Formulas” tab. The “Labels Worksheet” is divided into two parts: top and bottom. The top portion displays the Model's *variables* arranged alphabetically by the variables' Formula Names; the bottom portion displays the Model's *dimensions* arranged alphabetically by the dimensions' Formula Names.

In the top portion of the worksheet, the first column lists the variables alphabetically by Formula Name; the second column shows the corresponding variable Display Name, and the third column shows the variables' definitions (the same definitions as in the Excel Comments). This tabular presentation of variables and their definitions provides the quickest way to get an overview of the Model's contents.

The bottom Portion of the “Labels Worksheet” shows the *dimensions* used in the Cash Requirements Model. Dimensions are a way of segmenting and organizing variables. For example, the variable Revenue can be broken out into various dimensions or categories of Revenue: Product Revenue, Channel Revenue, Location Revenue, and Customer Segment Revenue. The Dimensions portion of the Labels worksheet shows the structure of these various dimensions, how they are rolled up, and what they mean. Thus, the Channels dimension is itself split into Direct and Indirect segments; the Locations Dimension is divided into three segments (Americas, Asia, and Euro Zone); the Products and Customer Segment dimensions are similarly divided.

If looking at the “Variables” portion of the “Labels Worksheet” is the best way to get an overview of the Model’s variables and what they mean, examining the “Dimensions” portion of the “Labels Worksheet” is the best way to get an overview of how those variables are conceptually organized.

3.3 How to Edit Display Names, Comments, and the Model Start Date in the “Labels Worksheet”

You can change or edit the contents of any of the shaded cells in the "Labels Worksheet” to facilitate the overall readability of the Model’s worksheets and enhance the understandability and accessibility of the Model and its reports.

- You can change the display name of any variable, dimension or dimension item: These changes will propagate throughout the workbook automatically. Changes in a display name are generally made to make the name more readable or meaningful. Sometimes, however, you might change the display name of a variable *to more closely match the variable formula name*. Provided the sacrifice in readability and intuitiveness is small, the greater the congruence between the display and the formula names, the easier it is to understand the model.
- You can change the model start date located at the top of the worksheet. The new start date propagates throughout the model, including formulas and date labels. This feature greatly extends the useful life of your template.

✓ **Note:** We recommend that you change the model start date by a whole number of the largest time periods in your model. For example, if the basic time grain of your model is quarters, then change the model start date by a whole number of quarters. If your model contains annual sums, then change the model start date by a whole number of years, so the annual sums continue to function correctly.

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[2] Display names are set to whatever is most helpful in the Excel workbook. The formula names must be unique, descriptive, and contain no spaces. Therefore each variable in the Model has a display name that appears in Excel, and a formula name that appears in the underlying ModelSheet formulas.

- You can change the text of a comment associated with any variable or dimension. These new changes will NOT propagate through the workbook, so the "floating" Excel Comments in the worksheets will remain the same as before, because Excel provides no means change the comments automatically. HOWEVER, you can submit the edited "Labels Worksheet" to ModelSheet and receive a new template in which the altered comments ARE reflected in the Excel Comments. (The changes in the display names will be reflected in the new template as well.)

Being able to change the display names in one place and have the changes propagate throughout the Model is a very useful and desirable capability because it facilitates and enhances the understandability and usability of the model.

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