

USAID/WASHPaLS

Sanitation Enterprise Recruitment Toolkit

Projected Profit & Loss Statement Preparation Guide

Table of Contents

- Introduction
- Preparation of a projected Profit & Loss statement

Objective of this document

Intended outcomes

This document is intended to help implementers of MBS programs:

- Understand the various components of a profit & loss (P&L) statement for a sanitation enterprise
- Learn the Preparation of a projected P&L statement using the accompanying template

Value for MBS programs

By generating a projected P&L statement, implementers of MBS programs can

- Develop an **initial assessment of the viability** of sanitation enterprises in their contexts
- Develop the estimates of revenues and profits with entrepreneurs as part of a **marketing pitch to attract entrepreneurs** to set up sanitation enterprises

Additional references

This document is meant to be used along side two other documents that are part of this toolkit:

- **Projected Profit & Loss Statement Template:** An Excel template that allows users to enter inputs (based on conversations with the entrepreneur and local market data) to generate a projected P&L statement
- **Input Requirements:** A PDF document that highlights potential approaches and tips to gather various inputs required for constructing a projected P&L statement

Note: The methods in this document are intended to offer practitioners with guidance rather than a strict model to follow. Practitioners are encouraged to adapt the methods or consider other approaches for their contexts.

Legend

Legend for information on slides



Definition and concepts



Calculation and formulas



Tips for users



Projected P&L statement
template screenshots

Sanitation enterprise related icons



Sanitation enterprise



Electricity



Customer



Manual cart



Sales agent



Delivery vehicle



Labor



Repair



Money



Pit digging



Input supplier



Lending agency

Business lines icons



Sanitation



House construction



Brick manufacturing

Toilet component icons



Cement rings



Pit covers



Pan

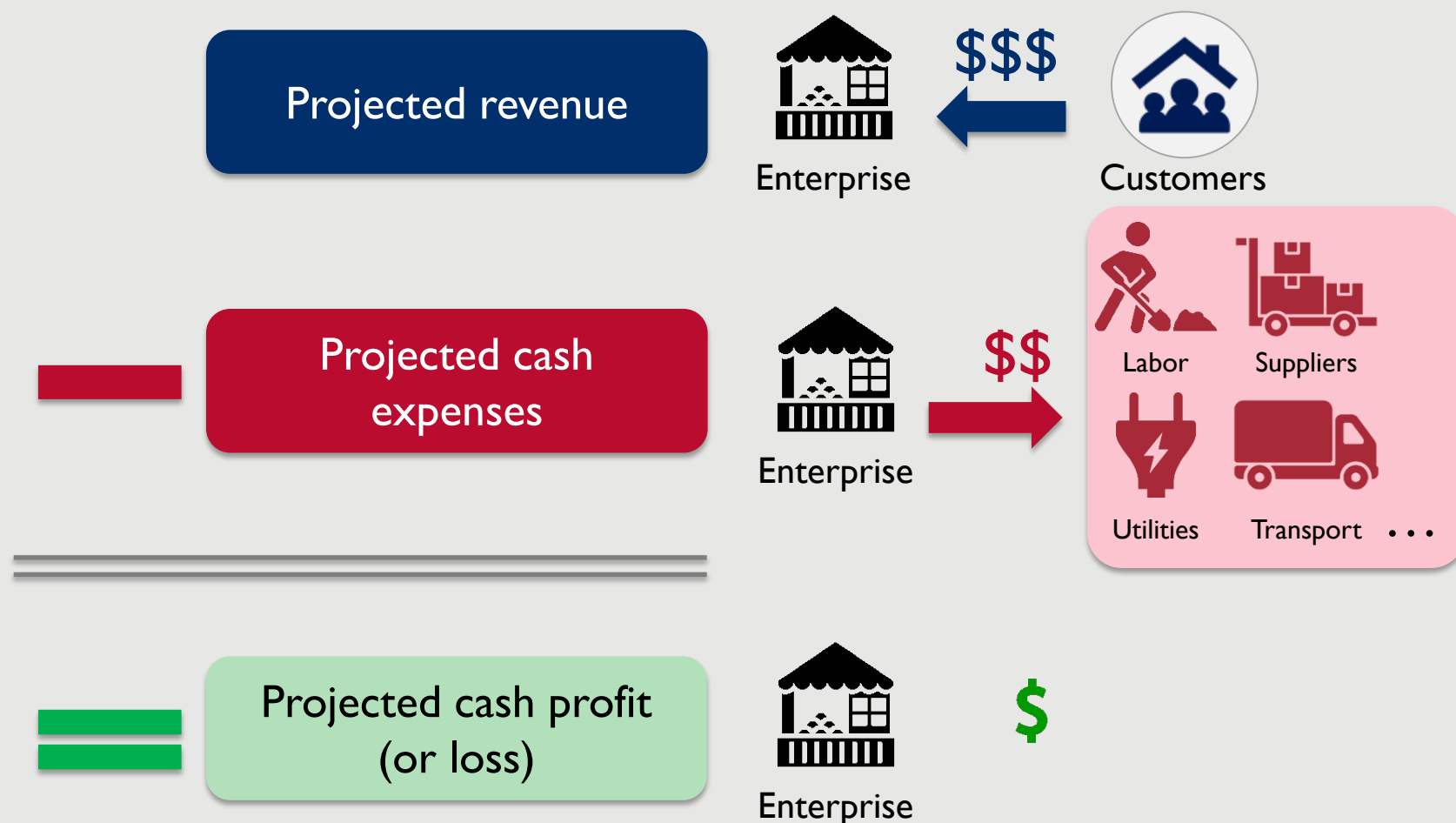


Pipe



Projected Profit & Loss Statement – Basic structure & concepts

The projected P&L statement as described in this document will calculate projected cash net profit which is a proxy for the actual cash income an entrepreneur is projected to earn. We use cash net profits as entrepreneurs typically focus on cash income when considering the attractiveness of a business. Therefore, we ignore non-cash expenses, i.e., depreciation, which is included in a conventional P&L statement.





How to use the projected P&L statement template?

This document should be read with the accompanying Microsoft Excel template that allows users to enter various inputs to generate a projected P&L statement for a sanitation enterprise.

Intro sheet of projected P&L statement template

USAID
FROM THE AMERICAN PEOPLE

Projected Profit and Loss (P&L) Statement Template

This Projected P&L Statement Template was prepared by FSG. Rishi Agarwal led the development with essential participation from Subhash Chennuri, Abhishek Khanna, and Apurva Shukla (FSG).

The authors would like to acknowledge the generous contribution and thought partnership of WASHPaLS Project Director Morris Israel of Tetra Tech, WASHPaLS Deputy Project Director Dr. Jeff Albert of Aquaya, and WASHPaLS Research Advisor Dr. Nirm Jermis.

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Intro Overview Definitions P&L_1

Navigation sheets

Projected P&L statement template

Projected P&L statement template for each enterprise

Calculated P&L statement

Enterprise details		
Name of prospective enterprise	Acme	
Date of interview	31-Dec-16	

P&L statement summary		
Revenue		As a % of total revenue
Revenue from toilet sales	30,800.0	87%
Revenue from related services	4,882.0	13%
Cost of goods sold		
Raw materials	25,189.2	71%
Direct labor	2,040.0	6%
Transport of raw materials	1,440.0	
Gross profit	6,822.8	
Gross margin	19%	
Operating expenses		
Transport for delivery	1,358.4	4%
Land rent	240.0	1%
Utilities	31.0	0%
Marketing (commissions)	0.0	0%
Marketing (non-commission)	0.0	0%
Repairs	41.0	0%
Operating profit	4,952.4	
Operating margin	14%	
Other expenses		
Interest	43.2	0%
Cash net profit	4,909.2	
Cash net margin	14%	

Enterprise details

Calculated projected P&L statement

Section for user to enter inputs

Calculations	
Revenue	
Revenue from toilet sales	
Revenue from related services	
Cost of goods sold	
Raw Material costs	
Direct Labour costs	
Transport (raw material procurement costs)	0.0

Template to calculate each line item of the projected P&L statement



How to use the projected P&L statement template?

Headings

- In the section for user to enter inputs, all line items have been organized at different heading levels to make the template easier to use

78	1
79	
80	
81	
82	1.1
93	1.2
104	1.3
115	1.4

1 indicates that it is the first line item of the projected P&L statement

Level 1.1-1.14 are sub-headings within the No. 1 line item

Grouped rows

- Certain rows in the template have been grouped together to make the template easier to use

82	1.1	Revenue from sales of Toilet Package 1
93	1.2	Revenue from sales of Toilet Package 2
104	1.3	Revenue from sales of Toilet Package 3
115		Revenue from sales of individual components

Example of Grouped Rows from Number 82-93

- These rows can be grouped / ungrouped by clicking the + or - button on the left side of the screen

78
79
80
81
82
+
93
+
104
+
115
+
171
-
172

“+” and “-” buttons

Conditional formatting

- The section for user to enter inputs has been designed to offer the user multiple methods of computation for a line item
- In some cases, selecting a computation method grays the irrelevant areas of the projected P&L statement

Revenue	
Revenue from toilet sales	2,400.0
Enterprise sells:	
Individual sanitation components	
Revenue from sales of Toilet Package 1	2,000.0
Revenue from sales of Toilet Package 2	0.0
Revenue from sales of Toilet Package 3	0.0
Revenue from sales of individual components	2,400.0

Irrelevant sections have been grayed out due to an option selected by the user

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- Introduction
- Preparation of a projected Profit & Loss statement
 - Estimated sales volumes
 - Projected revenue
 - Projected cash expenses



Estimated sales volumes

A projected P&L statement requires an estimation of the sales volumes of different products that will be sold by the sanitation enterprise. These can be estimated based on two general enterprise choices made by the enterprise:

- **The prospective target markets, which is defined by a) the size of the market, and b) the share of the market likely to buy toilets**
- **The marketing strategy**





Size of the target market

A target market is a group of households that share common characteristics (e.g., similar incomes, preferences) and are located close enough to an enterprise which can reasonably serve them. The entrepreneur can choose one or more target market(s) for selling sanitation products and services.

The size of the target market is calculated by multiplying the following:

- **Total number of households that share common characteristics**
- **Share of these households without improved sanitation**

Size of target market

Total number of
households that share
common characteristics



% of these households
without improved
sanitation



Tip

In the template (as illustrated in the next slide), we define 4 target markets based on income quartiles as an example. Users can use any other criteria that is appropriate for their contexts, and can also define a different number of target markets.



Defining size of target markets in projected P&L statement template

Screenshot of “General enterprise choices” of the projected P&L statement template

Navigation

L1L2L3

General enterprise choices

Target Markets

Target Market 1

Name of target market

Total no. of households

% of households without improved sanitation

No. of households in Target Market 1

First income quartile

10,000

20%

2,000

Target Market 2

Name of target market

Total no. of households

% of households without improved sanitation

No. of households in Target Market 2

Second income quartile

40,000

40%

16,000

Target Market 3

Name of target market

Total no. of households

% of households without improved sanitation

No. of households in Target Market 3

Third income quartile

10,000

10%

1,000

Target Market 4

Name of target market

Total no. of households

% of households without improved sanitation

No. of households in Target Market 4

Fourth income quartile

10,000

10%

1,000

1 Specify name of of Target Market I

2 Enter total no. of HHs and % of HHs without improved sanitation

3 Enter details of other Target Markets similarly

Legend

User inputs

Totals

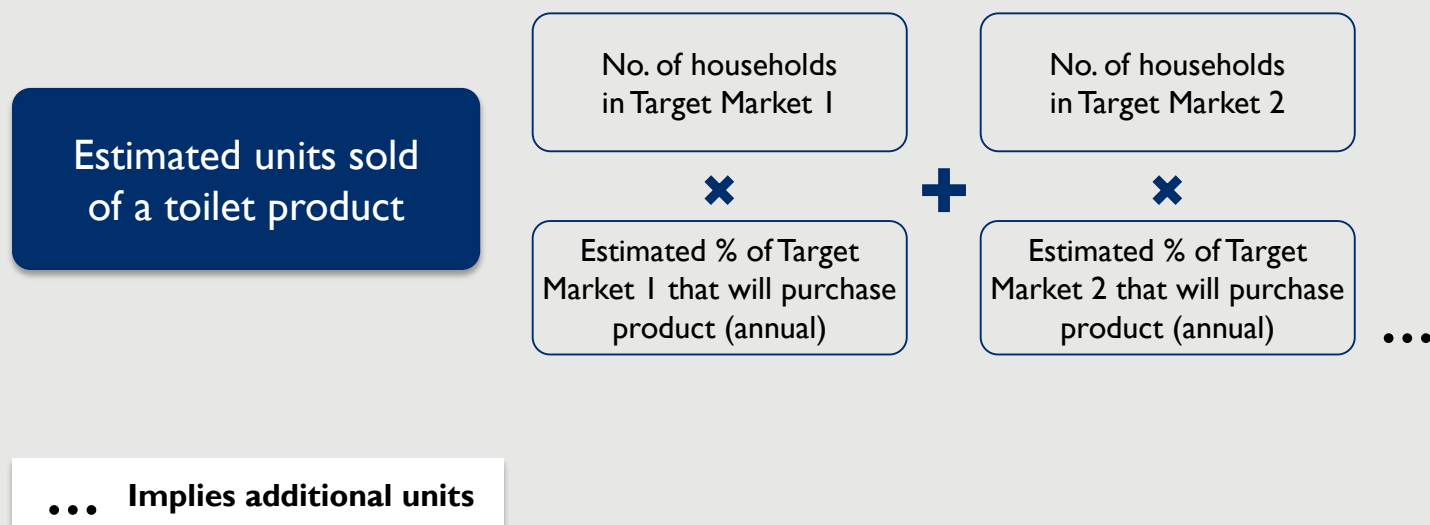
Calculations

Grayed Section



Share of target market likely to buy toilets

Once the size of the target markets is defined, the implementer and entrepreneur can arrive at estimates of the share of households in different target markets that are likely to buy a given toilet product. This will give an estimate of the total sales volumes of a toilet product.



The template allows users to vary the shares of different target markets that purchase a product, for different products. This provides users with the flexibility to differentiate the purchase rate for different combinations of products and target markets. For example, a greater share of an affluent target market may buy a more expensive product, compared to a less affluent target market.



Defining share of target market likely to buy toilets in projected P&L statement template

Screenshot of Heading 1.1 of the projected P&L statement template

Revenue	
1	Revenue from toilet sales 35,760.0
Enterprise will sell:	
Combination of toilet packages and individual sanitation components	
1.1	Revenue from sales of Toilet Package 1 30,600.0
Name of Toilet Package 1	
Price of Toilet Package 1 (per unit)	
Estimated % of Target Market 1 that will purchase Toilet Package 1 annually	
Estimated % of Target Market 2 that will purchase Toilet Package 1 annually	
Estimated % of Target Market 3 that will purchase Toilet Package 1 annually	
Estimated % of Target Market 4 that will purchase Toilet Package 1 annually	
Estimated units of Toilet Package 1 sold (annually)	
Revenue from sales of Toilet Package 1 (annually)	

Enter estimated % of different target markets that will purchase Toilet Package 1 annually

Template calculates estimated units sold by multiplying “estimated % of different target markets that will purchase product” with “size of different target markets” as defined earlier

Note: In the template, the “Marketing Strategy” (row 71) is set to “Marketing through sales agents” resulting in the estimated units of Toilet Package 1 sold (annually) as 408; other options for the Marketing Strategy will alter this estimate

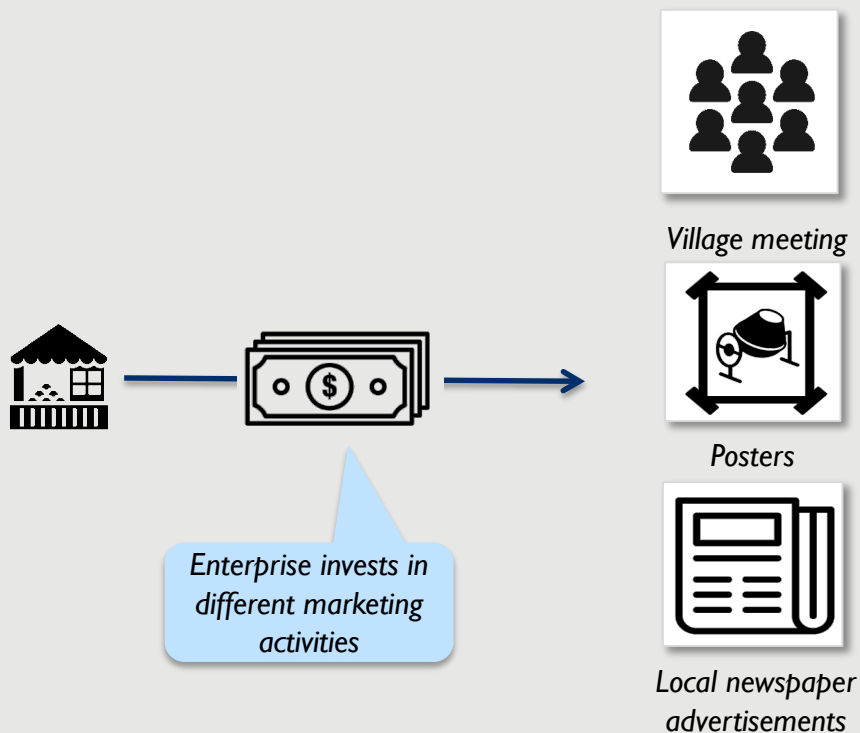
Legend	
	User inputs
	Totals
	Calculations
	Grayed Section



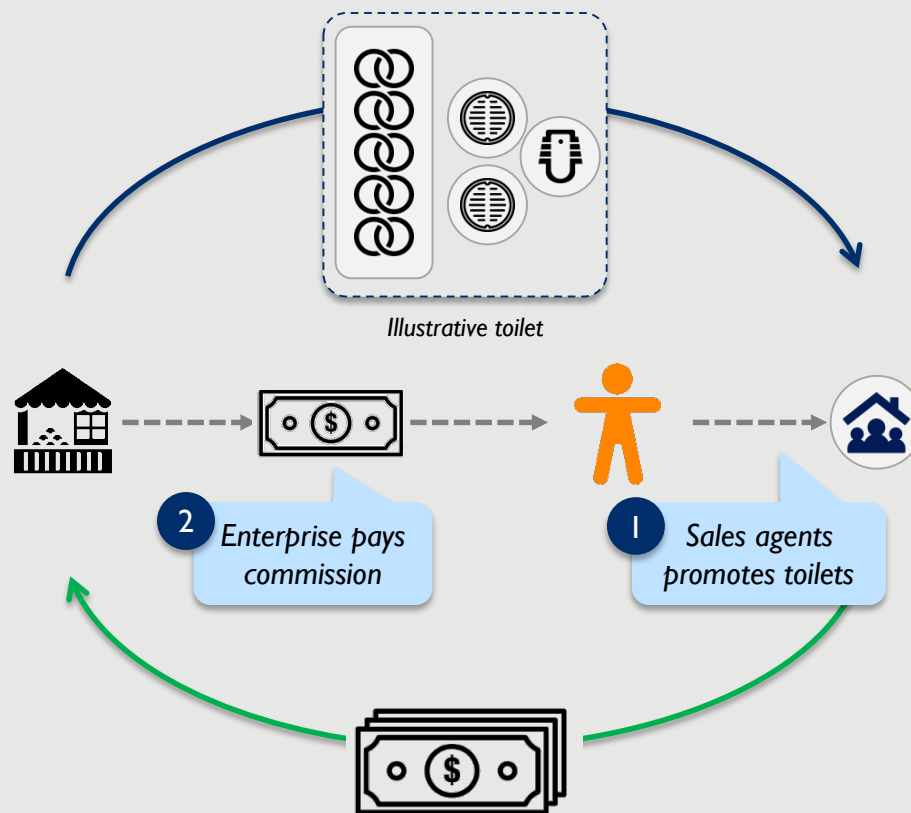
Marketing strategy

The implementer and entrepreneur can choose different marketing strategies that the sanitation enterprise will adopt, which will further influence estimated sales volumes. Typically, sanitation enterprises have 3 options – they will invest in active self-marketing, use sales agents, or do neither.

Illustrative active self-marketing



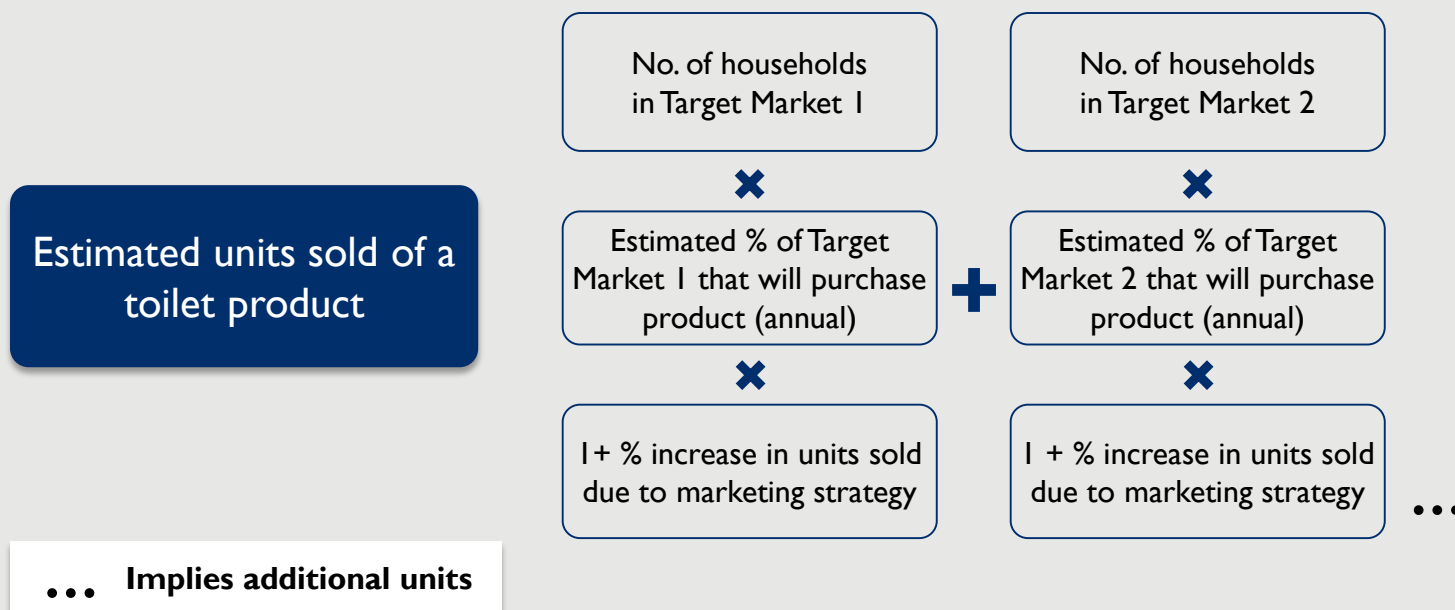
Illustrative use of sales agents





Estimating sales volumes based on marketing strategy

The implementer and entrepreneur can define the impact of different marketing strategies, which will increase the estimated units sold, over and above the estimate generated by defining the target markets for different products.



Tip

- Users can also choose “no marketing” as an option, which will lead to the estimate described in slide 11
- The template allows users to define the impact of either doing active self-marketing, or using sales agents, but not the combined impact of the two. We are assuming that it is unlikely that a new sanitation enterprise will be able to do both marketing strategies when starting out.



Estimating sales volumes based on marketing strategy in projected P&L statement template

Screenshot of “General enterprise choices” of the projected P&L statement template

Marketing Strategies	
Marketing strategy of enterprise	Marketing through sales agents
% increase in units sold due to active self-marketing	10%
% increase in units sold due to marketing through sales agents	20%

1 Enter the marketing strategy of the enterprise, i.e., either “No marketing” or “Active self-marketing” or “Marketing through sales agents”

2 Enter the % increase in units sold due to marketing strategy employed. Leave both at 0% if “No marketing” is selected

Legend





	User inputs
	Totals
	Calculations
	Grayed Section

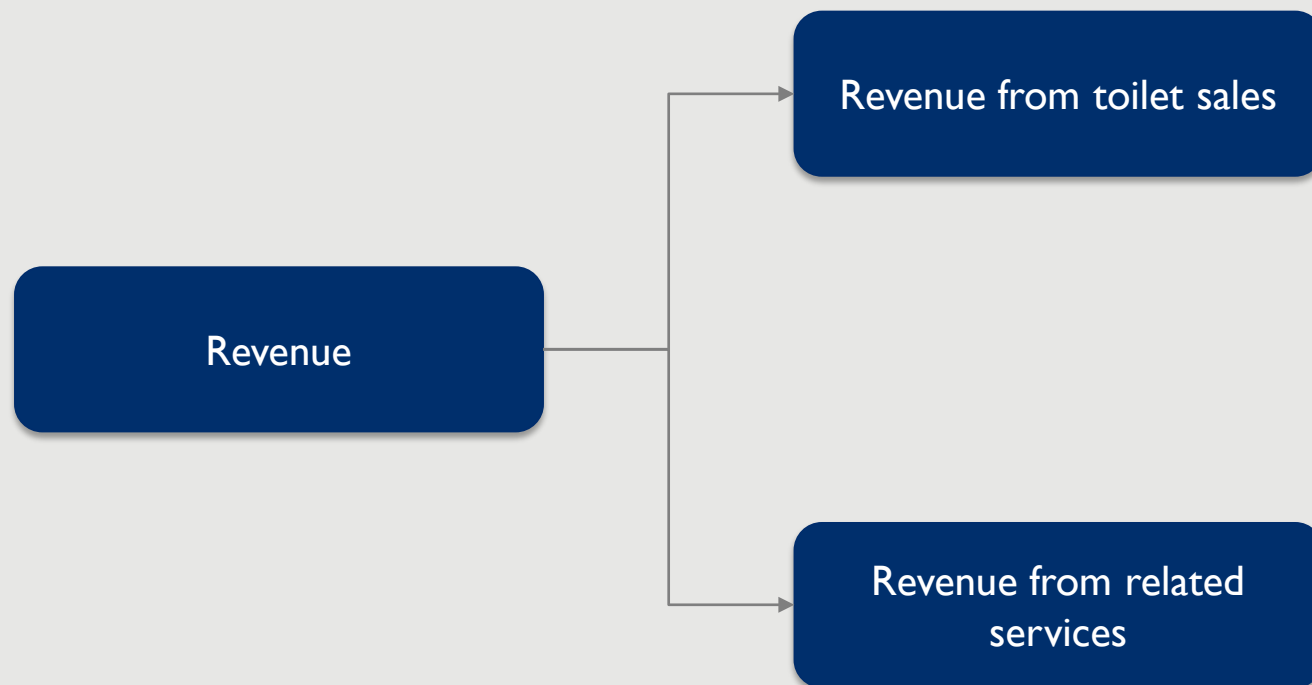
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Revenue for sanitation enterprises

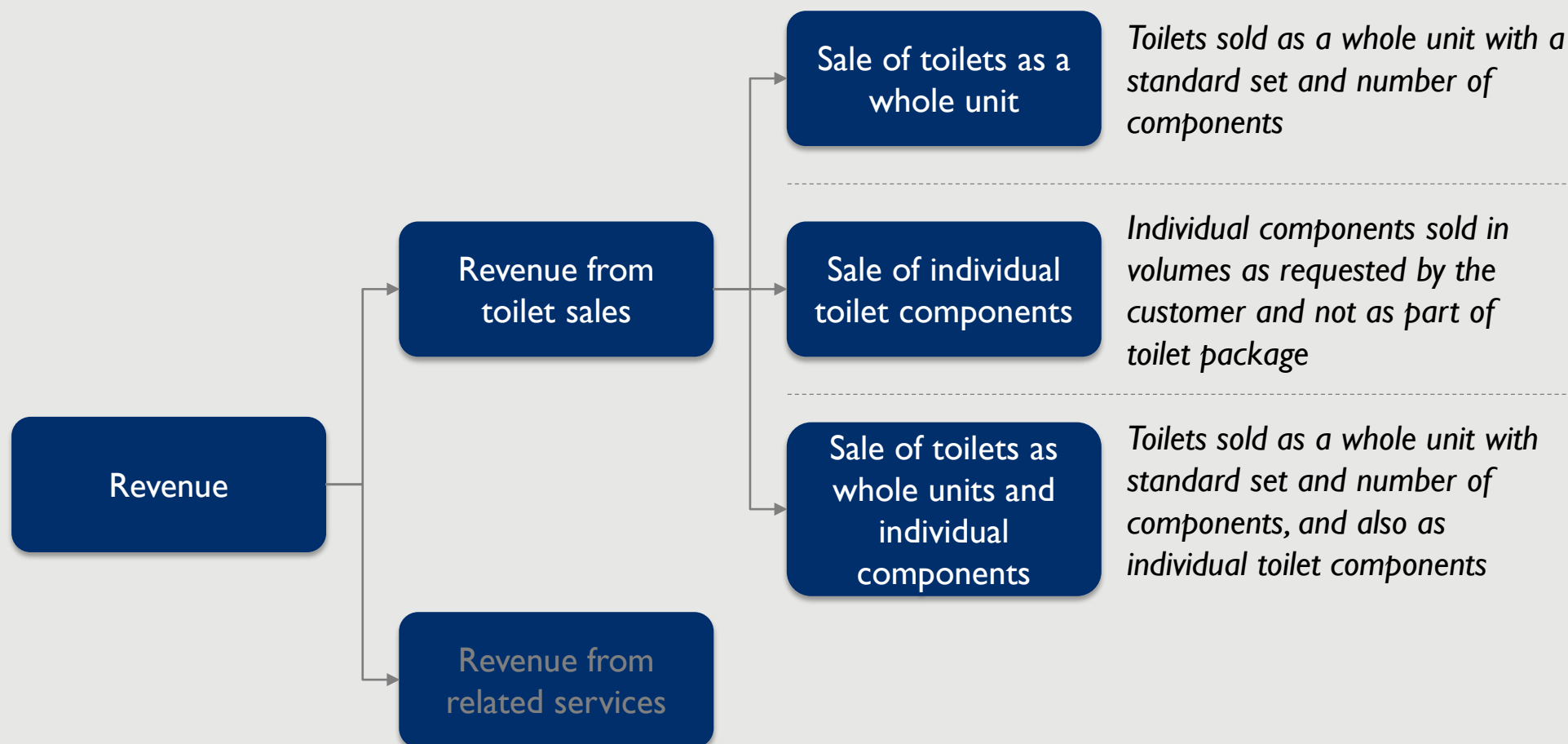
Revenue for sanitation enterprises will be the money that is received by selling toilets, providing related services, or both.





Revenue from toilet sales

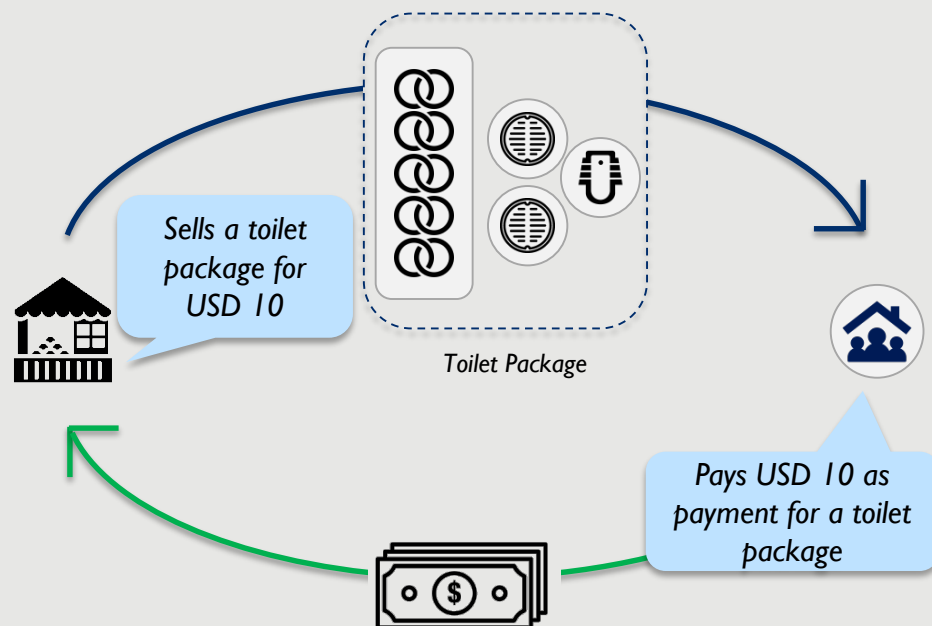
Sanitation enterprises will typically sell toilets as whole units (i.e., sell toilets as a full package), or individual toilet components (e.g., only cement rings), or both.



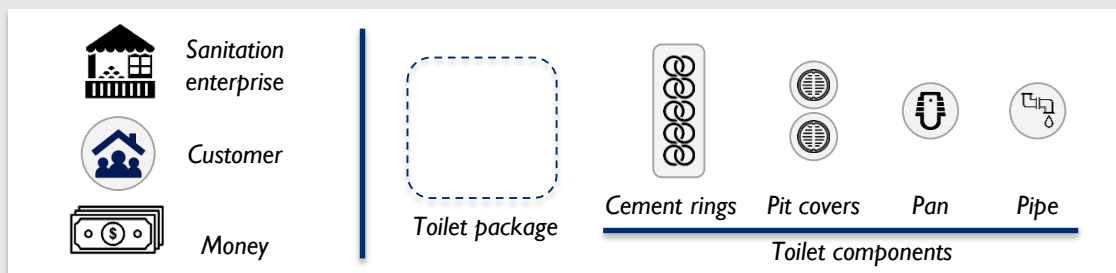
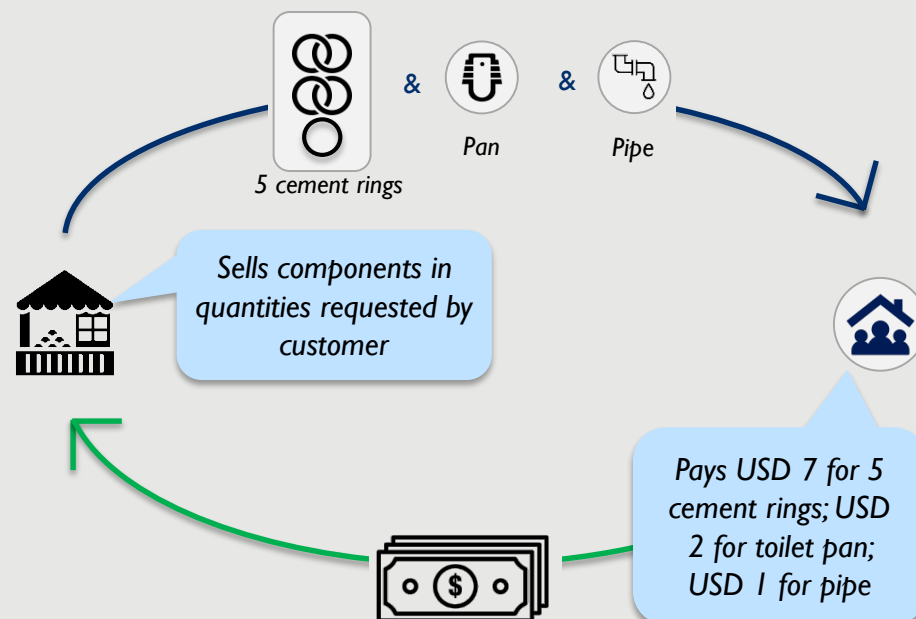


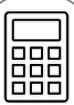
Revenue from toilet sales

Illustrative revenue from sale of a toilet package

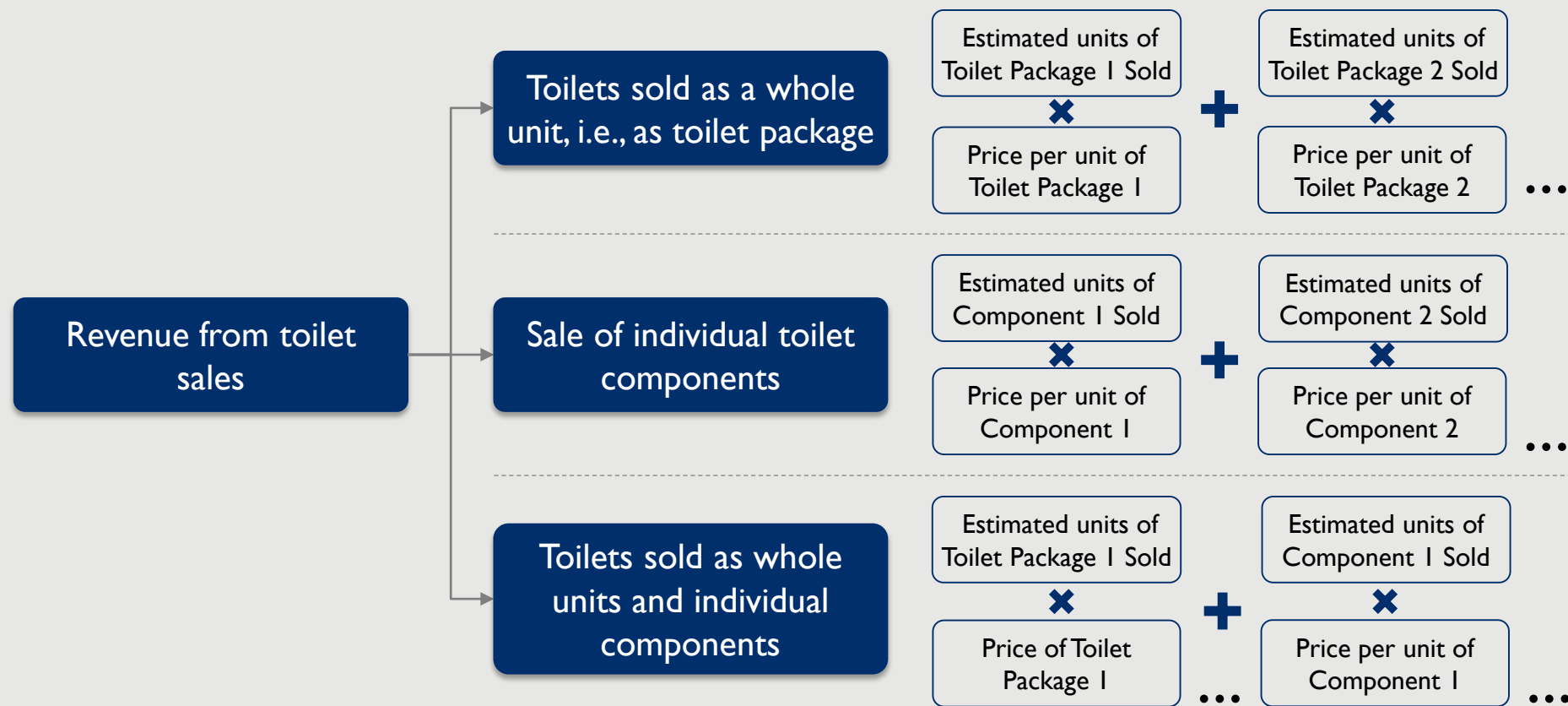


Illustrative revenue from sale of individual toilet components





Revenue from toilet sales



... Implies additional units



Recording revenue from toilet sales in projected P&L statement template - Revenue from sales of toilets sold as toilet packages, i.e., whole units

Screenshot of Heading 1.1 of the projected P&L statement template

1

Revenue

Revenue from toilet sales

35,760.0

Sub-total of 1.1 to 1.4

Enterprise will sell:

1.1

Revenue from sales of Toilet Package 1

408 sets * USD 75 each = USD 30,600

30,600.0

Combination of toilet packages and individual sanitation components

1

Select products that the enterprise will sell, i.e., combination of toilet packages and individual sanitation components in this case

Name of Toilet Package 1

Price of Toilet Package 1 (per unit)

Estimated % of Target Market 1 that will purchase Toilet Package 1 annually

Estimated % of Target Market 2 that will purchase Toilet Package 1 annually

Estimated % of Target Market 3 that will purchase Toilet Package 1 annually

Estimated % of Target Market 4 that will purchase Toilet Package 1 annually

Estimated units of Toilet Package 1 sold (annually)

Revenue from sales of Toilet Package 1 (annually)

Dual-Set

75.0

1%

2%

0%

0%

408.0

30,600.0

2

Enter name of toilet package, the price of each unit of relevant package, estimated % of each Target Market that will purchase the package annually

3

If the enterprise will sell more than one kind of package, enter details of additional packages

Legend

User inputs

Totals

Calculations

Grayed Section



Recording revenue from toilet sales in projected P&L statement template - Revenue from sales of individual components

Screenshot of Heading 1.1 to 1.4 of the projected P&L statement template

1	Revenue	
1	Revenue from toilet sales	35,760.0
	Enterprise will sell:	Combination of toilet packages and individual sanitation components
1.1	Revenue from sales of Toilet Package 1	30,600.0
1.2	Revenue from sales of Toilet Package 2	
1.3	Revenue from sales of Toilet Package 3	0.0
1.4	Revenue from sales of individual components	5,160.0
	Sub-total of 1.4.1 to 1.4.5	
1.4.1	Component 1	4,080.0
	Name of Component 1	Rings
	Price of Component 1 (per unit)	10.0
	Estimated % of Target Market 1 that will purchase Component 1 annually	1%
	Estimated % of Target Market 2 that will purchase Component 1 annually	2%
	Estimated % of Target Market 3 that will purchase Component 1 annually	0%
	Estimated % of Target Market 4 that will purchase Component 1 annually	0%
	Estimated units of Component 1 sold (annually)	408.0
	Revenue from sales of Component 1 (annually)	4,080.0
	Sub-total of 1.4.1	
	$408 \text{ rings} \times \text{USD } 10 = \text{USD } 4,080$	
1.4.2	Component 2	1,080.0
	Name of Component 2	Pans
	Price of Component 2 (per unit)	5.0
	Estimated % of Target Market 1 that will purchase Component 2 annually	1%
	Estimated % of Target Market 2 that will purchase Component 2 annually	1%
	Estimated % of Target Market 3 that will purchase Component 2 annually	0%
	Estimated % of Target Market 4 that will purchase Component 2 annually	0%
	Estimated units of Component 2 sold (annually)	216.0
	Revenue from sales of Component 2 (annually)	1,080.0
	Sub-total of 1.4.2	
	$216 \text{ pans} \times \text{USD } 5 = \text{USD } 1,080$	

Sub-total of 1.1 to 1.4

1 Select products that the enterprise will sell, i.e., combination of toilet packages and individual sanitation components in this case

2 Enter name of component, the price of each unit of component, estimated % of each Target Market that will purchase the component

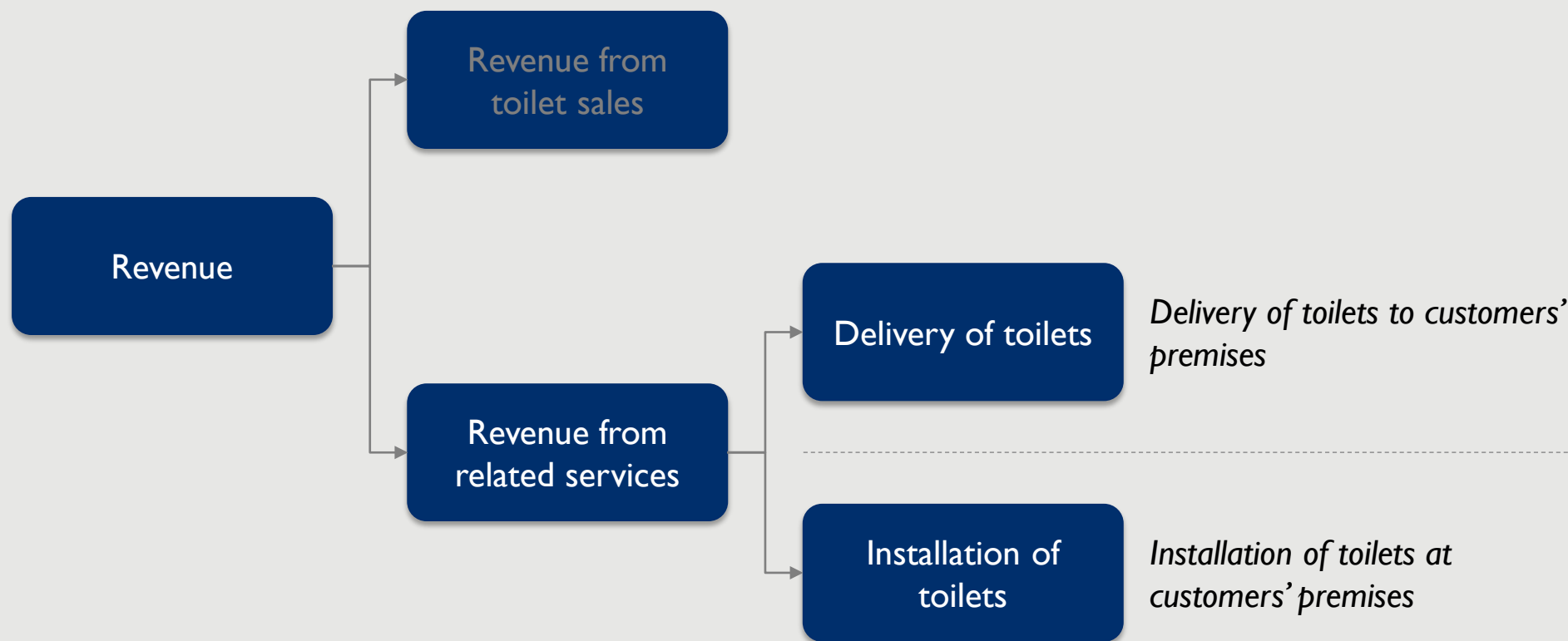
3 If the enterprise will sell more than one kind of components, enter details of additional components

Legend	
	User inputs
	Totals
	Calculations
	Grayed Section



Revenue from related services

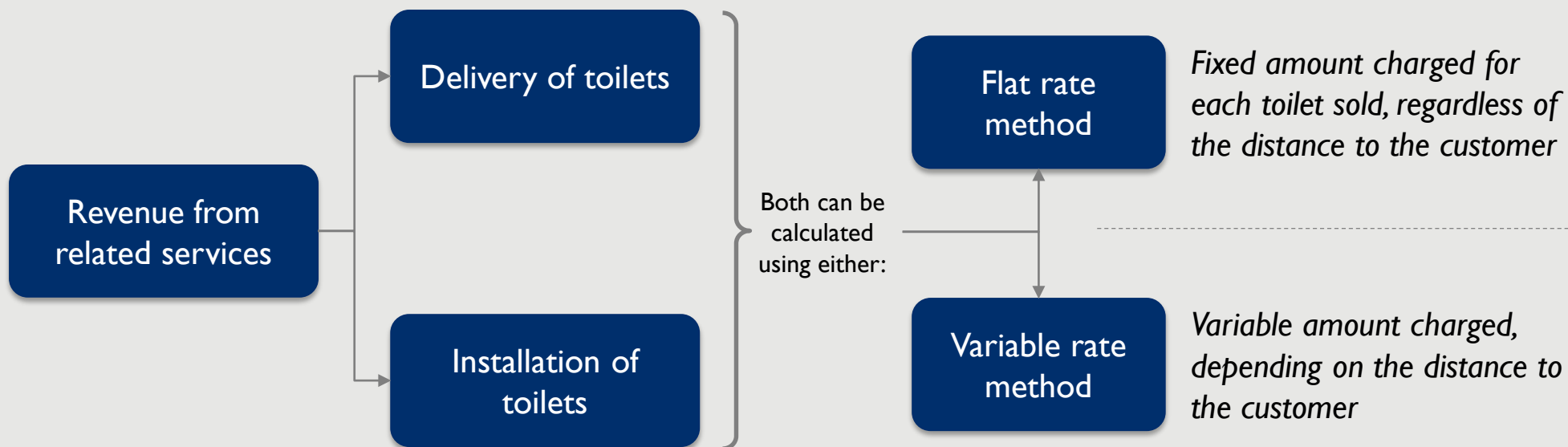
Sanitation enterprises can provide two related services to customers—delivery and/or installation of toilets—and either charge separately or include them in the price of the toilet (in which case this line item should be ignored).





Revenue from related services

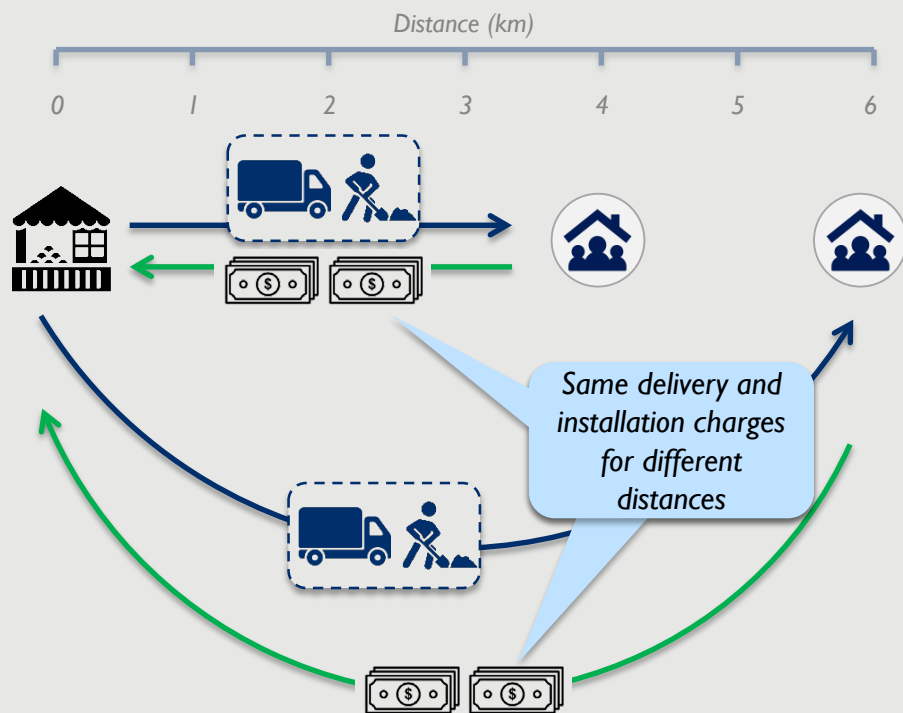
Sanitation enterprises that will charge separately for related services, can price the services using either a flat rate per toilet or a variable rate per toilet sold, with the variable rate depending on the distance to the customer.



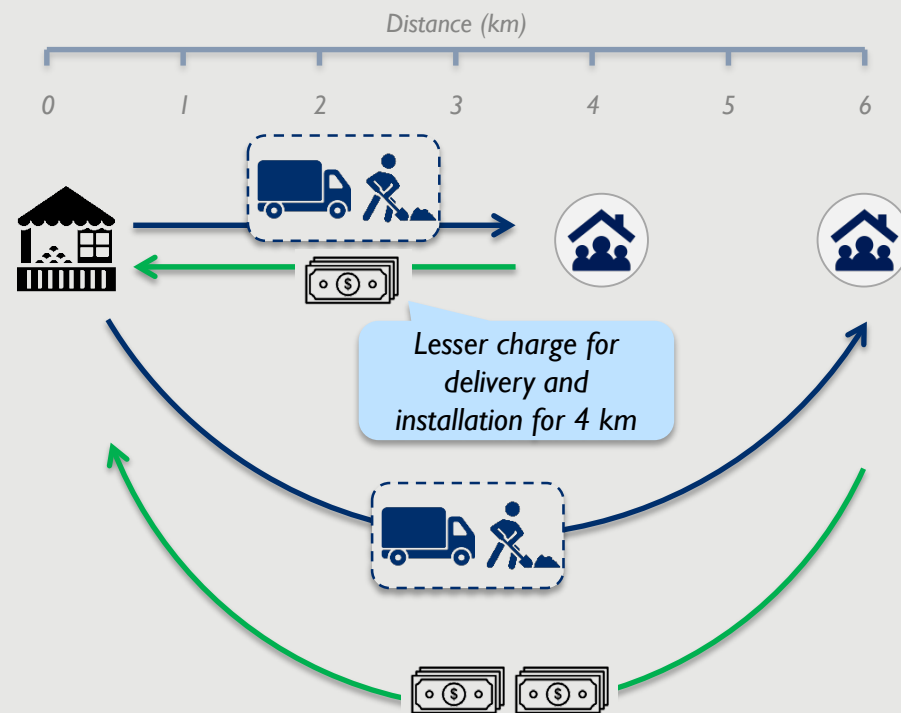


Revenue from related services

Illustrative flat rate method

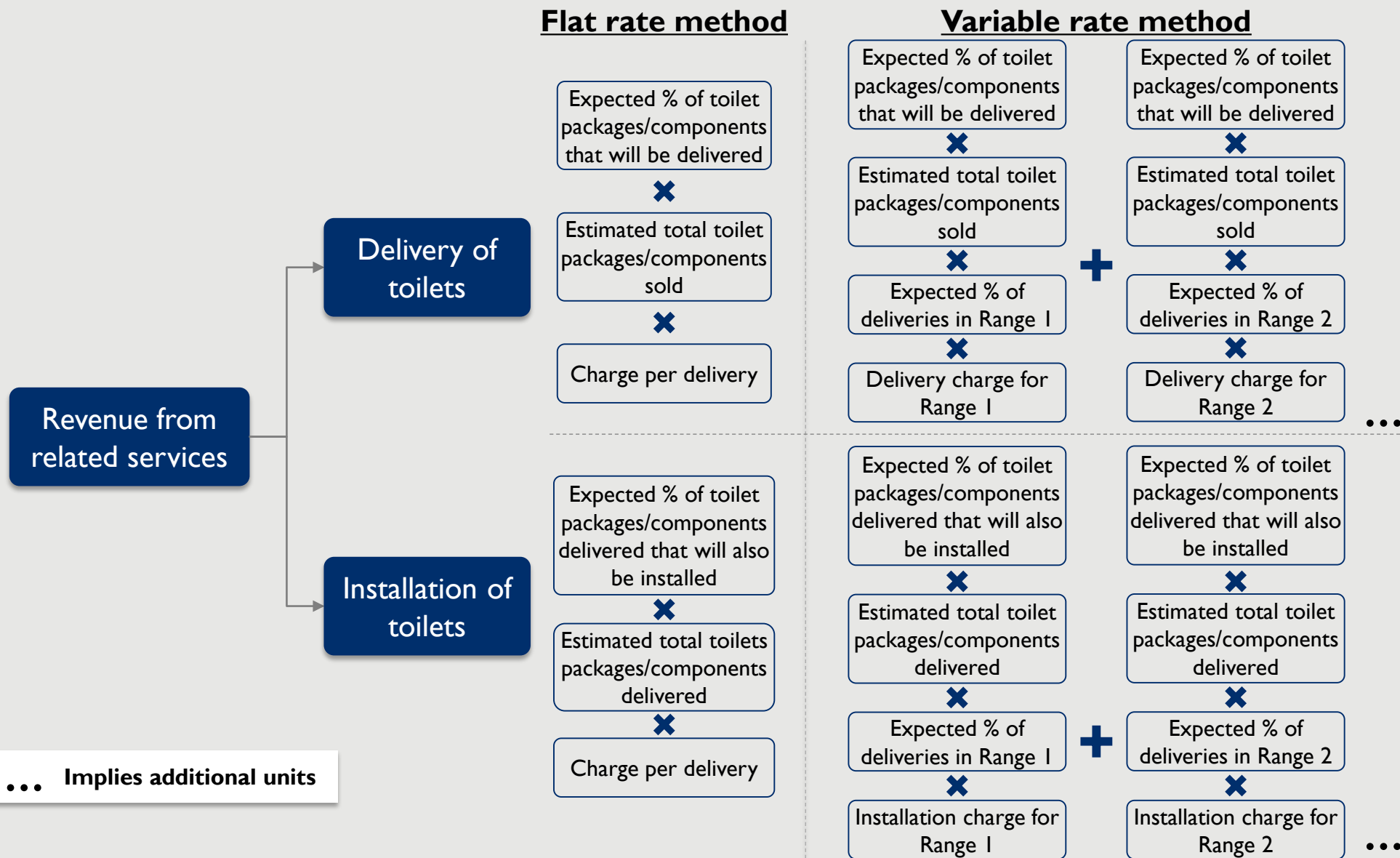


Illustrative variable rate method





Revenue from related services





Recording revenue from related services in the projected P&L statement template - Calculated as a flat rate per delivery/installation

Screenshot of Heading 2.1 of the projected P&L statement template

2	Revenue from related services	0.0
	Will related services (delivery & installation of toilets) be charged separately from price of toilet?	Yes
	Method of charging for related services	Flat rate method
2.1	Method 1: Flat rate method	0.0
	Expected % of all Toilet Packages 1 that will be delivered	
	Expected % of all Toilet Packages 2 that will be delivered	
	Expected % of all Toilet Packages 3 that will be delivered	
	Expected % of all Component 1 that will be delivered	
	Expected % of all Component 2 that will be delivered (component sold individually, not as part of toilet package)	
	Expected % of all Component 3 that will be delivered (component sold individually, not as part of toilet package)	
	Expected % of all Component 4 that will be delivered (component sold individually, not as part of toilet package)	
	Expected % of all Component 5 that will be delivered (component sold individually, not as part of toilet package)	
	Expected % of all Toilet Packages 1 delivered that will also be installed	
	Expected % of all Toilet Packages 2 delivered that will also be installed	
	Expected % of all Toilet Packages 3 delivered that will also be installed	
	Expected % of all Component 1 delivered that will also be installed (component sold individually, not as part of toilet package)	
	Expected % of all Component 2 delivered that will also be installed (component sold individually, not as part of toilet package)	
	Expected % of all Component 3 delivered that will also be installed (component sold individually, not as part of toilet package)	
	Expected % of all Component 4 delivered that will also be installed (component sold individually, not as part of toilet package)	
	Expected % of all Component 5 delivered that will also be installed (component sold individually, not as part of toilet package)	
	Delivery charge per Toilet Package 1	
	Delivery charge per Toilet Package 2	
	Delivery charge per Toilet Package 3	
	Delivery charge per Component 1 (sold individually, not as part of toilet package)	
	Delivery charge per Component 2 (sold individually, not as part of toilet package)	
	Delivery charge per Component 3 (sold individually, not as part of toilet package)	
	Delivery charge per Component 4 (sold individually, not as part of toilet package)	
	Delivery charge per Component 5 (sold individually, not as part of toilet package)	
	Installation charge per Toilet Package 1	
	Installation charge per Toilet Package 2	
	Installation charge per Toilet Package 3	
	Installation charge per Component 1 (sold individually, not as part of toilet package)	
	Installation charge per Component 2 (sold individually, not as part of toilet package)	
	Installation charge per Component 3 (sold individually, not as part of toilet package)	
	Installation charge per Component 4 (sold individually, not as part of toilet package)	
	Installation charge per Component 5 (sold individually, not as part of toilet package)	
	Estimated units of Toilet Package 1 sold	408.0
	Estimated units of Toilet Package 2 sold	216.0
	Estimated units of Toilet Package 3 sold	0.0
	Estimated units of Component 1 sold (individually, not as part of toilet package)	408.0
	Estimated units of Component 2 sold (individually, not as part of toilet package)	216.0
	Estimated units of Component 3 sold (individually, not as part of toilet package)	0.0
	Estimated units of Component 4 sold (individually, not as part of toilet package)	0.0
	Estimated units of Component 5 sold (individually, not as part of toilet package)	0.0
	Delivery income from sales of individual components	0.0
	Installation income from sales of individual components	0.0

2 Select method of calculation of revenue from related services

Sub-total of 2.1

Sub-total of 2.1 and 2.2

1 Select Yes/No depending on whether enterprise will charge for services

3 Enter Estimated % of toilet packages/individual components that will be delivered, and delivered and installed

4 Enter delivery and installation charges for toilet packages/individual components sold

Sourced from LI – Revenue from toilet sales

Delivery income = Estd. % of toilet packages/individual components delivered x Delivery charge x Total units sold

Installation income = Estd. % of toilet packages/individual components delivered that will also be installed x Installation charge x Total units sold

Legend

User inputs

Totals

Calculations

Grayed Section



Recording revenue from related services in the projected P&L statement template - Calculated as a variable rate

Screenshot of Heading 2.2 of the projected P&L statement template

2

Revenue from related services

7,132.8

Will related services (delivery & installation of toilets) be charged separately from price of toilet?

Yes

Method of charging for related services

Variable rate method

2.1

Method 1: Flat rate method

0.0

2.2

Method 2: Variable rate method

7,132.8

Expected % of all Toilet Packages 1 that will be delivered

100%

Expected % of all Toilet Packages 2 that will be delivered

Expected % of all Toilet Packages 3 that will be delivered

Expected % of all Component 1 that will be delivered (component sold individually, not as part of toilet package)

80%

Expected % of all Component 2 that will be delivered (component sold individually, not as part of toilet package)

100%

Expected % of all Component 3 that will be delivered (component sold individually, not as part of toilet package)

Expected % of all Component 4 that will be delivered (component sold individually, not as part of toilet package)

Expected % of all Component 5 that will be delivered (component sold individually, not as part of toilet package)

Expected % of all Toilet Packages 1 delivered that will also be installed

100%

Expected % of all Toilet Packages 2 delivered that will also be installed

Expected % of all Toilet Packages 3 delivered that will also be installed

Expected % of all Component 1 delivered that will also be installed (component sold individually, not as part of toilet package)

80%

Expected % of all Component 2 delivered that will also be installed (component sold individually, not as part of toilet package)

80%

Expected % of all Component 3 delivered that will also be installed (component sold individually, not as part of toilet package)

Expected % of all Component 4 delivered that will also be installed (component sold individually, not as part of toilet package)

Expected % of all Component 5 delivered that will also be installed (component sold individually, not as part of toilet package)

Typical ranges to which deliveries will be performed

Range 1

Range 2

Range 3

Expected % of deliveries in each range (a

Range 1

Range 2

Range 3

Sum

Sub-total of 2.2

1

Enter Expected % of toilet packages/individual components that will be delivered, and delivered and installed

2

Enter the ranges to which enterprise will deliver/install products

3

Enter the split of deliveries across ranges

Note

Split of deliveries for different ranges been assumed same for all products (all toilet packages and individual components) as often, the delivery ranges and delivery split remains constant across products

Min (in km)

Max (in km)

0.0

5.0

5.0

10.0

10.0

15.0

50%

25%

25%

100%

Contd. on next slide

Legend

User inputs

Totals

Calculations

Grayed Section



Recording revenue from related services in the projected P&L statement template - Calculated as a variable rate

Screenshot of Heading 2.2 of the projected P&L statement template

Contd. from previous slide

Delivery charge per delivery range (per unit of toilet package sold)

Delivery charge per Range 1
Delivery charge per Range 2
Delivery charge per Range 3

Installation charge per delivery range (per unit of toilet package sold)

Note

Typically, installation charges will not vary by range. The template has the flexibility if such a situation exists.

Note

Charges for a given range assumed to be the same for all toilet packages

Installation charge per delivery range (per unit of individual component sold)

Installation charge per delivery range (per unit of individual component sold)

Installation charge per Range 1
Installation charge per Range 2
Installation charge per Range 3

Note

Charges for a given range assumed to be the same for all individual components

Estimated units of Toilet Package 1 sold
Estimated units of Toilet Package 2 sold
Estimated units of Toilet Package 3 sold

Estimated units of Component 1 sold (individually, not as part of toilet package)
Estimated units of Component 2 sold (individually, not as part of toilet package)
Estimated units of Component 3 sold (individually, not as part of toilet package)
Estimated units of Component 4 sold (individually, not as part of toilet package)
Estimated units of Component 5 sold (individually, not as part of toilet package)

Sourced from LI – Revenue from toilet sales

Delivery revenue = Expected % of toilet packages/individual components that will be delivered x Estd.Total toilet packages/individual components sold x % of deliveries (in Range 1) x Delivery charge (for Range 1) + ...

Installation revenue = Expected % of toilet packages/individual components delivered that will also be installed x Expected % of toilet packages/individual components that will be delivered x Estd.Total toilet packages/individual components sold x % of deliveries (in Range 1) x Installation charge (for Range 1) + ...

5.0
6.0
7.0

5.0
6.0
7.0

5.0
5.0
5.0

5.0
5.0
5.0

408.0
216.0
0.0
408.0
216.0
0.0
0.0
0.0

2,346.0
0.0
0.0
1,356.0

2,346.0
0.0
0.0
1,084.8

1

Enter delivery and installation charges for toilet packages sold

2

Enter delivery and installation charges for individual components sold

Legend

	User inputs
	Totals
	Calculations
	Grayed Section

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- Introduction
- Preparation of a projected Profit & Loss statement
 - Estimated sales volumes
 - Projected revenue
 - Projected cash expenses



Cash expenses for sanitation enterprises

The cash expenses that will be incurred by sanitation enterprises will comprise of costs directly related to manufacture toilets and/or provide related services, and other indirect costs not linked to the manufacture of each toilet, but required to operate the business.

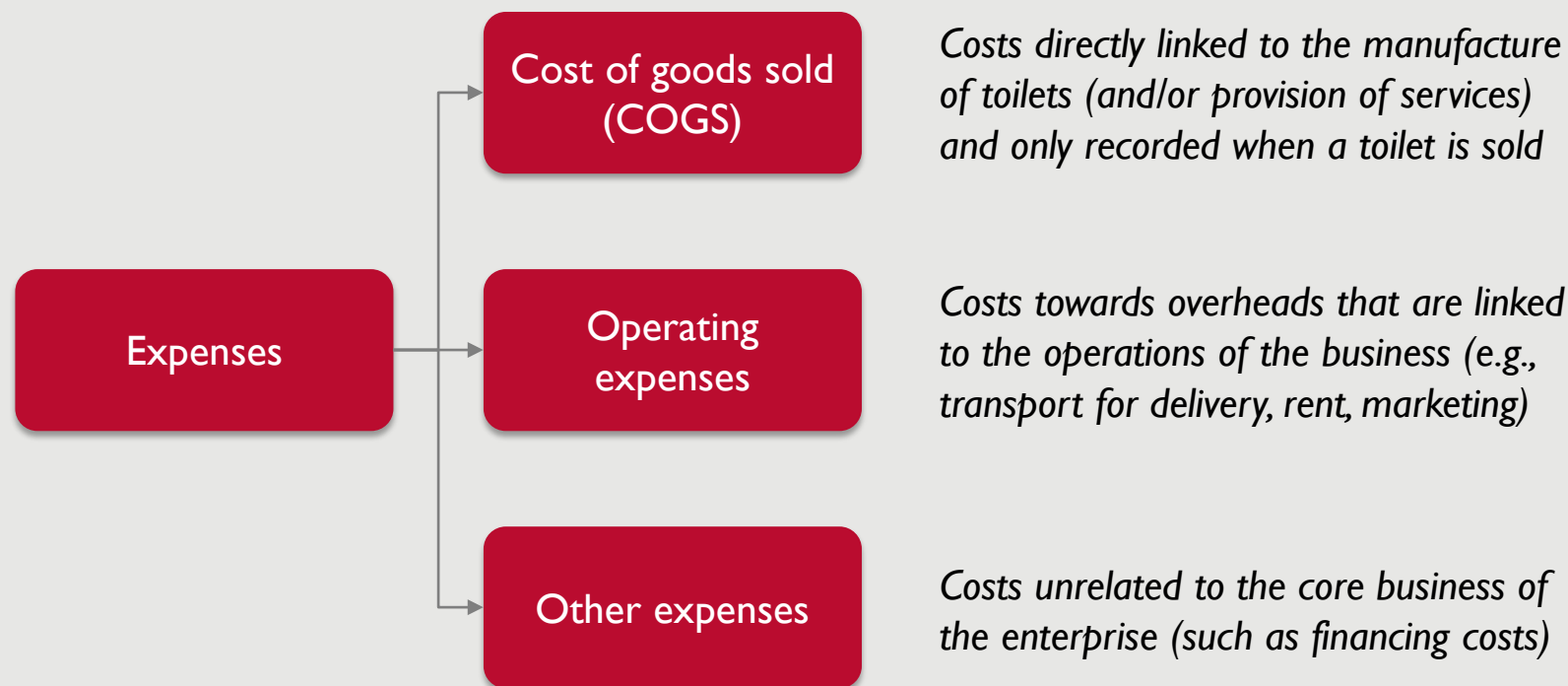


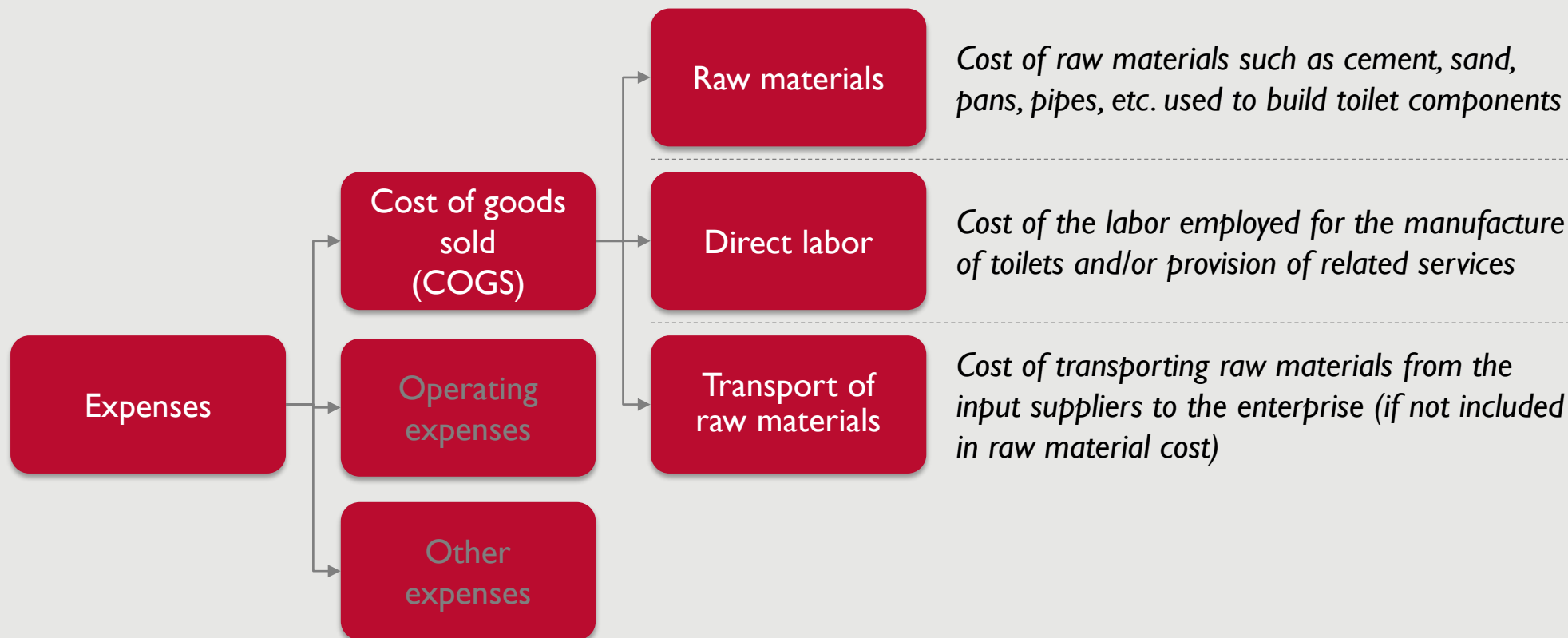
Table of Contents

- Introduction
- Preparation of a projected Profit & Loss statement
 - Estimated sales volumes
 - Projected revenue
 - Projected cash expenses
 - Cost of goods sold
 - Operating expenses
 - Other expenses



Cost of goods sold

Sanitation enterprises will typically incur three costs under **COGS**—raw material costs, direct labor costs, and transport of raw material costs.



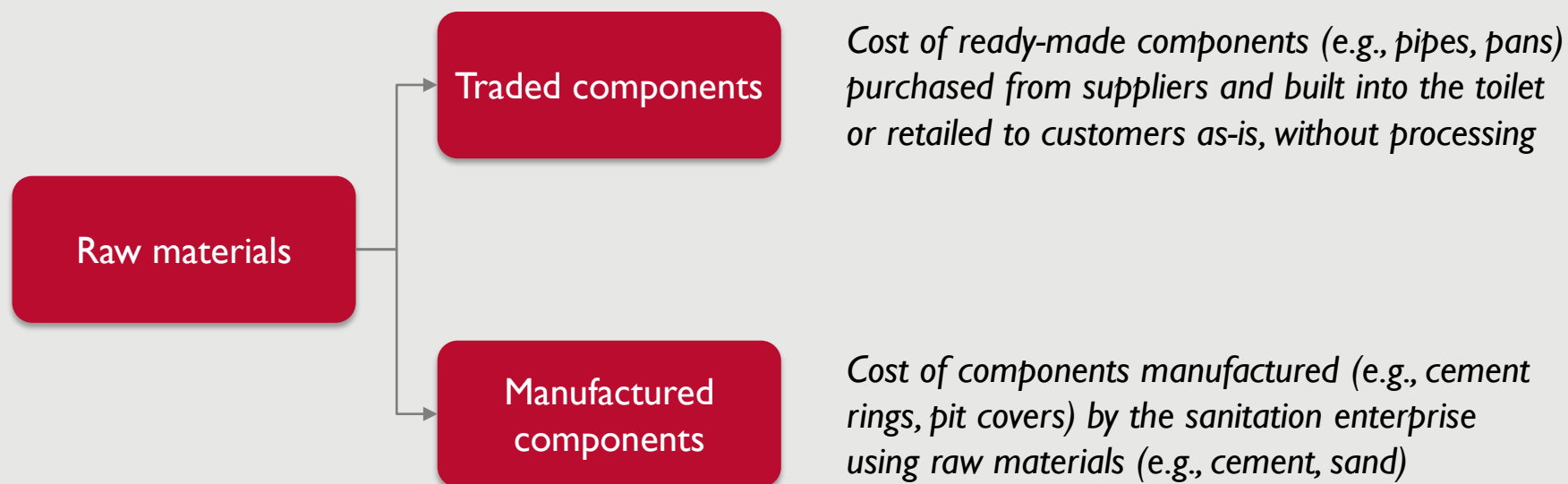
Tip

Cost of goods sold typically also include the manufacturing cost of damaged components that cannot be sold. These have been ignored for projecting the profit & loss statement, since it is difficult for entrepreneurs who have not run sanitation enterprises before to estimate or predict this cost.



Raw materials

Cost of raw materials that will be used in manufacturing toilets. Sanitation enterprises will purchase ready-made components (i.e., traded components) for retail or build into toilets, manufacture the components themselves, or typically do both.

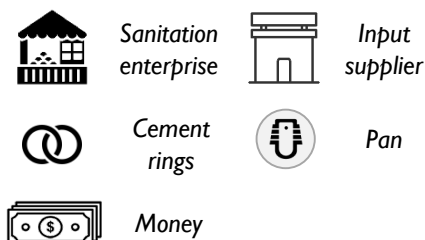
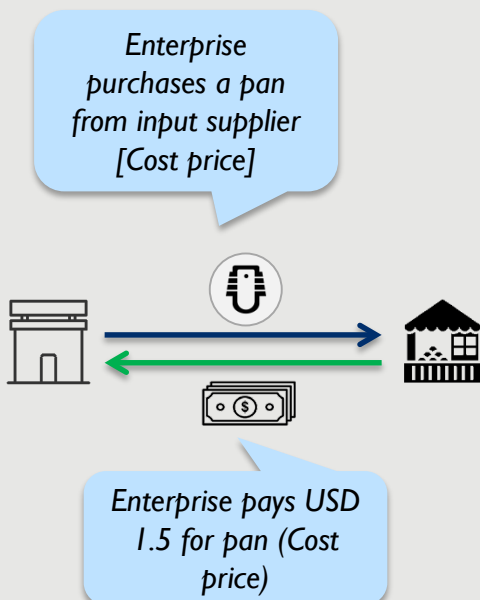




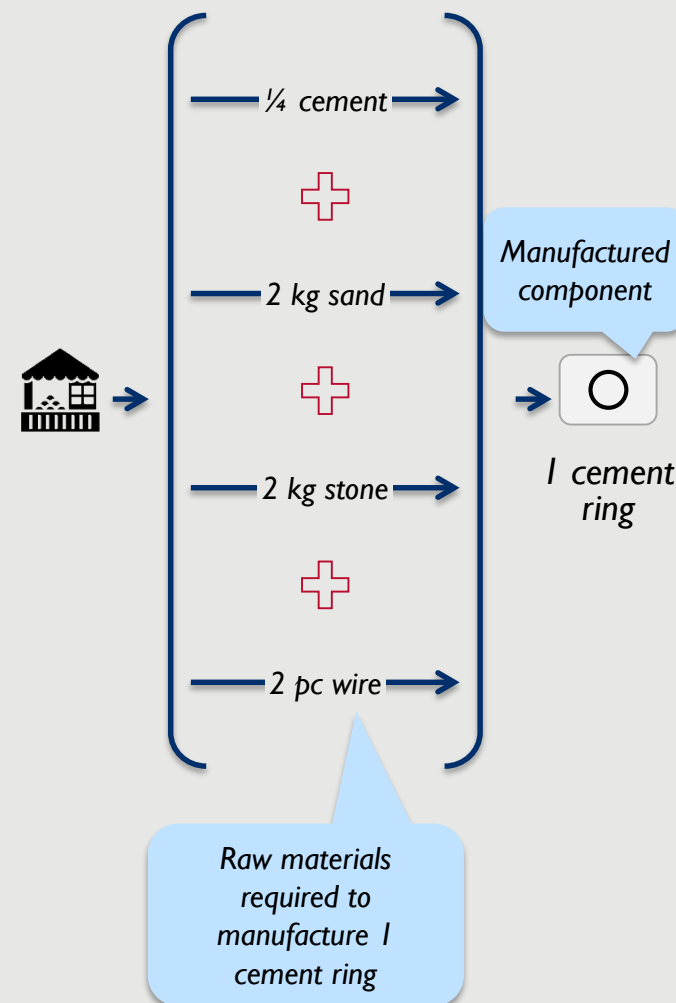
Raw materials

Illustrative raw material expense by:

Traded components

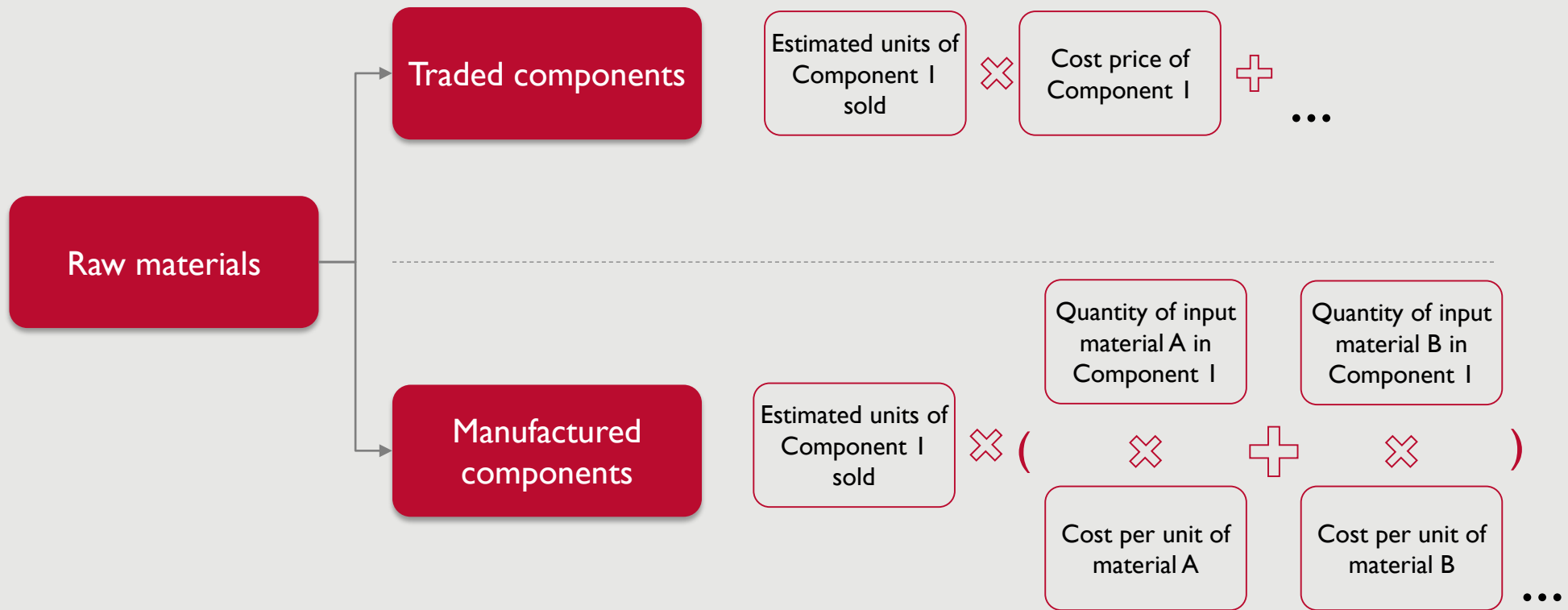


Manufactured components





Raw materials



... Implies additional units



Tip

Wastage of raw materials during manufacturing can be considered in determining the quantity of input material for each component. For instance, a component requiring 5 kg of cement translates to 10 components per cement bag (standard size 50 kg) or 0.1 cement bag, theoretically. But due to wastage, if only 8 are manufactured per cement bag, the quantity per component should be adjusted to is 0.125 cement bags.



Recording raw materials cost in the projected P&L statement template

- Cost of raw materials of toilet packages

Screenshot of Heading 3.1 of the projected P&L statement template

3

Cost of goods sold	
Raw materials	25,189.2
3.1: Cost of raw materials of Toilet Package 1: Dual-Set 22,644.0	
3.2: Cost of raw materials of Toilet Package 2: Offset 0.0	
3.3: Cost of raw materials of Toilet Package 3: 0.0	
3.4: Cost of raw materials of individual components sold 2,545.2	

3.1

Cost of raw materials of Toilet Package 1: Dual-Set	22,644.0
Cost of raw materials of Toilet Package 1 (per unit) 55.5	
Estimated units of Toilet Package 1 sold (annually) 408.0	

3.1.1

Component 1 (TP 1)	46.5
Name of Component 1 (TP 1) Cement rings	
Units of Component 1 (TP 1) in Toilet Package: Dual-Set 10	
Component 1 (TP 1): Will it be traded or manufactured? Manufactured	
If Component 1 (TP 1) will be traded:	
Cost price (per unit)	
If Component 1 (TP 1) will be manufactured:	

Raw materials of Component 1 (TP 1)	Quantity of raw material in Component 1 (TP 1) (per unit)	Unit of measure?	Cost of raw material per unit of measure	Cost of raw material per Component 1 (TP 1)
Cement	0.3	Bags	1.5	0.5
Stone chips	2.0	Container	1.0	2.0
Sand	2.0	Container	1.0	2.0
Wire	0.1	Kg	1.5	0.2
				4.7

3.1.2

Component 2 (TP 1)	9.0
Name of Component 2 (TP 1) Pit cover	
Units of Component 2 (TP 1) in Toilet Package: Dual-Set 2	
Component 2 (TP 1): Will it be traded or manufactured? Manufactured	
If Component 2 (TP 1) will be traded:	
Cost price (per unit)	
If Component 2 (TP 1) will be manufactured:	

Raw materials of Component 2 (TP 1)	Quantity of raw material in Component 2 (TP 1) (per unit)	Unit of measure?	Cost of raw material per unit of measure	Cost of raw material per Component 2 (TP 1)
Cement	0.3	Bags	1.5	0.5
Stone chips	2.0	Container	1.0	2.0
Sand	2.0	Container	1.0	2.0
Wire	0.0	Kg	1.5	0.0
				4.5

Sub-total of 3.1 to 3.4

1 Enter name and units of component that will be sold in each Toilet Package

2 Choose if component in Toilet Package will be a traded or manufactured component

3 In case of traded component, enter cost price (per unit)

4 In case of manufactured component, enter details of raw materials used

5 Enter details of other components in Toilet Package

-> Selection will gray irrelevant sections of the P&L

Legend

	User inputs
	Totals
	Calculations
	Grayed Section



Recording raw materials cost in the projected P&L statement template

- Cost of raw materials of individual components sold

Screenshot of Heading 3.4 of the projected P&L statement template

Cost of goods sold					
3	Raw materials				25,189.2
	3.1: Cost of raw materials of Toilet Package 1: Dual-Set				22,644.0
	3.2: Cost of raw materials of Toilet Package 2: Offset				0.0
	3.3: Cost of raw materials of Toilet Package 3:				0.0
	3.4: Cost of raw materials of individual components sold				2,545.2
3.1	Cost of raw materials of Toilet Package 1: Dual-Set				22,644.0
3.2	Cost of raw materials of Toilet Package 2: Offset				0.0
3.3	Cost of raw materials of Toilet Package 3:				0.0
3.4	Cost of raw materials of individual components sold				2,545.2
3.4.1	Component 1				1,897.2
	Name of Component 1			Rings	
	Estimated units of Component 1 sold (annually)			408	
	Will Component 1 be traded or manufactured?			Manufactured	
	If Component 1 will be traded:				
	Cost price (per unit)				
	If Component 1 will be manufactured:				
	Name of Component 1	Quantity of raw material in Component 1 (per unit)	Unit of measure?	Cost of raw material per unit of measure	Cost of raw material per Component 1
	Stone chips	0.3	Bags	1.5	0.5
	Sand	2.0	Container	1.0	2.0
	Wire	0.1	Kg	1.5	0.2
					4.7

Sub-total of 3.1 to 3.4

1 Verify name and units of individual components that will be sold

2 Choose if component will be traded or manufactured component

3 In case of traded component, enter cost price (per unit)

4 In case of manufactured component, enter details of raw materials used

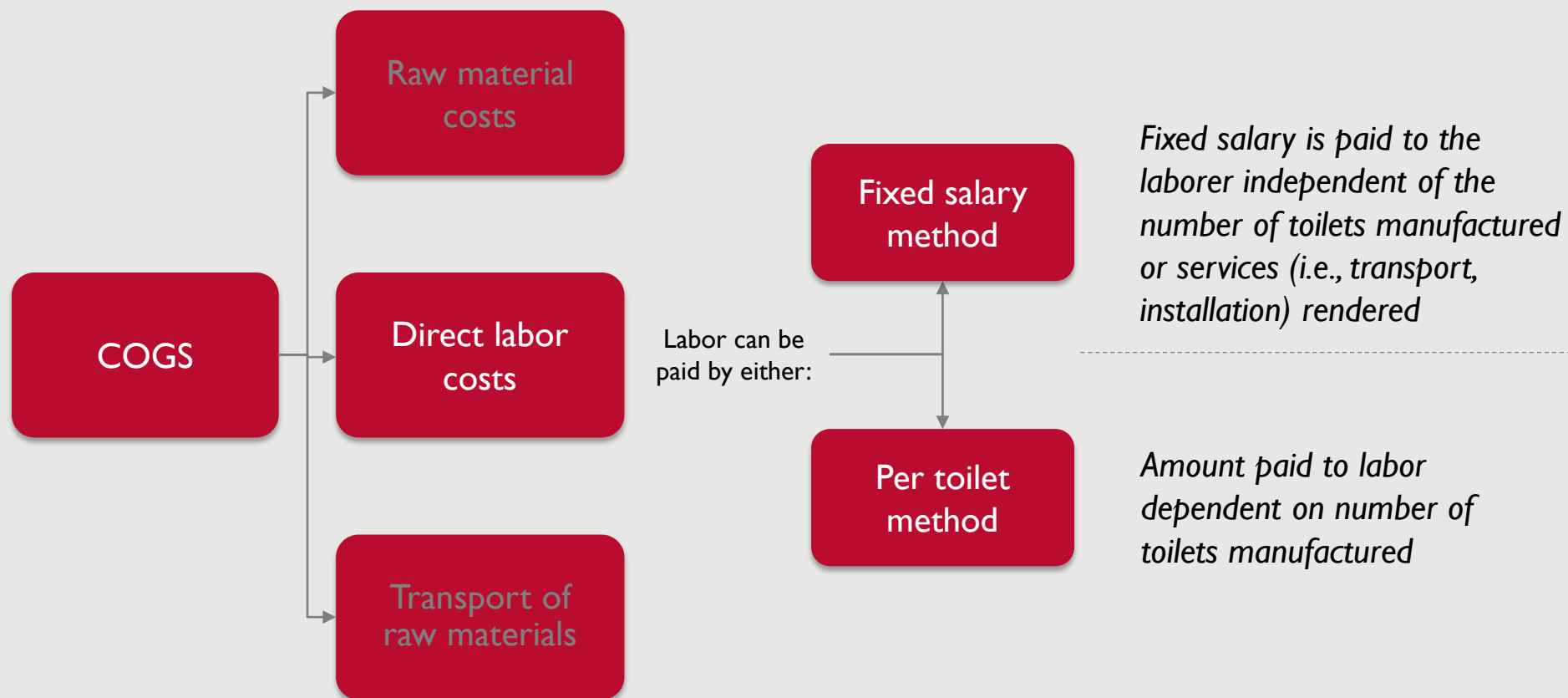
Legend

	User inputs
	Totals
	Calculations
	Grayed Section



Direct labor

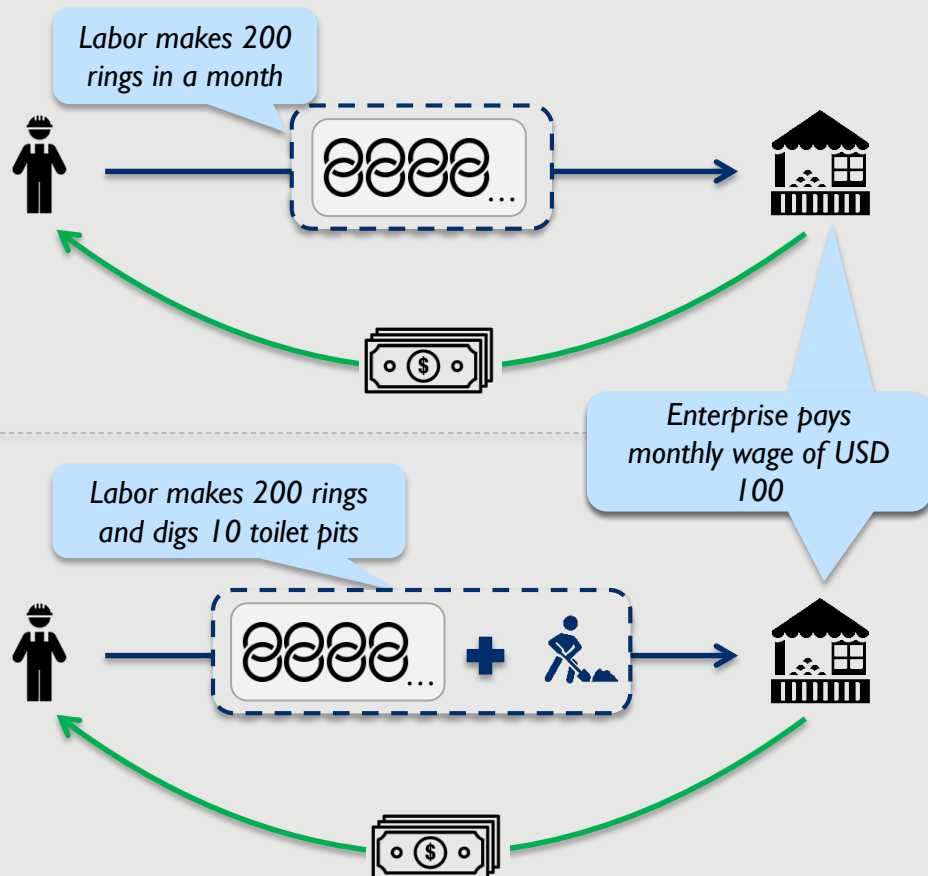
Sanitation enterprises will employ (and pay) labor either on a fixed salary, or on a per toilet package/component basis (i.e., per-piece work basis linked to number of toilet packages or components manufactured).



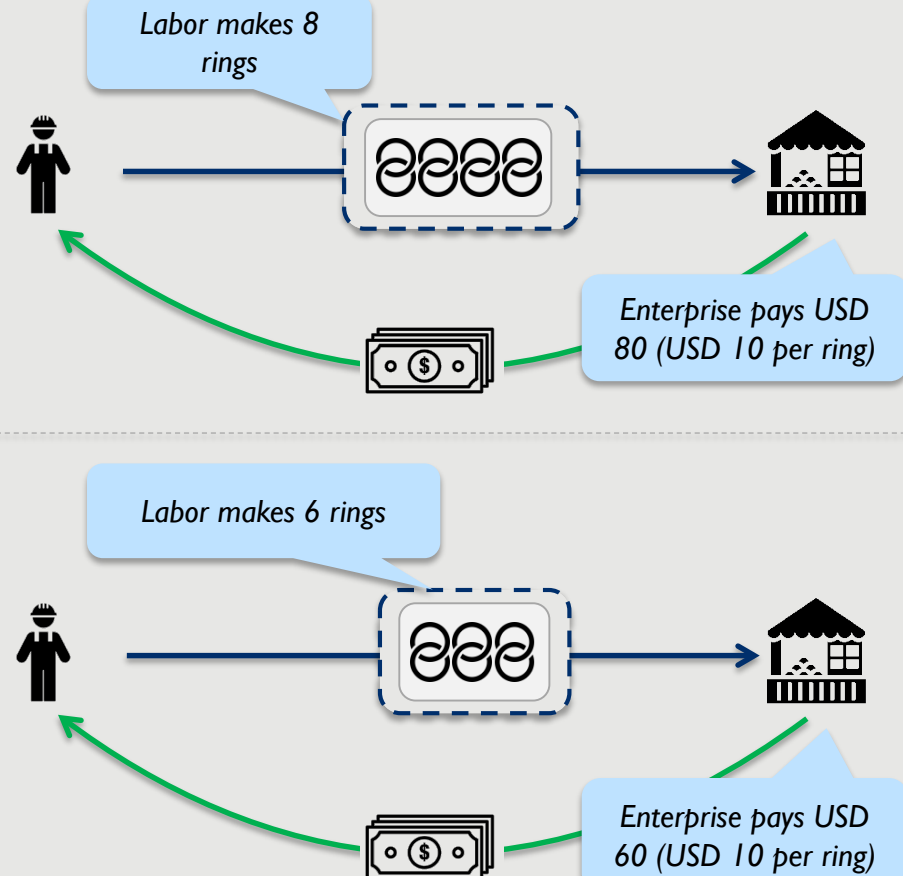


Direct labor

Illustrative direct labor costs by fixed salary method



Illustrative direct labor costs by per toilet package/component method



Sanitation enterprise



Labor



Money



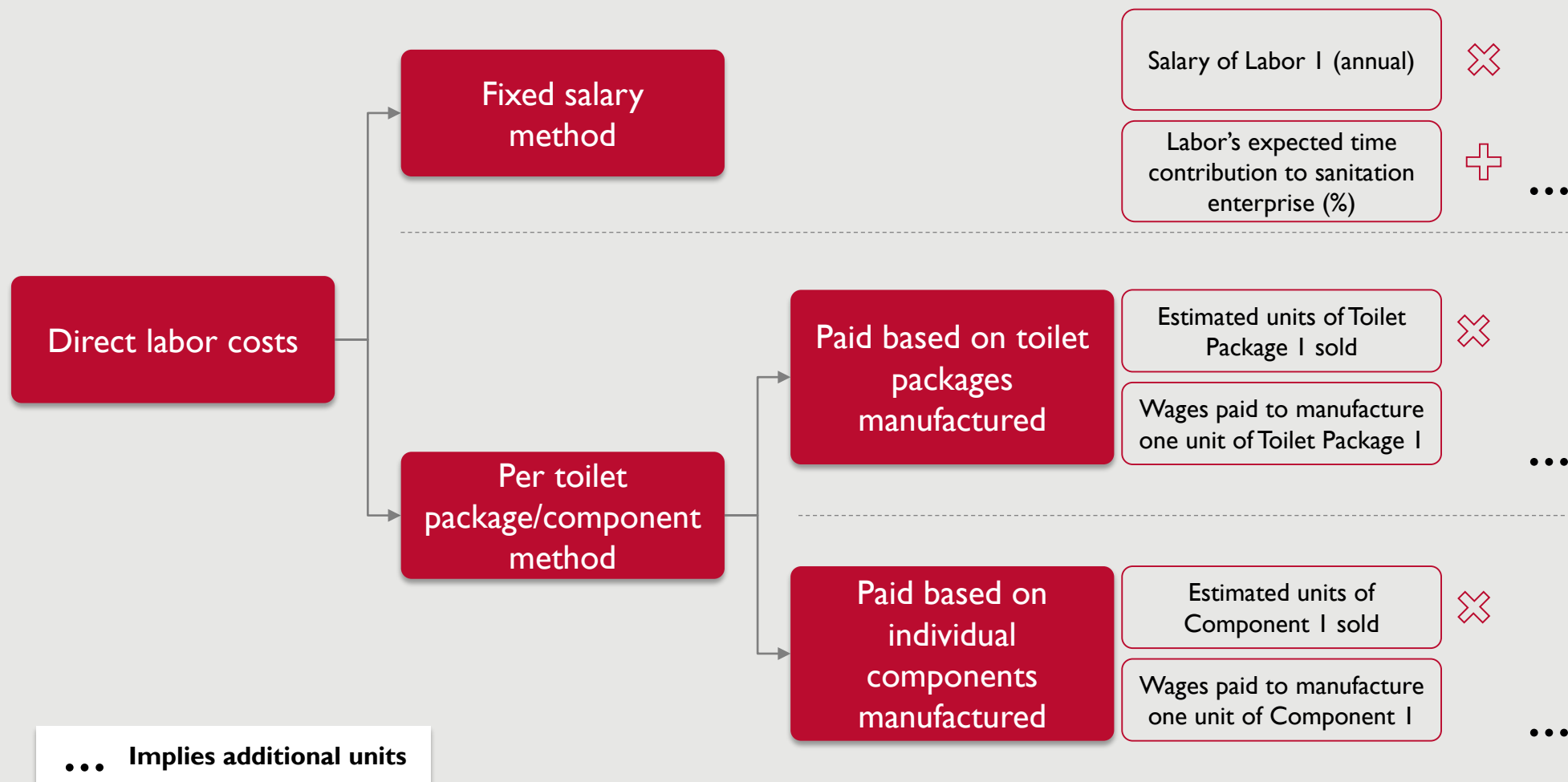
Pit digging



Cement rings



Direct labor



1. Salary of driver, if any, for owned transport should be recorded under Method 1: Fixed Salary Method



Recording direct labor costs in the projected P&L statement template

- Fixed salary method for direct labor

Screenshot of Heading 4.1 of the projected P&L statement template

4	Direct labor	<i>Sub-total of either 4.1 or 4.2 or both</i>	2,690.0
	Direct labor will be paid using:	Combination of fixed salary and per toilet package/individual component method	
4.1	Method 1: Fixed salary method		650.0
4.1.1	Salary of Laborer 1	<i>Sub-total of 4.1.1 to 4.1.5</i>	650.0
	Salary of Laborer 1 (annual)		650.0
	Expected time contribution of Laborer 1 to sanitation enterprise (%)		100%
4.1.2	Salary of Laborer 2		0.0
	Salary of Laborer 2 (annual)		
	Expected time contribution of Laborer 2 to sanitation enterprise (%)		
4.1.3	Salary of Laborer 3		0.0
	Salary of Laborer 3 (annual)		
	Expected time contribution of Laborer 3 to sanitation enterprise (%)		
4.1.4	Salary of Laborer 4		0.0
	Salary of Laborer 4 (annual)		
	Expected time contribution of Laborer 4 to sanitation enterprise (%)		
4.1.5	Salary of Laborer 5		0.0
	Salary of Laborer 5 (annual)		
	Expected time contribution of Laborer 5 to sanitation enterprise (%)		

1 Select method for payment of direct labor, i.e., combination of fixed salary and per toilet package/individual component method in this case

2 Enter details of each laborer, including their annual salary and expected time contribution to sanitation enterprise (%)

3 If the enterprise will employ more than one person, enter details of additional laborers

Legend

	User inputs
	Totals
	Calculations
	Grayed Section

1. Salary of driver, if any, for owned transport should be recorded here



Recording direct labor costs in the projected P&L statement template

- Per toilet package/individual component method for direct labor

Screenshot of Heading 4.2 of the projected P&L statement template

Method 2: Per toilet package/individual component method		2,040.0
Direct labor will be paid based on:		
Sub-total of 4.2		
Combination of toilet packages and individual sanitation components manufactured		
Labor cost (paid based on toilet packages manufactured)		1,632.0
Estimated units of Toilet Package 1 manufactured	408	
Wages paid to manufacture one unit of Toilet Package 1	4.0	
Direct labor cost to manufacture all estimated units of Toilet Package 1	1,632.0	
Estimated units of Toilet Package 2 manufactured	216	
Wages paid to manufacture one unit of Toilet Package 2	0.0	
Direct labor cost to manufacture all estimated units of Toilet Package 2	0.0	
Estimated units of Toilet Package 3 manufactured	0	
Wages paid to manufacture one unit of Toilet Package 3	0.0	
Direct labor cost to manufacture all estimated units of Toilet Package 3	0.0	
Labor cost (paid based on individual components manufactured)		408.0
Estimated units of Components 1 manufactured (individually, not as part of toilet package)	408	
Wages paid to manufacture one unit of Component 1	1.0	
Direct labor cost to manufacture all estimated units of Component 1	408.0	
Estimated units of Components 2 manufactured (individually, not as part of toilet package)	216	
Wages paid to manufacture one unit of Component 2	0.0	
Direct labor cost to manufacture all estimated units of Component 2	0.0	

1 Select the products that will be manufactured by labor

2 In case labor will be paid based on toilet packages manufactured, enter wages paid to manufacture each unit of toilet package

3 In case labor will be paid based on individual components manufactured, enter wages paid to manufacture each unit of individual component

Legend

	User inputs
	Totals
	Calculations
	Grayed Section

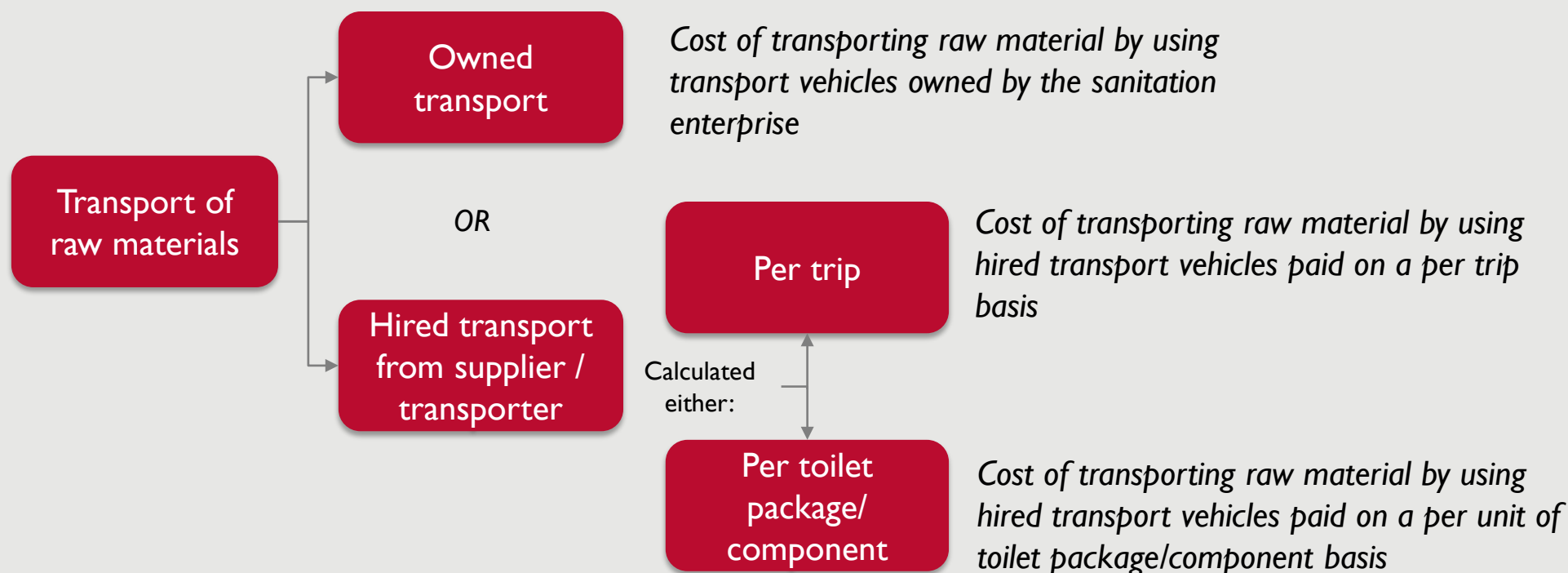
Sourced from LI – Revenue from toilet sales

USD 1,632 = 408 units of Toilet Package 1 manufactured x 4 USD per unit manufactured



Transport of raw materials

Cost that will be incurred by the sanitation enterprise to transport raw materials from input suppliers (if transport costs will not be included in the price of raw materials.) Enterprises will typically incur this cost using either their own vehicle, or hiring transport from the input supplier or a transporter.

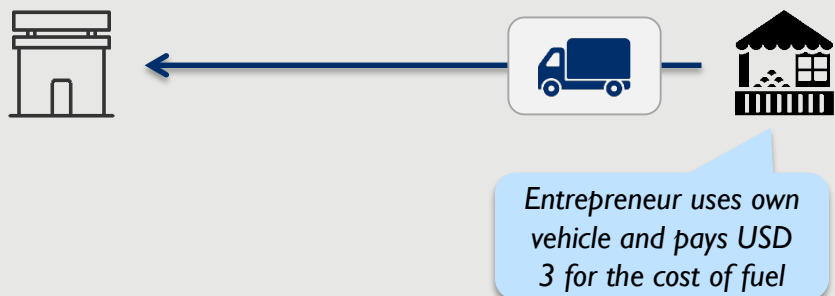


In some cases, cost of transport from input suppliers or transporters may only be available at a raw material level (e.g., transport cost of procuring a cement bag is USD 0.5). In such a case, users should calculate the quantities of raw materials that will be used in manufacturing a toilet and enter the total transport cost of raw materials per toilet package/component by the necessary calculation.

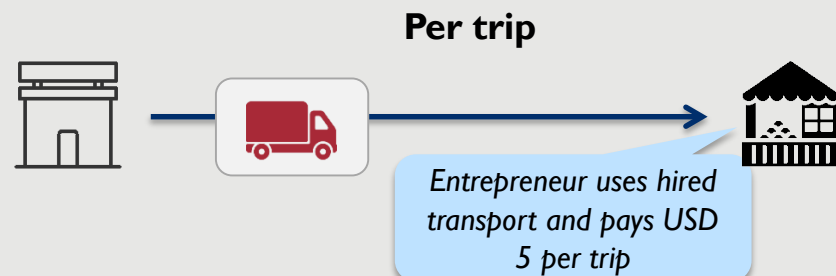


Transport of raw materials

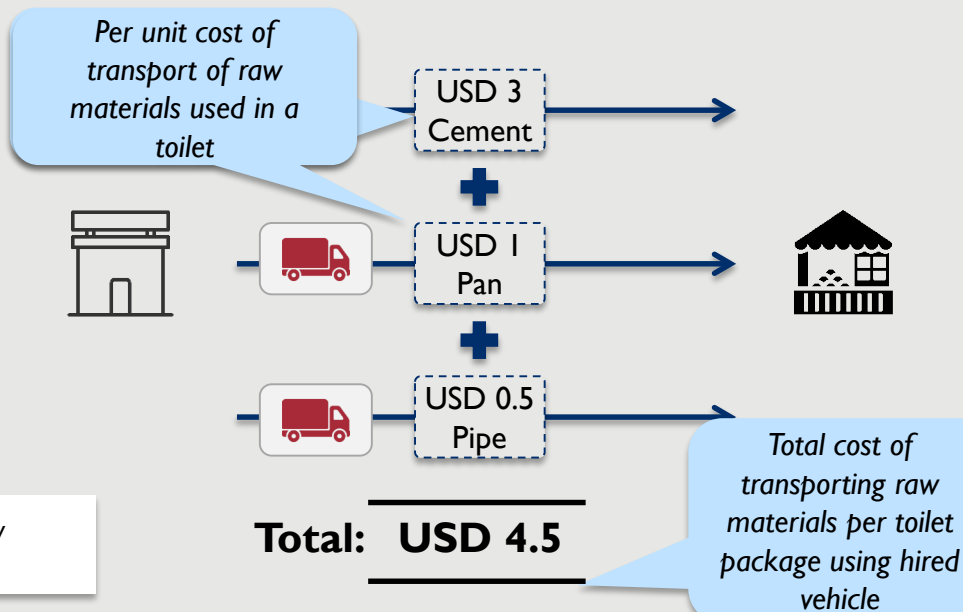
Illustrative transport of raw materials using owned transport



Illustrative transport of raw materials using hired transport from supplier/transporter



Per toilet package/component



Sanitation
enterprise



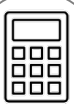
Input
supplier



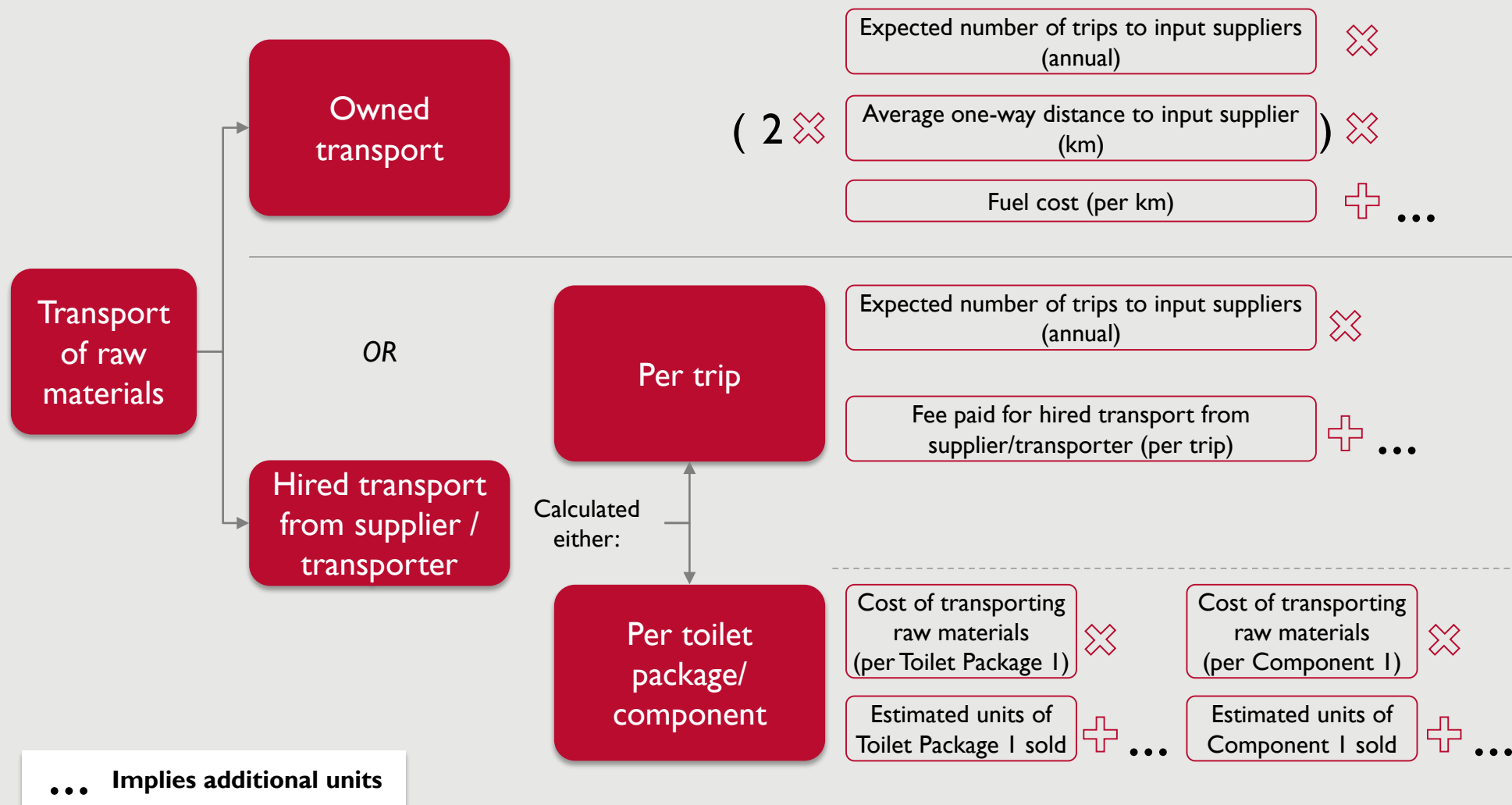
Ow ned delivery
vehicle



Hired delivery
vehicle



Transport of raw materials



1. Km = Kilometer; 2. Salary of driver, if any, for owned transport should be recorded under COGS > Direct Labor > Method 1: Fixed Salary Method



Recording transport of raw materials in the projected P&L statement template - Using owned transport

Screenshot of Heading 5.1 of the projected P&L statement template

5	Transport of raw materials	0.0
	Transport of raw materials will be done using:	Owned transport
5.1	Method 1: Owned transport	0.0
	Expected number of trips to input supplier (annually)	
	Average one-way distance to input supplier (km)	
	Fuel cost (per km)	

- 1 Select method of transport of raw materials, i.e., either using owned transport or using hiring transport from input supplier/transporter
- 2 In case enterprise will use owned transport, enter the expected number of trips to input supplier made annually, average one-way distance to input supplier (km) and fuel cost (per km)

Legend

User inputs

Totals

Calculations

Grayed Section



Recording transport of raw materials in the projected P&L statement template - Using hired transport from input supplier/transporter

Screenshot of Heading 5.2 of the projected P&L statement template

5	Transport of raw materials	1,440.0
	Transport of raw materials will be done using:	Hired transport from supplier/transporter
5.1	Method 1: Owned transport	0.0
5.2	Method 2: Hired transport from supplier/transporter	1,440.0
	Hired transport will be paid	Per package/component
	Method 2.1: Hired transport from supplier / transporter paid per trip	0.0
	Expected number of trips to input supplier (annual)	
	Fee paid for hired transport from supplier / transporter (per trip)	
	Method 2.2: Hired transport from supplier / transporter paid per toilet package/component	1,440.0
	Fee for transporting Toilet Package 1 (per unit)	3.0
	Fee for transporting Toilet Package 2 (per unit)	
	Fee for transporting Toilet Package 3 (per unit)	
	Fee for transporting Component 1 (per unit sold individually, not as part of toilet package)	
	Fee for transporting Component 2 (per unit sold individually, not as part of toilet package)	1.0
	Fee for transporting Component 3 (per unit sold individually, not as part of toilet package)	1.0
	Fee for transporting Component 4 (per unit sold individually, not as part of toilet package)	
	Fee for transporting Component 5 (per unit sold individually, not as part of toilet package)	
	Estimated units of Toilet Package 1 sold	408
	Estimated units of Toilet Package 2 sold	216
	Estimated units of Toilet Package 3 sold	0
	Estimated units of Component 1 sold (individually, not as part of toilet package)	408
	Estimated units of Component 2 sold (individually, not as part of toilet package)	216
	Estimated units of Component 3 sold (individually, not as part of toilet package)	0
	Estimated units of Component 4 sold (individually, not as part of toilet package)	0
	Estimated units of Component 5 sold (individually, not as part of toilet package)	0

1 Select method of transport of raw materials, i.e., hired transport from input supplier/transporter in this case

2 Choose method of calculation of transport of raw materials using hired transport i.e. either payment calculated per trip or per toilet

4 In case of payment per toilet package/component, enter fee of transporting raw materials (per toilet package/component)

3 In case of payment per trip, enter number of expected trips to input supplier and fee paid per trip

Sourced from LI – Revenue from toilet sales

Legend

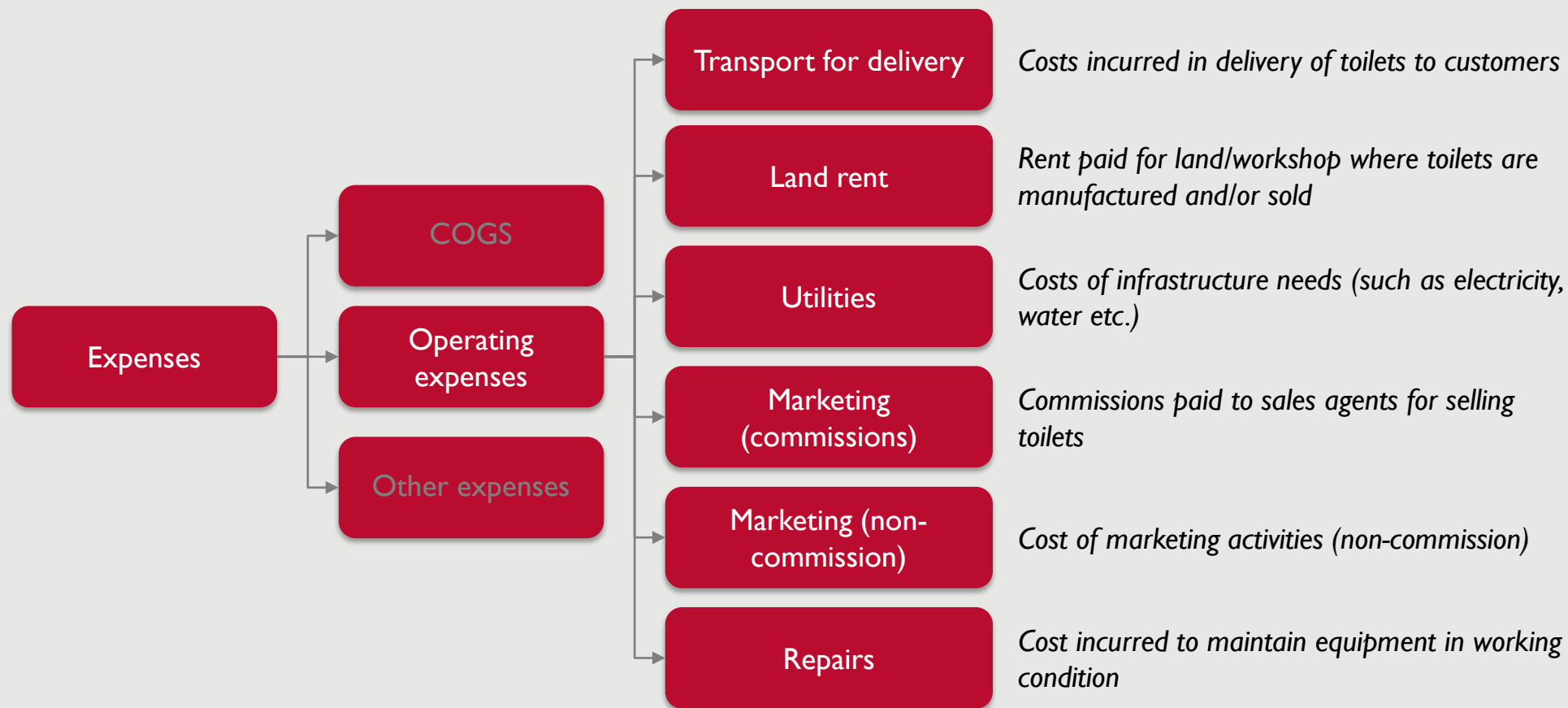
	User inputs
	Totals
	Calculations
	Grayed Section

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 - Operating expenses
 - Other expenses



Operating expenses for sanitation enterprises

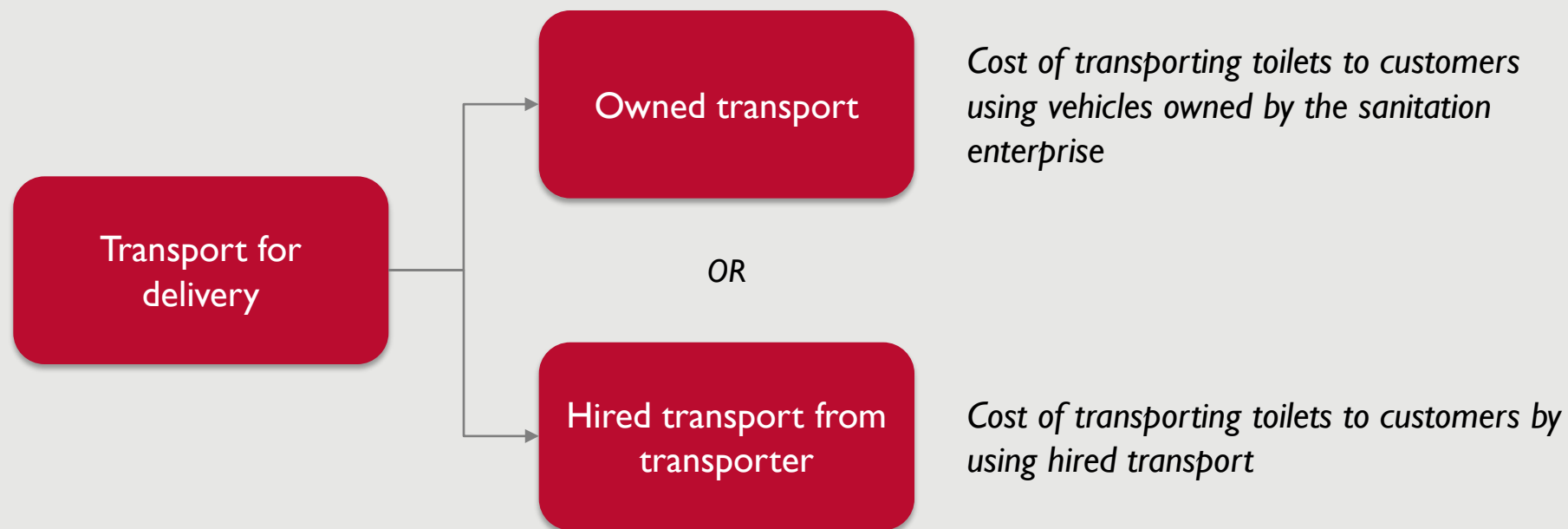


Operating expenses typically also include bad debts, i.e., credit sales to customers that cannot be recovered. These have been ignored for the purpose of calculating a projected profit & loss statement, since it is difficult to estimate or predict this cost for entrepreneurs who have not run sanitation enterprises before.



Transport for delivery

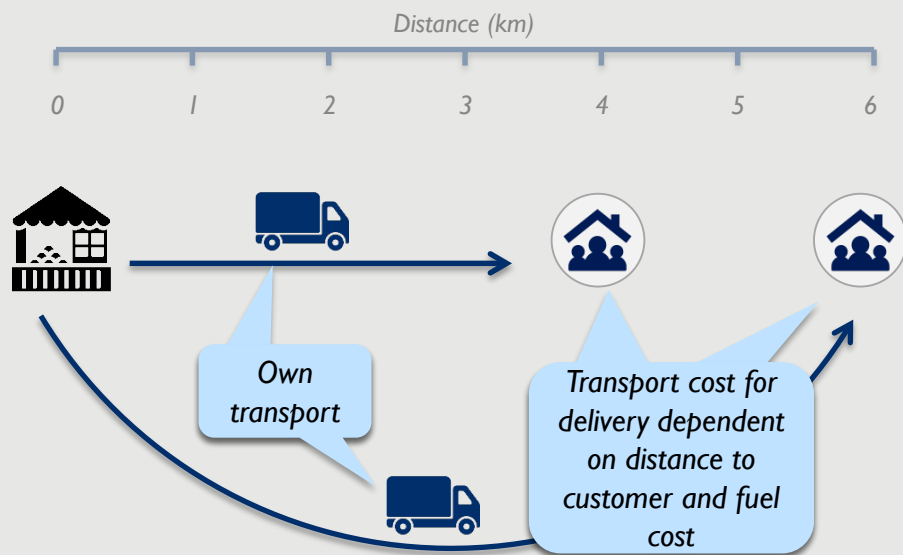
Cost incurred if the sanitation enterprise will deliver toilets to customers. Typically, sanitation enterprises will either use their own vehicle or hire a transporter for delivery of toilets.



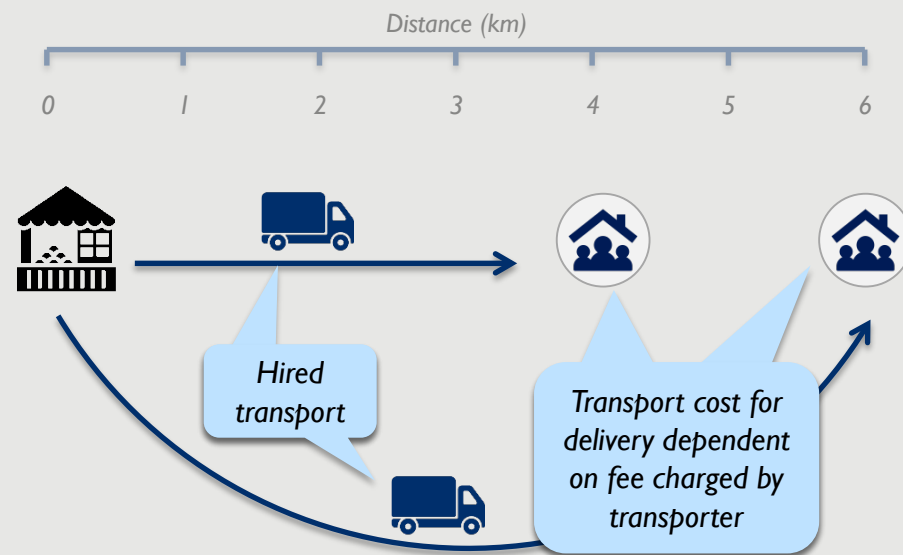


Transport for delivery

Illustrative transport for delivery using owned transport



Illustrative transport for delivery using hired transport from transporter



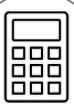
Sanitation
enterprise



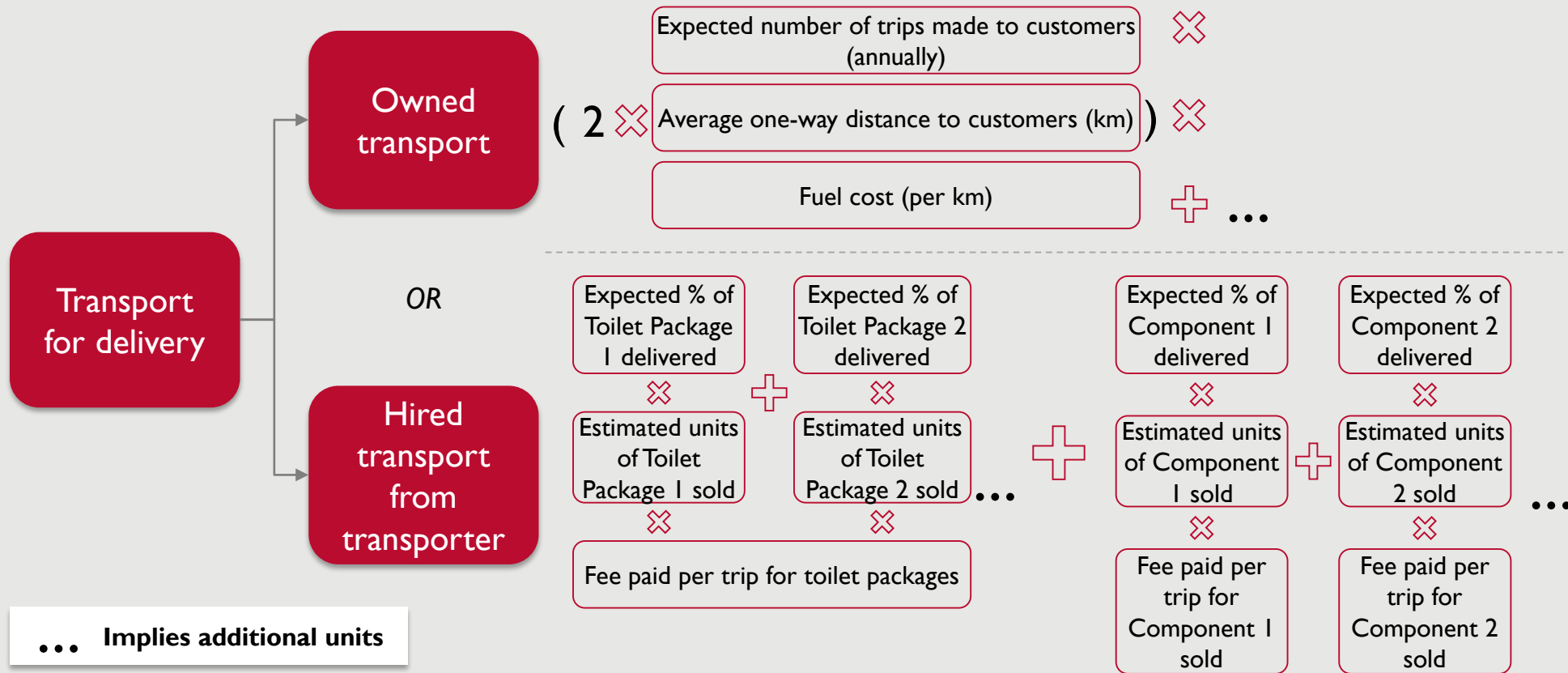
Customer



Delivery



Transport for delivery



Sanitation enterprises may rely on both methods to deliver toilets to customers. In such a case, transport cost for both methods should be captured.

1. Km = Kilometer; 2. Salary of driver, if any, for owned transport should be recorded under COGS > Direct Labor > Method 1: Fixed Salary Method



Recording transport for delivery in projected P&L statement template

- Using owned transport

Screenshot of Heading 6 of the projected P&L statement template

Operating expenses	
6	Transport for delivery
Sub-total of 6.1 or 6.2 or both	
Toilets will be delivered to customers using:	
Mix of owned and hired transport	
6.1	Method 1: Owned transport
Estimated number of trips made to customers (annually)	
Expected average one-way distance to customers (km)	
Fuel cost (per km)	

1

Select method of transport for delivery i.e. owned transport or hired transport from transporter

2

For owned transport, enter estimated number of trips made to customers (annually), expected avg. one-way distance to customers (km) and fuel cost (per km)

Legend

	User inputs
	Totals
	Calculations
	Grayed Section



Recording transport for delivery in projected P&L statement template

- Using hired transport from transporter

Screenshot of Heading 6 of the projected P&L statement template

6	Transport for delivery	1,358.4
	Toilets will be delivered to customers using:	Mix of owned and hired transport
6.1	Method 1: Owned transport	0.0
6.2	Method 2: Hired transport from transporter	1,358.4
	Expected % of all Toilet Packages 1 delivered	100%
	Expected % of all Toilet Packages 2 delivered	
	Expected % of all Toilet Packages 3 delivered	
	Expected % of Component 1 sold delivered (sold individually, not as part of toilet package)	80%
	Expected % of Component 2 sold delivered (sold individually, not as part of toilet package)	100%
	Expected % of Component 3 sold delivered (sold individually, not as part of toilet package)	
	Expected % of Component 4 sold delivered (sold individually, not as part of toilet package)	
	Expected % of Component 5 sold delivered (sold individually, not as part of toilet package)	
	Estimated units of Toilet Package 1 sold	408
	Estimated units of Toilet Package 2 sold	216
	Estimated units of Toilet Package 3 sold	0
	Estimated units of Component 1 sold (individually, not as part of toilet package)	408
	Estimated units of Component 2 sold (individually, not as part of toilet package)	216
	Estimated units of Component 3 sold (individually, not as part of toilet package)	0
	Estimated units of Component 4 sold (individually, not as part of toilet package)	0
	Estimated units of Component 5 sold (individually, not as part of toilet package)	0
	Fee paid to transporter for hired transport	
	Fee paid per trip for toilet packages	2.0
	Fee paid per trip for Component 1 sold (individually, not as part of toilet package)	1.0
	Fee paid per trip for Component 2 sold (individually, not as part of toilet package)	1.0
	Fee paid per trip for Component 3 sold (individually, not as part of toilet package)	
	Fee paid per trip for Component 4 sold (individually, not as part of toilet package)	
	Fee paid per trip for Component 5 sold (individually, not as part of toilet package)	

Sub-total of 6.1 or 6.2 or both

1 Select method of transport for delivery, i.e., mixed of owned and hired transport from transporter in this case

2 Enter Expected % of toilet packages/individual components that will be delivered

Sourced from LI – Revenue from toilet sales

3 Enter estimated fee paid per trip for toilet package/individual component delivered

Note
Assumed that fee paid per trip will be same across all toilet packages

Legend

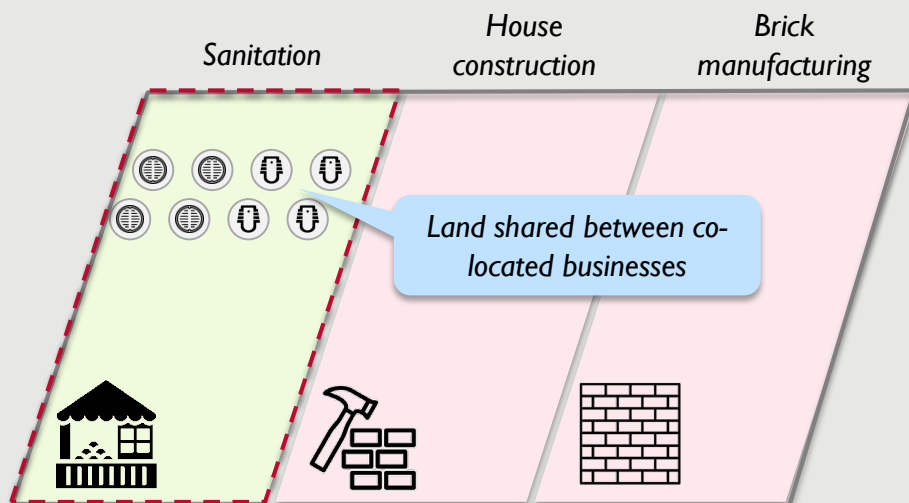
	User inputs
	Totals
	Calculations
	Grayed Section



Land rent

Rent paid for a land/workshop if the entrepreneur will lease land to manufacture and/or sell toilets. The rent of land that the entrepreneur will share with his other co-located business lines should be apportioned based on the expected utilization rate of the land for the sanitation enterprise.

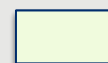
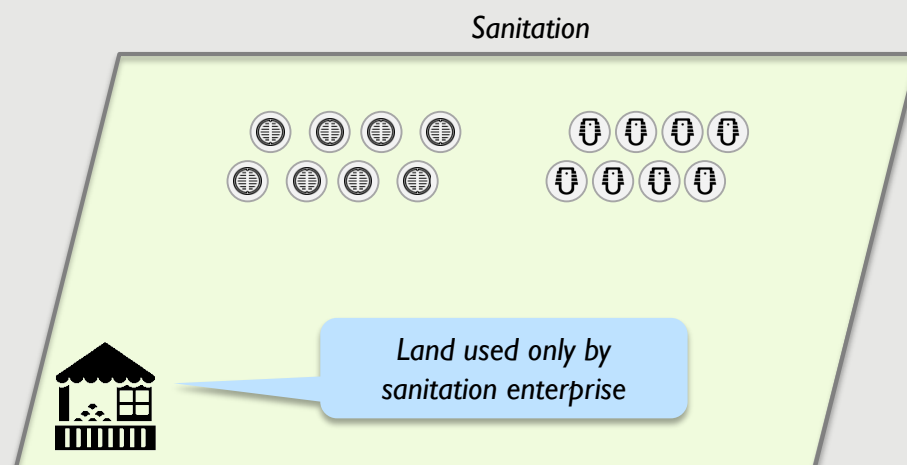
Illustrative land shared with other businesses



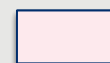
For preparation of projected P&L statement:

Land rent for shared land will be apportioned to sanitation based on the expected utilization rate of the land for the sanitation enterprise

Illustrative land used exclusively for sanitation enterprise



Land used for sanitation enterprise

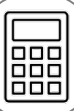


Land used for other business



Tip

This line item can be ignored if the entrepreneur will use owned land for the sanitation enterprise.



Land rent

Land rent

Rent for land parcel (annual)



Expected % utilization of
land parcel for the sanitation
enterprise



Tip

If the land parcel is expected to be utilized only for the sanitation enterprise, then the utilization rate should be 100%.



Recording land rent in projected P&L statement template

Screenshot of Heading 7 of the projected P&L statement template

7	Land rent	240.0
	Rent for land parcel (annual)	240.0
	Expected % utilization of land parcel for the sanitation enterprise	100%

I For land parcel, enter annual rent and expected % utilization rate for the sanitation enterprise

Users should enter the proportion of land parcel they expect to use for the sanitation enterprise

Legend

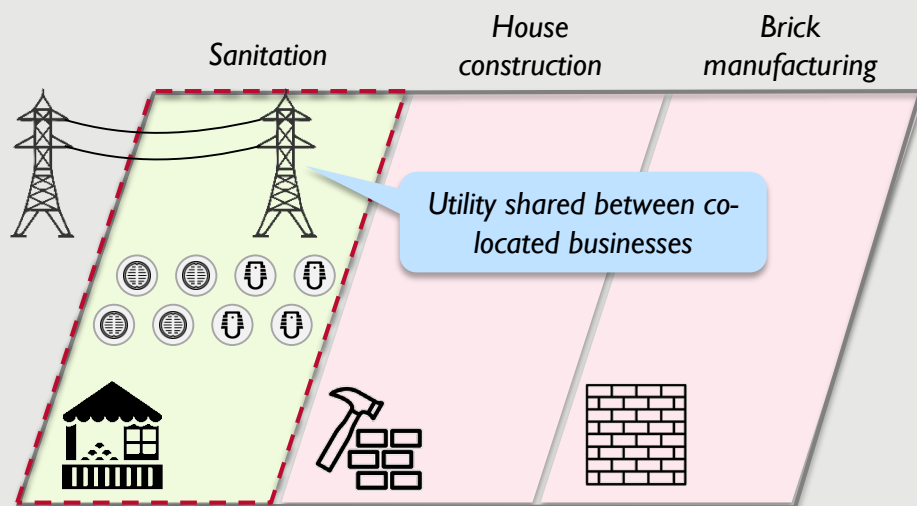
<div></div>	User inputs
<div></div>	Totals
<div></div>	Calculations
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Utilities

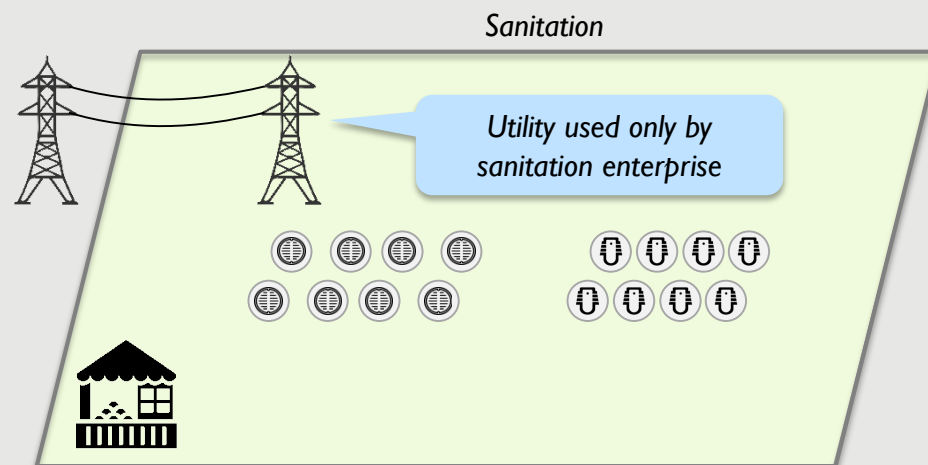
Cost of infrastructure needs, such as electricity and water, which the entrepreneur will require to run the sanitation enterprise. The utility expense that the entrepreneur will share with his other co-located business lines should be apportioned based on the expected utilization rate of the utilities for the sanitation enterprise.

Illustrative land shared with other businesses

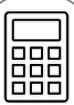


For preparation of projected P&L statement:
Expense for shared utilities will be apportioned to sanitation based on the expected utilization rate of the utilities for the sanitation enterprise

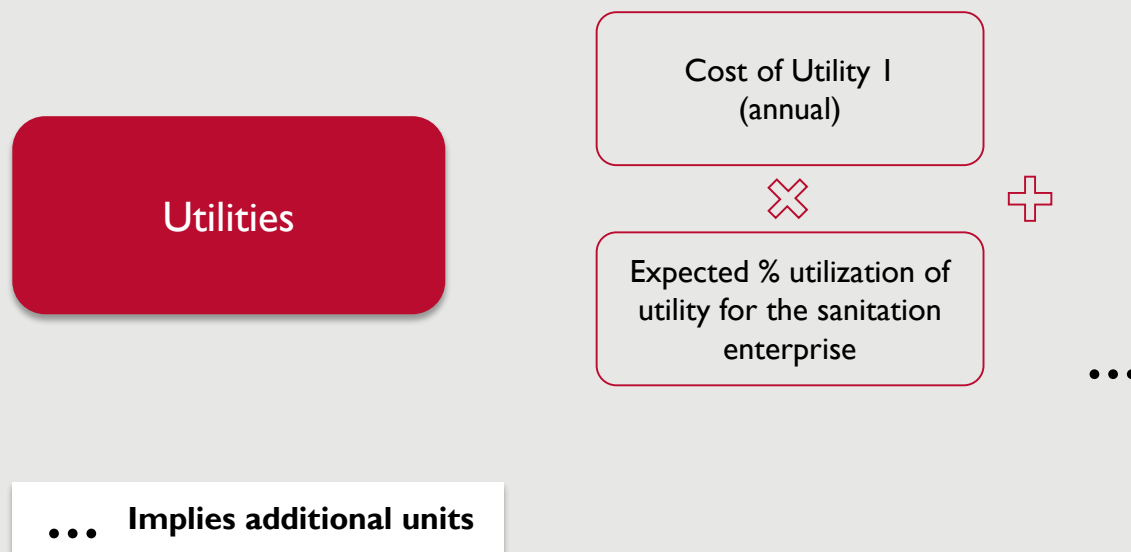
Illustrative land used exclusively for sanitation enterprise



 Land used for sanitation enterprise  Land used for other business



Utilities



If a utility is expected to be utilized only for the sanitation enterprise, then the utilization rate should be 100%.



Recording utilities in projected P&L statement template

Screenshot of Heading 8 of the projected P&L statement template

8	Utilities		31.0
Sub-total of 8.1-8.3			
8.1	Utility 1		
	Estimated cost of Utility 1 (annual)	15.0	
	Expected % utilization of Utility 1 for the sanitation enterprise	100%	
8.2	Utility 2		
	Estimated cost of Utility 2 (annual)	15.0	
	Expected % utilization of Utility 2 for the sanitation enterprise	100%	
8.3	Utility 3		
	Estimated cost of Utility 3 (annual)	0.0	
	Expected % utilization of Utility 3 for the sanitation enterprise		

1 For each utility, enter estimated annual cost of utility and expected % utilization for the sanitation enterprise

2 Similarly, enter details of other utility costs of the enterprise

Users should enter the proportion of each utility they expect to use for the sanitation enterprise

Legend

User inputs

Totals

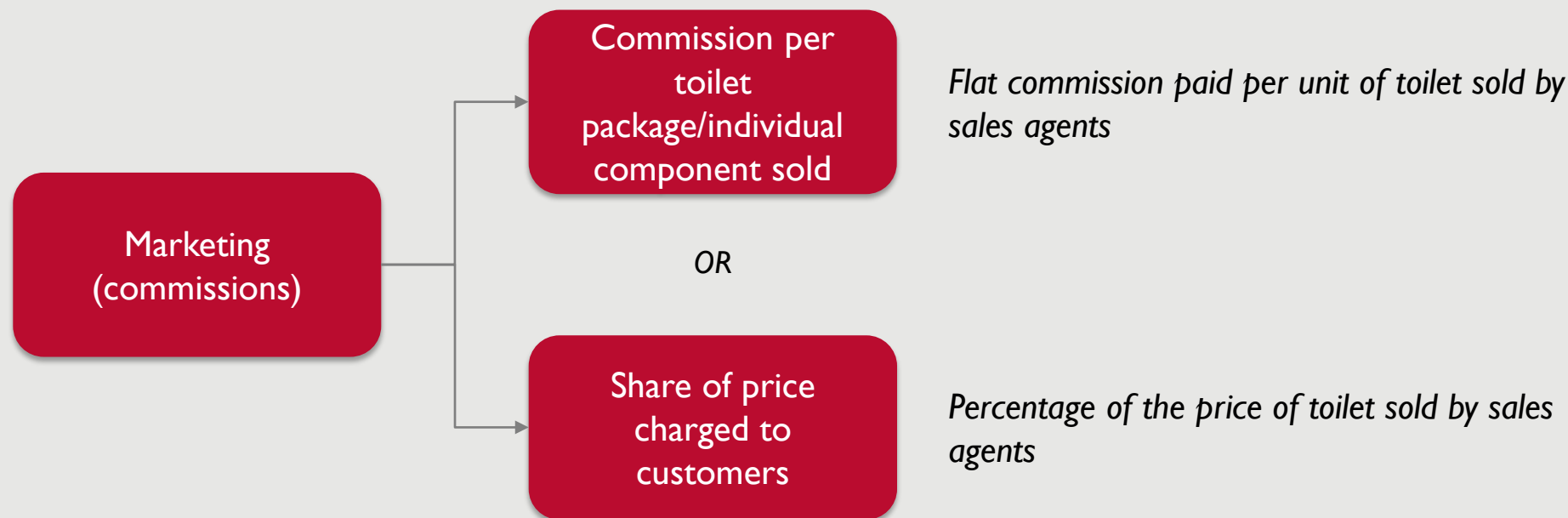
Calculations

Grayed Section



Marketing (commissions)

Commissions paid to sales agents¹ if sanitation enterprise will use sales agents for marketing. Commissions will typically be paid either as a fixed commission on a per toilet basis, or as a share of the price of toilet charged to customers.



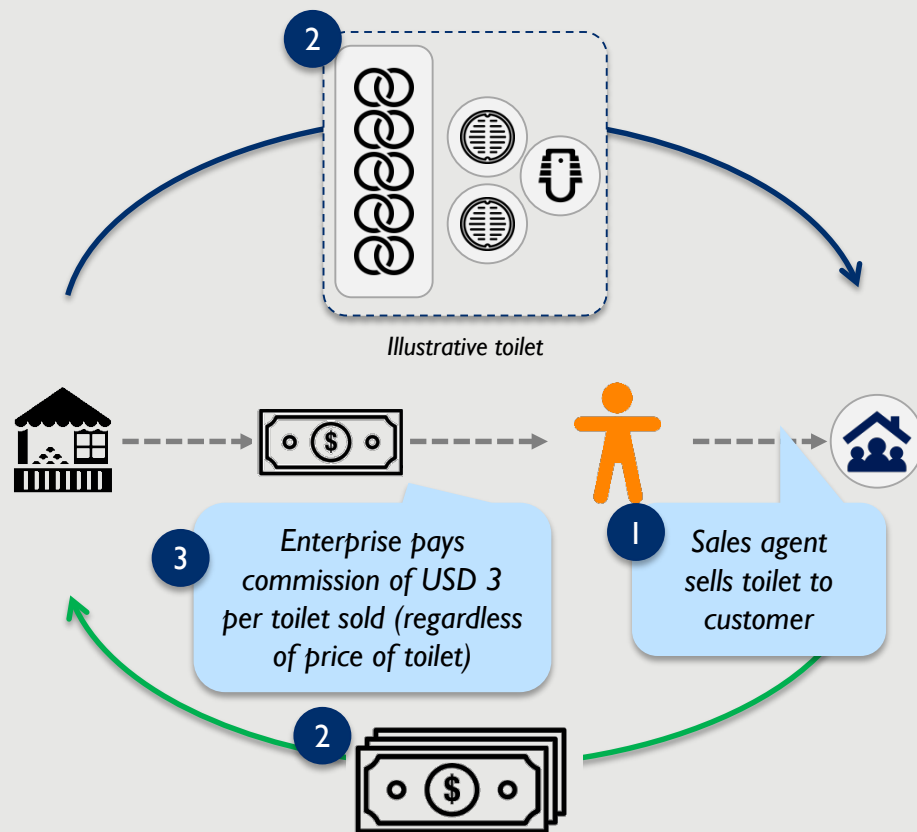
Marketing (commissions) costs should be ignored if enterprises do not plan to do any marketing, or only plan to do self-marketing.

1. Sales agents are demand activators who are remunerated for selling toilets. The term demand activator includes those who sell toilets without receiving any corresponding commission in return (e.g., Cambodian village chiefs / commune councilors). While sales through either kind of demand activators should be recorded in the P&L statement, commissions paid to demand activators are recorded in P&L statement when such commissions are paid by the sanitation enterprise.

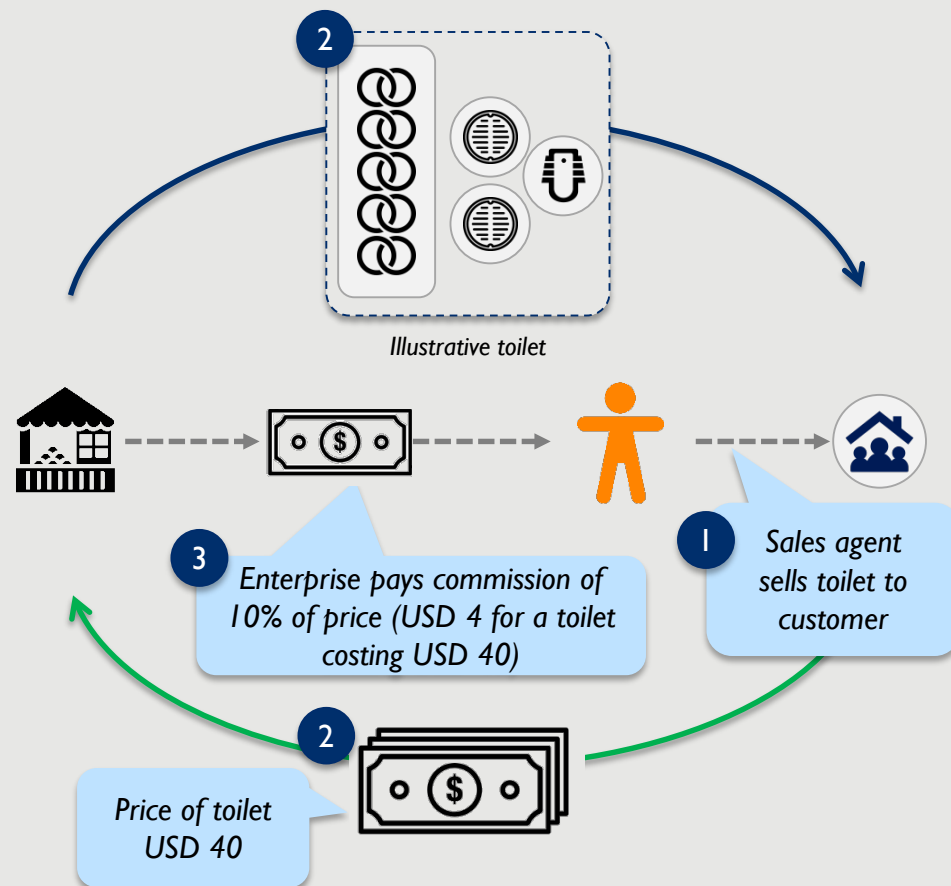


Marketing (commissions)

Illustrative commission per toilet package/individual component sold



Illustrative commission as share of price charged to customers



Sanitation
enterprise



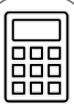
Customer



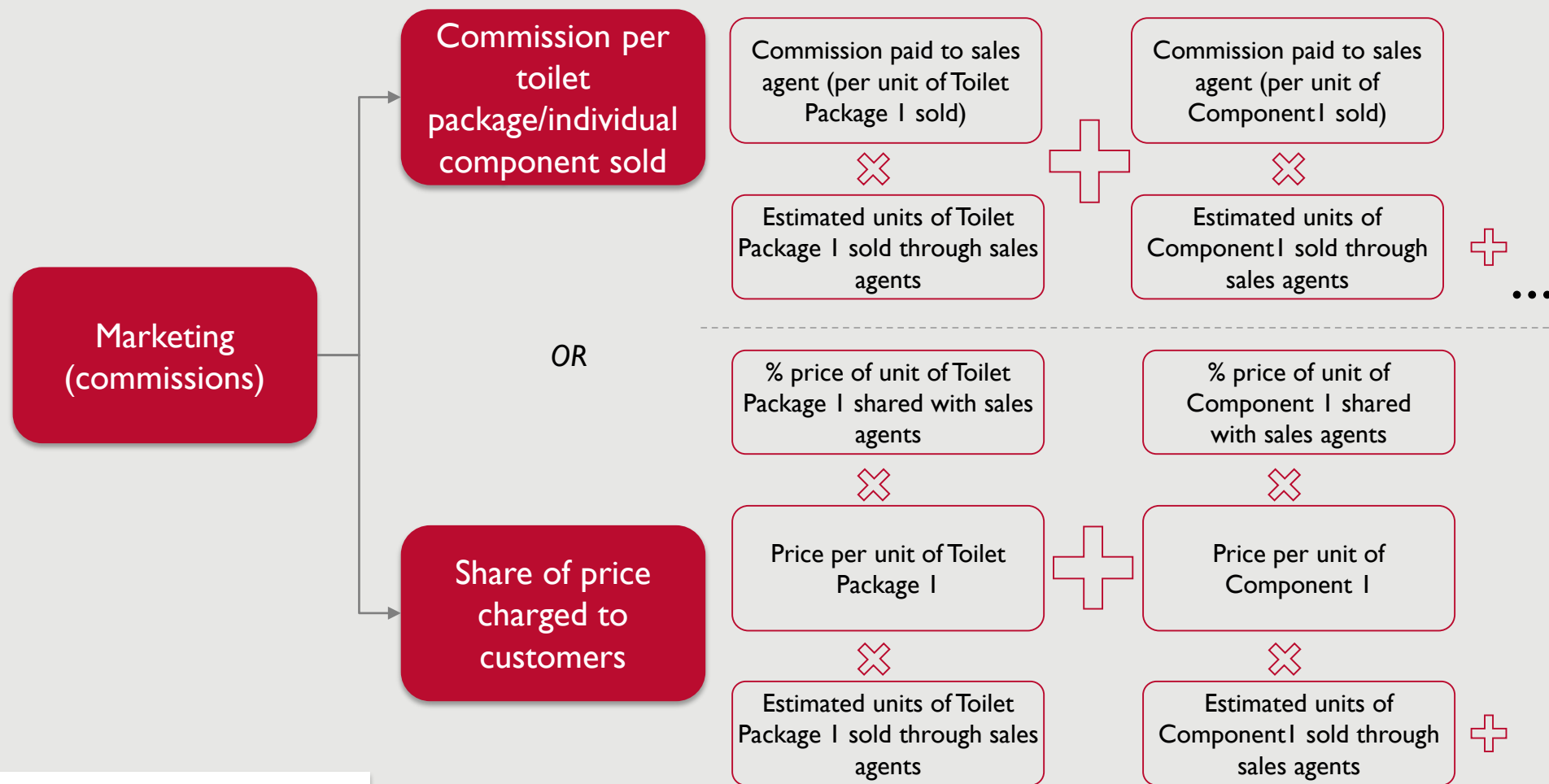
Demand
activator



Money



Marketing (commissions)



... Implies additional units



Recording marketing (commissions) in Prospective P&L statement temp.

- Commission per toilet package / individual component sold

Screenshot of Heading 9 of the Prospective P&L statement template

9	Marketing (commissions)		176.8
	Method employed for marketing:		Marketing through sales agents
	Payment for marketing (commissions) will be:		Commission per toilet package / individual component sold
	Individual component sold		176.8
	Package 1 sold)		1.5
	Package 2 sold)		
	Commission paid to sales agent (per unit of Toilet Package 3 sold)		
	Commission paid to sales agent (per unit of Component 1 sold individually, not as part of toilet package)		0.2
	Commission paid to sales agent (per unit of Component 2 sold individually, not as part of toilet package)		
	Commission paid to sales agent (per unit of Component 3 sold individually, not as part of toilet package)		
	Commission paid to sales agent (per unit of Component 4 sold individually, not as part of toilet package)		
	Commission paid to sales agent (per unit of Component 5 sold individually, not as part of toilet package)		
	Estimated units of Toilet Package 1 sold through sales agents		68
	Estimated units of Toilet Package 2 sold through sales agents		36
	Estimated units of Toilet Package 3 sold through sales agents		0
	Estimated units of Component 1 sold through sales agents (individually, not as part of toilet package)		68
	Estimated units of Component 2 sold through sales agents (individually, not as part of toilet package)		36
	Estimated units of Component 3 sold through sales agents (individually, not as part of toilet package)		0
	Estimated units of Component 4 sold through sales agents (individually, not as part of toilet package)		0
	Estimated units of Component 5 sold through sales agents (individually, not as part of toilet package)		0

Sub-total of 9.1 or 9.2

Sub-total of 9.1 or 9.2

Derived from "Marketing Strategies" (in "General enterprise information" section) and LI –Revenue from toilet sales

1 Enter method of payment of marketing (commission), i.e., either as per units of toilet package / individual component sold or as share of revenue

2 Enter commission paid to sales agent per unit of toilet package/individual component sold

Legend

User inputs

Totals

Calculations

Grayed Section



Recording marketing (commission) in Prospective P&L statement temp.

- Share of price charged to customers

Screenshot of Heading 9 of the Prospective P&L statement template

9	Marketing (commissions)		0.0
	Method employed by Enterprise for marketing:		
	Payment method of marketing (commissions) will be:	Marketing through sales agents	
		Share of price charged to customers	
9.1	Method 1: Commission per toilet package / individual component sold		176.8
9.2	Method 2: Share of price charged to customers		0.0
	% price of unit per Toilet Package 1 that will be shared with sales agents		
	% price of unit per Toilet Package 2 that will be shared with sales agents		
	% price of unit per Toilet Package 3 that will be shared with sales agents		
	% price per unit of Component 1 (sold individually, not as part of toilet package)		
	% price per unit of Component 2 (sold individually, not as part of toilet package) that will be shared with sales agents		
	% price per unit of Component 3 (sold individually, not as part of toilet package) that will be shared with sales agents		
	% price per unit of Component 4 (sold individually, not as part of toilet package) that will be shared with sales agents		
	% price per unit of Component 5 (sold individually, not as part of toilet package) that will be shared with sales agents		
	Price per unit price of Toilet Package 1		75.0
	Price per unit price of Toilet Package 2		30.0
	Price per unit price of Toilet Packages 3		0.0
	Price per unit of Component 1		10.0
	Price per unit of Component 2		5.0
	Price per unit of Component 3		10.0
	Price per unit of Component 4		5.0
	Price per unit of Component 5		0.0
	Estimated units of Toilet Package 1 sold through sales agents		68.0
	Estimated units of Toilet Package 2 sold through sales agents		36.0
	Estimated units of Toilet Package 3 sold through sales agents		0.0
	Estimated units of Component 1 sold through sales agents (individually)		68.0
	Estimated units of Component 2 sold through sales agents (individually)		36.0
	Estimated units of Component 3 sold through sales agents (individually)		0.0
	Estimated units of Component 4 sold through sales agents (individually, not as part of toilet package)		0.0
	Estimated units of Component 5 sold through sales agents (individually, not as part of toilet package)		0.0

Sub-total of 9.1 or 9.2

Grayed out as irrelevant when enterprise pays commission as share of price charged to customers

Derived from "Marketing Strategies" (in "General enterprise information" section) and LI –Revenue from toilet sales

1 Enter method of payment of marketing (commission), i.e., share of price charged to customer in this case

2 Enter % price per unit of toilet package/individual component that will be shared with sales agents

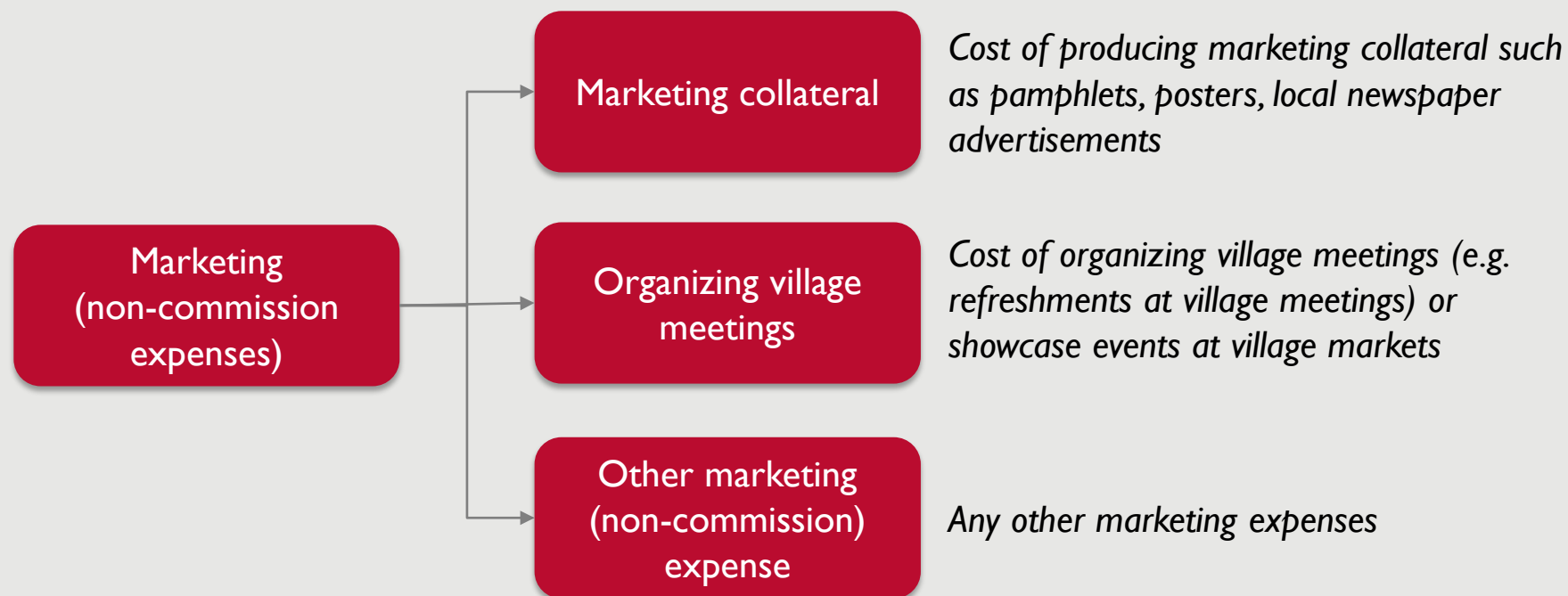
Legend

	User inputs
	Totals
	Calculations
	Grayed Section



Marketing (non-commission)

Cost of any marketing activities that sanitation enterprises will do, other than using sales agents. Typically, it will include cost for activities like printing marketing collateral and organizing local village meetings.

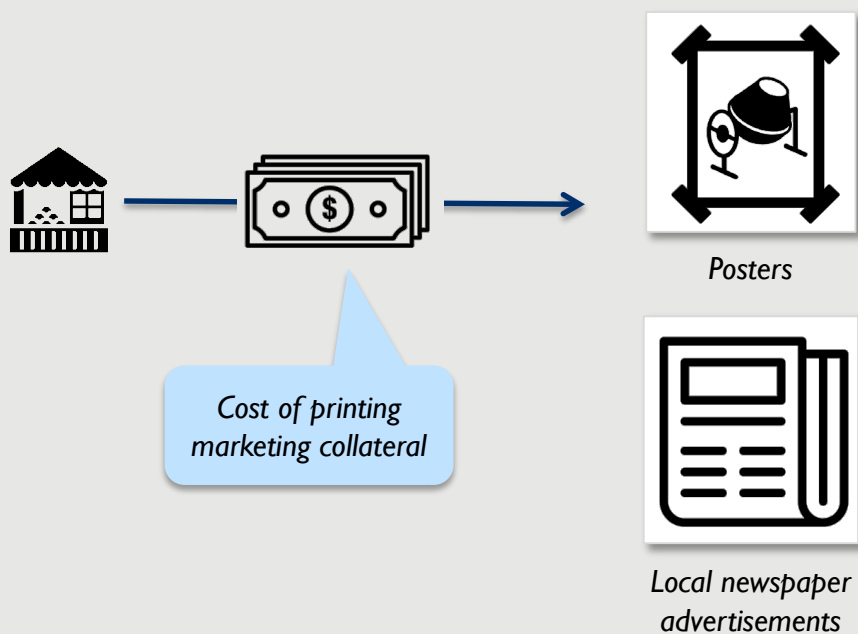


Marketing (non-commission) costs should be ignored if enterprises do not plan to do any marketing, or plan to use sales agents instead.

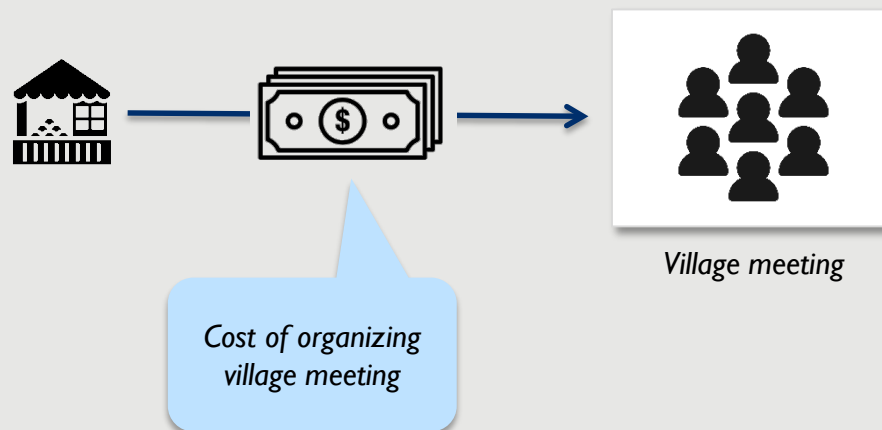


Marketing (non-commission)

Illustrative marketing collateral



Illustrative village meetings



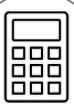
Sanitation
enterprise



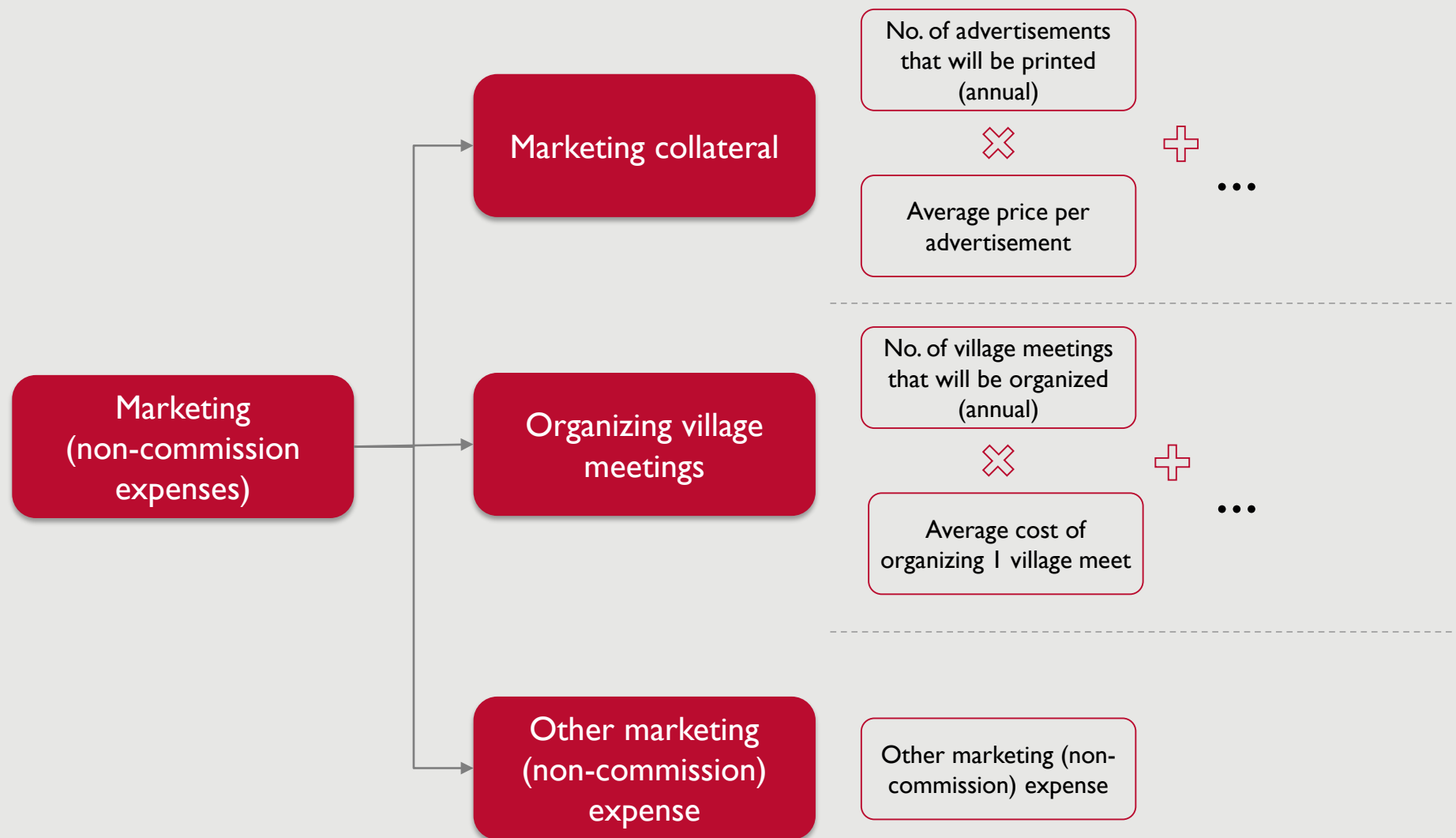
Customer



Money



Marketing (non-commission)



... Implies additional units



Recording marketing (non-commission) in projected P&L statement template

Screenshot of Heading 10 of the projected P&L statement template

10	Marketing (non-commission)		0.0
		<i>Sub-total of 10.1-10.3</i>	
10.1	Marketing collateral		0.0
	Number of advertisements that will be printed		
	Average cost of printing (per advertisement)		
10.2	Village meeting		0.0
	Number of village meetings that will be organized		
	Average cost of organization (per village meeting)		
10.3	Other marketing (non-commission) expenses		

- 1
Enter number of advertisements that will be printed and average cost per advertisement
- 2
Enter number of village meetings that will be organized and average cost of organizing each village meeting
- 3
Enter any other non-marketing expense

Section of “Marketing (non-commission)” gets highlighted in the projected P&L statement template only if the enterprise chooses “Active self-marketing” in “Marketing Strategies” under the “General enterprise choices” section

Legend

User inputs

Totals

Calculations

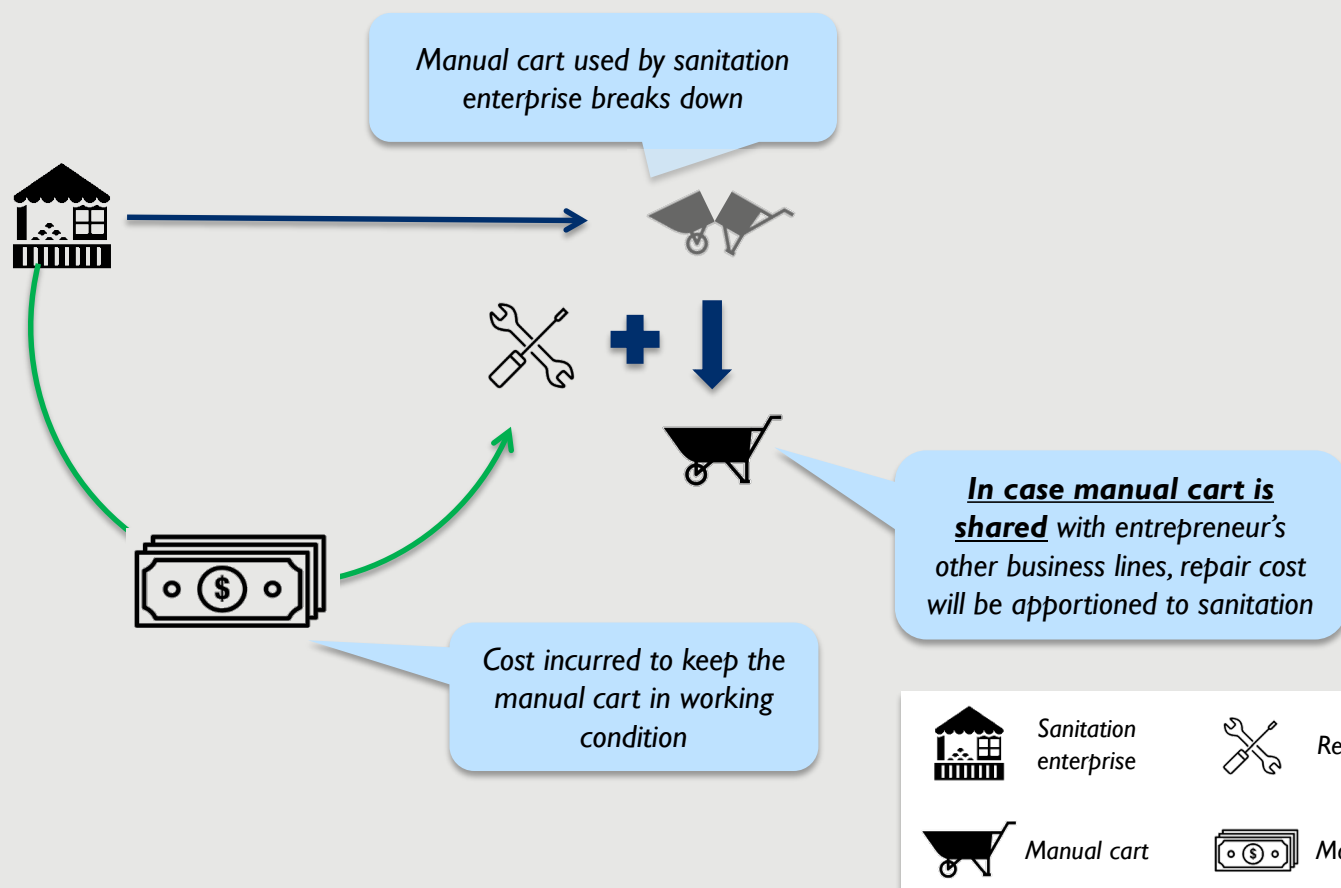
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Repairs

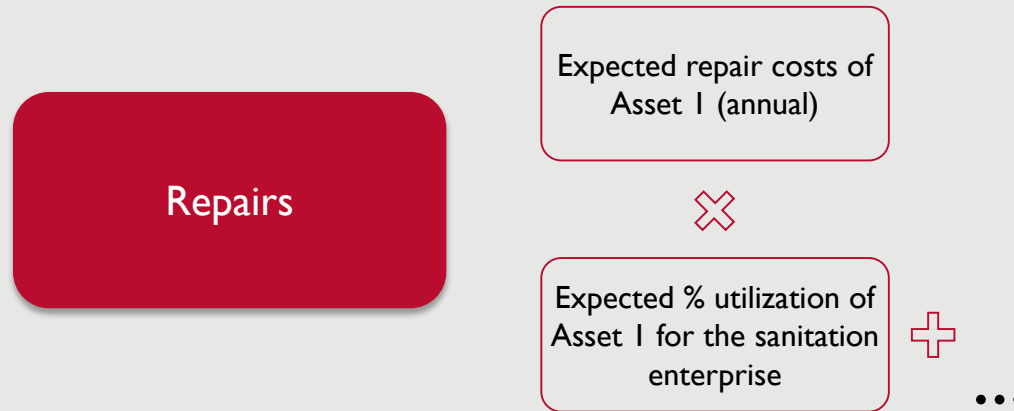
Cost incurred to maintain equipment (e.g., molds, vehicle) that entrepreneurs will use for the sanitation enterprise. The total repair expense of equipment that is shared with entrepreneurs' other business lines should be apportioned based on an estimate of their utilization rates.

Illustrative repair expense





Repairs



... Implies additional units



If an asset is expected to be utilized only for the sanitation enterprise, then the utilization rate should be 100%.

Tip



Recording repairs in projected P&L statement template

Screenshot of Heading 11 of the projected P&L statement template

11	Repairs		41.0
		Sub-total of 11.1-11.3	
11.1	Asset 1		
	Estimated repair costs of Asset 1 (annual)	20.0	
	Expected % utilization of Asset 1 for the sanitation enterprise	100%	
11.2	Asset 2		
	Estimated repair costs of Asset 2 (annual)	20.0	
	Expected % utilization of Asset 2 for the sanitation enterprise	100%	
11.3	Asset 3		
	Estimated repair costs of Asset 3 (annual)		
	Expected % utilization of Asset 3 for the sanitation enterprise		

1 For each asset, enter estimated annual repair cost and expected % utilization for the sanitation enterprise

2 Similarly, enter details of estimated repair costs of other assets of the enterprise

Users should enter what proportion of each asset they expect to use for the enterprise

Legend

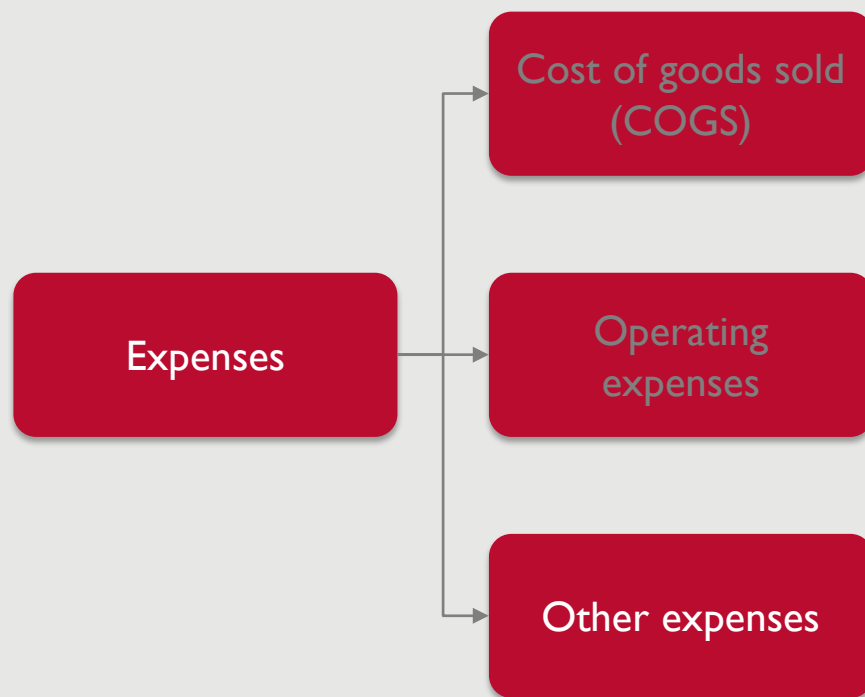
- User inputs
- Totals
- Calculations
- Grayed Section

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- Introduction
- Preparation of a projected Profit & Loss statement
 - Estimated sales volumes
 - Projected revenue
 - Projected cash expenses
 - Cost of goods sold
 - Operating expenses
 - Other expenses



Other expenses



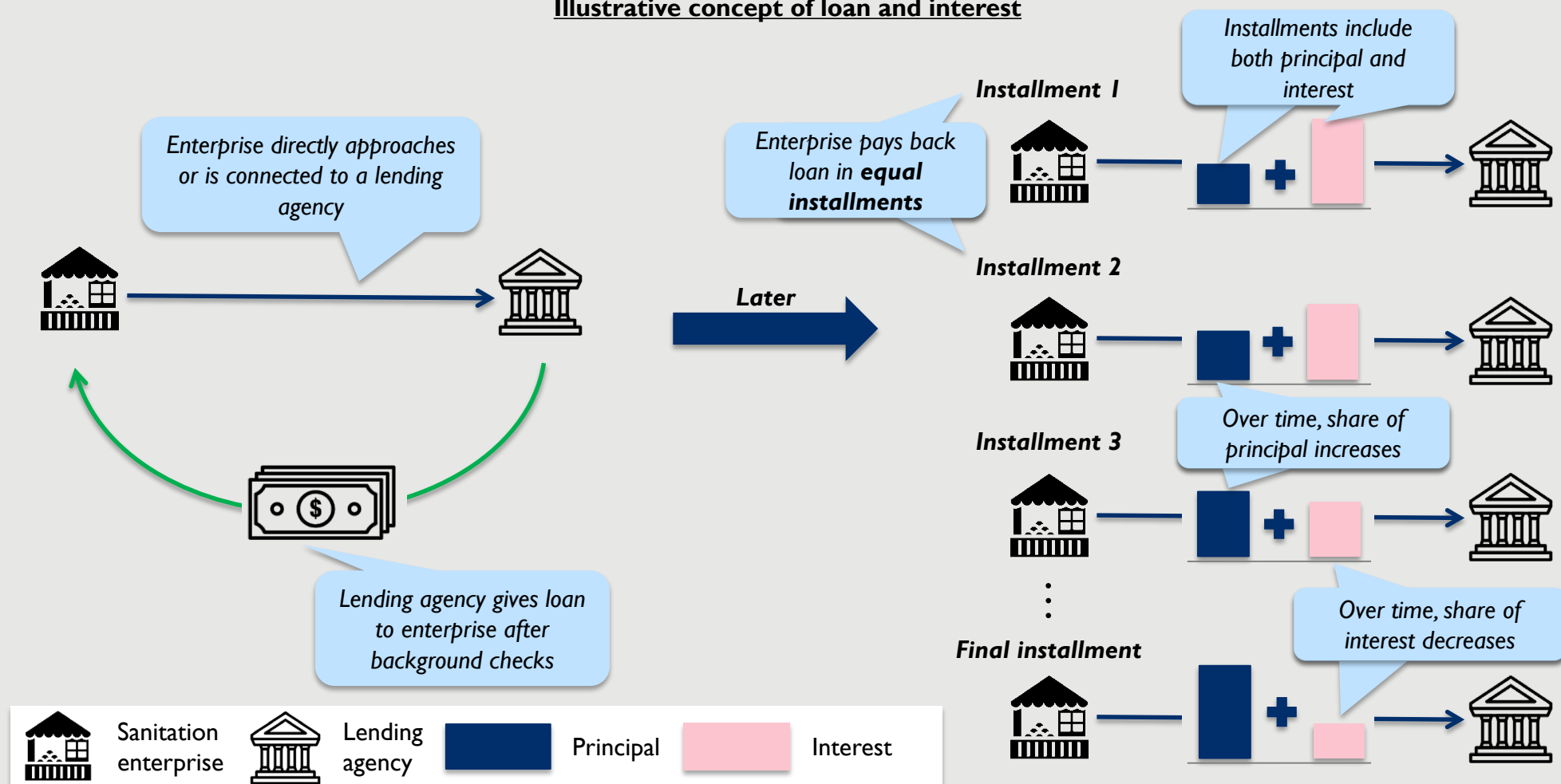
Costs unrelated to the core business of the enterprise (such as, interest which is not related to the products or services of a sanitation enterprise)

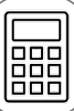


Interest

Interest expense if the sanitation enterprise will take a loan for its operations.

Illustrative concept of loan and interest





Interest

Interest expense is calculated based on the principal amount and duration for which the sanitation enterprise will take the loan, and the interest rate on the loan.

Interest is
calculated using

Principal

Duration of loan (months)

Interest rate on loan (annual)



Tip

- More information on calculation of interest is available at Investopedia, *Learn Simple and compound Interest* (<https://www.investopedia.com/articles/investing/020614/learn-simple-and-compound-interest.asp>)
- Interest calculation in the projected P&L statement template assumes that the loan will start at the same time as the start of the P&L statement duration



Recording interest in projected P&L statement template

Screenshot of Heading 12 of the projected P&L statement template

12	Interest	43.2
	Principal amount of future loan	500.0
	Total duration of future loan (months)	36 months
	Interest rate on future loan (annual)	10%
	Interest paid on future loan	43.2
	Loan payment schedule	
	Mon	Monthly interest
	1	4.2
	2	4.1
	3	4.0
	4	3.9
	5	3.8
	6	3.7
	7	3.6
	8	3.5
	9	3.3
	10	3.2
	11	3.1
	12	3.0

Annotations:

- Enter principal, duration and annual interest rate** (points to Principal amount, Total duration, and Interest rate)
- Interest of loan for first 12 months of the loan duration** (points to the first 12 months of the loan payment schedule)
- Calculation table that calculates interest for first 12 months of the loan duration** (points to the Monthly interest column for the first 12 months)

Legend	
	User inputs
	Totals
	Calculations
	Grayed Section