

## Exclusive Access Document for article:

# Flormiere's Financial Results

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In this document, I shall cover the financial results and summary of Flormiere's cashflow, expenses and other important financial numbers.

## What Was Recorded?

The saying: What is not measured, cannot be managed well rings true. Hence, I have done the following to provide an accurate view of our business consistently in the lifespan of our business:

### 1. All materials and purchases were recorded in the "Cash Outflow/Transactions sheet"

Item No	Date	Transaction (Cash Outflow)	Qty	Price	Paid By:	Shipment Status	Tracking Number
1	5/4/2019	Art Friend, Glow in the dark paint		\$2.95	Sindy	Delivered	
2	5/3/2019	Flower Shop, Rose (red)		\$9.55	Kimmy	Delivered	
3	5/3/2019	SupplierD, Glass Bottle		\$2.00	Kimmy	Bought/Paid and	
4	18/5/2019	Fresh Flower		\$10.00	Kimmy	Bought/Paid and	
5	16/5/2019	Trial/Sample Shipping from Thailand - Dried Flowers (1st		\$4.00	Sindy	Bought/Paid and	
6	19/5/2019	AliExpress Purchases for Prototype		\$27.80	Jia Cheng	Delivered	
7	19/5/2019	Lazada Purchases for Prototype		\$42.95	Jia Cheng	Delivered	
8	20/5/2019	Craft Supplies (Glue, Sand and Blue Tac)		\$6.45	Kimmy	Delivered	
9	20/5/2019	Rose, Glue Brush, palatte		\$9.45	Kimmy	Delivered	
10	20/5/2019	LED Light (Single-LED with Remote Control) (Qty: 3)		\$8.05	Aaron	Delivered	
11	25/5/2019	Basic Stones for Dried Flower Arrangements (RM35.40 Convert		\$12.00	Kimmy	Delivered	
12	25/5/2019	Cost of Logistics		\$5.00	Kimmy	Bought/Paid and	
14	29/5/2019	Preserved roses (various sizes), Colourful decorative stones and		\$87.60	Aaron	Delivered	
15	1/6/2019	Flowers from thailand		\$32.90	Kimmy	Bought/Paid and	
16	1/6/2019	shipping fee for flower		\$20.00	Sindy	Bought/Paid and	
17	15/6/2019	10x CR2032 Battery	10	\$3.90	Aaron	Bought/Paid and	
18	15/06/2019	shredded paper x8 (Mr DIY)	8	\$4.58	Aaron	Bought/Paid and	
19	15/06/2019	Glue Gun (Popular)	1	\$9.35	Aaron	Bought/Paid and	
20	15/06/2019	Glue sticks x8 (Mr DIY)	8	\$5.00	Jia Cheng	Bought/Paid and	
21	15/06/2019	SupplierD Dried Flowers	1	\$2.00	Jia Cheng	Bought/Paid and	
22	15/06/2019	SupplierD Smell	3	\$6.00	Jia Cheng	Bought/Paid and	
23	15/06/2019	SupplierD Light	2	\$4.00	Jia Cheng	Bought/Paid and	
24	15/06/2019	SupplierD Stones and sand	2	\$4.00	Jia Cheng	Bought/Paid and	
25	15/06/2019	SupplierD Fake Grass	1	\$2.00	Jia Cheng	Bought/Paid and	
26	15/06/2019	SupplierD Absorbable Water block	1	\$2.00	Jia Cheng	Bought/Paid and	
27	15/06/2019	SupplierD Decoration (Bear	2	\$4.00	Jia Cheng	Bought/Paid and	
28	15/06/2019	SupplierD Decoration Fence	3	\$6.00	Jia Cheng	Bought/Paid and	
29	15/06/2019	KSL Mall \$2 Shop - Jars for Rose Flower	6	\$12.00	Jia Cheng	Bought/Paid and	
30	15/06/2019	SupplierD Tweezer	1	\$2.00	Jia Cheng	Bought/Paid and	
31	22/06/2019	Nail Polish removal + packaging box for custom design	1	\$4.30	Kimmy	Bought/Paid and	
32	13/07/2019	Zantelle Supplies (Glass jars and transportation)	1	\$133.60	Sindy	Bought/Paid and	

To date: We have invested \$1087.19 in this business. The following are the cash injected to Flormiere for materials and sustenance of this business:

Cost Borne By Each Member:	
Aaron	\$329.69
Jia Cheng	\$359.10
Kimmy	\$161.15
Sindy	\$237.25
<b>Total Cash Outflow:</b>	<b>\$1,087.19</b>

For each created product, I estimated the material cost and labour cost of making each product. Labour cost is factored in for the cost of each product, because a production process of between 45 minutes to 1 hour is usually involved per product. These cost estimations allowed our group to note the minimum price we can sell each product. Here are some examples of the goods estimated, in our “Production Cost Tracker” spreadsheet:

On the top bar, using “SUMIF” Logic, I have also counted the number of hours spent in production to create the products. Total Production labour hours stands at 27.5 hours, excluding R&D and Failed Products. The production labour cost has also been calculated.

An Estimate of the Material cost of our finished goods produced can also be seen here:

T	U	V	W	X	Y
Total Material Cost (of Sold Products)		319.4	Total Material Cost (of Sold Products)		434.07

### 3. Separate sheet for write offs (E.g. Spoilt materials) and other expense

In the course of this business, some writeoffs and additional expenses had to be made to account for R&D materials (Materials bought but unable to use for final product), as well as marketing promotion expense). Here's what was recorded:

A	B	C	D	E
Write Off				
Item No	Description	Price	Do not edit this Tiny table! (Formulas)	
1	Broken Glass (Due to Logistics Issues)	\$3.50	Total Write Off	
2	Broken Glass (Due to Logistics Issues)	\$3.50	Write-Off	\$34.54
3	Broken Glass (Due to Logistics Issues)	\$3.50		
4	Kimmy Delivery Accident (Item Repair)	\$3.00		
5	Unusable Jar	\$4.00		
6	Eternal Rose with LED Contents (issue with Design)	\$9.04		
7	Spoilt Flowers	\$8.00		
Failed R&D - Items Destroyed in process in R&D/Not Forseen to be usable				
Item No	Description	Price	Do not edit this Tiny table! (Formulas)	
1	Flower Shop, Rose (red)	\$9.55	Total Write Off	
2	Trial/Sample Shipping from Thailand - Dried Flowers (1st installment of 2)	\$4.00	Failed R&D	\$30.00
3	Rose, Glue Brush, palette	\$9.45		
4	Merlion (Spoilt Mouth)	\$2.00		
5	Black Acrylic Paint	\$5.00		
Marketing (Goods) Expenditure				
Item No	Description	Price	Do not edit this Tiny table! (Formulas)	
1	Marketing Contest Product Giveaway Cost	\$24.48	Total Write Off	
2	URL Flormiere Domain Registration Cost	\$14.00	Marketing	\$63.48
3	DIY Videos Editing Cost (Outsource to SB)	\$25.00		
Marketing (Promotion) Expenditure				
Item No	Description	Price	Do not edit this Tiny table! (Formulas)	
1	Marketing Post Promotion (Contest)	\$16.00	Total Write Off	
2			Marketing	\$16.00
Website Development Expenses				
Item No	Description	Price	Do not edit this Tiny table! (Formulas)	
1	Rebrandly Domain	\$15.00	Total Write Off	
2			Website Dev	\$15.00

These costs will be factored into our income statement later.

#### 4. Labour hours for non-production activities recorded

The Time spent searching for materials, R&D to research and develop new designs, maintain online shopping platforms (Shopee and Carousell), social media accounts (Facebook and Instagram), our website, as well as estimations for booth-breakeven point, creation of marketing assets & DIY Videos have all been recorded in the “Labour Expense (Exclude Product” Sheet. As the name of the sheet implies, production hours are not counted again as labour costs here (since that would be double counting).

However, for the sake of clarity, I have recorded the total number of hours spent in non-production for each member in this group within the spreadsheet, and added the production labour hours to give a sense of total number of hours spent in the course of this business.

Activity (Date)	Hours Clocked (Individually)				Total Hours	Total Cost/Activity
	Aaron	Jia Cheng	Kimmy	Sindy		
Failed Prototype Session 1	2	2	2	2	8	60
Aliexpress and Alibaba China, Sourcing and Research Cost	3	3	1	3	10	75
Local Distributor Sourcing (July) (For Finished Products)	0.5	2.5		2.5	5.5	41.25
Sindy+Kimmy - Carousell Maintenance			3	2	5	37.5
Sindy+Kimmy - Website Design (Wix)			1	2	3	22.5
Aaron - Website Design (Wordpress)	2.5				2.5	18.75
Aaron - Rebrandly (+ Issues)	0.5				0.5	3.75
Aaron - Shopee Setup and Maintenance	3				3	22.5
Local Distributor Sourcing (August)	2	3		2	7	52.5
Roadshow Planning and Calculation	1	0.5	0.5	1	3	22.5
Instagram Maintenance		5	5	5	15	112.5
Instagram (Contest)	2				2	15
Aaron - Accounting Ops	4				4	30
WriteOff- 1 Design (Eternal Rose)	0.75		1		1.75	13.125
Marketing Video	5		1	1	7	52.5
DIY Video Taking	4		2	2	8	60
Product Deliveries			2	2	4	30
					0	0
					0	0
					0	0
<b>Total Hours Clocked Per Individual (Outside Production)</b>	<b>30.25</b>	<b>16</b>	<b>18.5</b>	<b>24.5</b>	<b>89.25</b>	
<b>Total Hours Clocked in Production</b>	<b>27.25</b>					
<b>Total Hours in Project</b>	<b>116.5</b>					

Total Number of Hours Recorded for the running of this business is 118.5 hours. However this does not include the miscellaneous time spent researching and knowing more about the business prior to launch, the failed malaysia sourcing trip, as well as other misc. Discussions that took place in the course of business.

Multiplying by the Labour wage, the total labour cost are:

<b>Cost Per Hour</b>	<b>7.5</b>
<b>Total Labour Cost</b>	<b>669.375</b>

## 5. Sales and margins are recorded per transaction

Each Sales has been logged in the “Sales” Sheet. With reference to the “production cost tracker” sheet, this sheet calculates the cost of good and profit per good sold. These are the total sales:

Total Sales	\$749.10
Cost of Goods Sold (For IS)	\$505.94
Gross Profit	\$243.17

With these key metrics and foundation layed in the spreadsheet, we can now look at the income statement and balance sheets, which relies on information from the rest of the sheets.

## 6. Estimation of Finished Goods Value

Based on the production cost tracker, I have also noted down the total value of finished goods in our inventory. Finished goods refer to products which are ready for delivery to customer (e.g. finished design products as well as DIY Kits). This table can be found in the “estimated profit from finished G” Spreadsheet

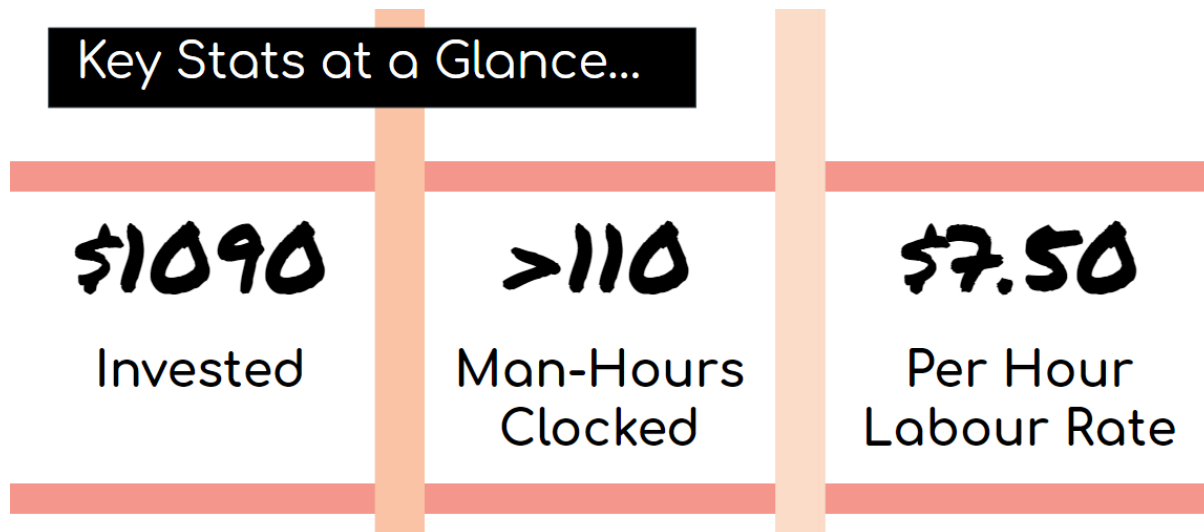
A	B	C	D	E	F
No.	Being Sold (Order Number/Desc	Price To Sell	Total Cost Per Good	ty (Only F	Total Margin
1	Swan Love	\$34.90	\$20.60	1	\$14.30
2	Summer Beach	\$34.90	\$22.12	1	\$12.78
3	Safari	\$34.90	\$22.37	1	\$12.54
4	Giraffe World (Zoo)	\$34.90	\$22.37	1	\$12.54
5	Honey Bunny	\$28.90	\$19.31	1	\$9.60
7	DIY LAKE	\$22.90	\$14.23	2	\$17.35
8	DIY OWL	\$22.90	14.23	2	\$17.34
9	DIY GIRAFFE	\$22.90	14.23	2	\$17.34
10	DIY BEACH HOUSE	\$22.90	14.23	2	\$17.34
11	Underwater World	\$34.90	\$18.95	1	\$15.96
12	New Giraffe World	\$34.90	\$22.37	1	\$12.54
13	Terrarium Bridge	\$34.90	24	1	\$10.90

Total Margin from Current Finished Goods	\$170.51
Total Inventory Value for Finished Products	\$228.98
Total Number of Products Held	16

As we can see, total inventory of Finished products currently stands at \$228.98.

## Now: Flormiere's Financial Numbers.

### 7. First, At a Glance...



For the purpose of this business, the numbers have been calculated with a \$7.50 per hour rate, as we do not want to “suck the business dry” as it needs the cash to continue operations. We feel this is a fair rate since it is the rate paid for standard hourly part time jobs and internships (based on 5 day work week, 8 hours work = \$1200) as well.

### 8. Income Statement:

Income Statement					
Total Sales		\$749.10			
Less Cost Of Goods Sold		-\$505.94			
Gross Profit		\$243.17	==>	Gross Profit Margin	32.46%
Less Operating Expenses:					
Write Off Damages	\$34.54				
(Failed) R&D Expense	\$30.00				
Marketing Goods Expense	\$63.48				
Marketing Promotion Expense	\$16.00				
Labour Expense	\$669.38				
Website Development Expense	\$15.00	-\$828.40			
Net Operating Loss		-\$585.23	==>	Return on Sales	-78.12%

Our business has made \$749.10 in Sales. On average, the Gross Profit margin is at 32.4%, which seems decent for the nature of our product. However, the non-production expenses, most notably, the Labour expense, ends up eating away at the Gross profit, resulting in a Net operating loss of \$585.23.

However, the team expects to be able to improve on non-production costs since our business model is a more tried and tested - Lots of time was taken on Sourcing and Prototyping sessions, and we do not expect to take that much time in those activities in future. Time spent on DIY videos (Which has not resulted in any sales thus far) has also been recorded as part of labour expense.

## 9. Balance Sheet

	A	B	C	D	E	F
1	Balance Sheet as of 28/8/2019					
2		Sub-Total	Total			
3	<b>Assets</b>					
4	Cash	\$749.10				
5	Inventory (Finished Goods)	\$228.98		✓		
6	Inventory (Raw Materials)	\$392.66		==>	Inventory T/O	1.21
7	Accounts Receivable (Includes Funds Held by Shopee Wallet/Caroupay)	\$0.00			(Include Finished + Raw Inventory)	
8	Equipment (Glue Gun)	\$20.00				
9	URL Domain	\$14.00				
10	Total Assets		\$1,404.74			
11						
12	<b>Liabilities</b>					
13	Salaries Payable (For Operations)	\$669.38				
14	Salaries Payable (For Production of Goods)	\$204.38				
15	Total Liabilities		\$873.75			
16						
17	<b>Equity</b>					
18	Owner's Equity		\$530.99			

This is the balance sheet as current (6 September 2019). One interesting factor is that inventory turnover is still positive, and we expect to do better when we sell our current products and gain traction for our DIY Products.

### Viewing the individual Sheets

In the event that the above information is not enough, you may have a look at the current financial standings via the spreadsheet below as well. The information is updated as of 6th September 2019:

The BoothSim Exercise (The calculations taken to decide if it was worth it for our company to enter the pop-up market scene) have also been included. These spreadsheets have a blue tab colour and are titled "BoothSim - Cost Estimation (ScenarioType)". The 3 Scenarios presented (High, Medium and low pricing) are all included within this spreadsheet for quick reference, and for a better look at the formulas used within the simulation Exercise)

You may view all the spreadsheets here (NTUEntrepreneur Account Required)

<https://docs.google.com/spreadsheets/d/1HojX3bsDtkDS8kd4J-bbqzfFqYZ-xNpEDDaw9yRJzbY/edit?usp=sharing>

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