



SCPO

Saskatchewan Commission
of Professional Outfitters



Business Forecasting Tool

USER GUIDE FOR SASKATCHEWAN OUTFITTERS

Business Forecasting Tool

WHAT IS IT?

SCPO's Business Forecasting Tool is an easy-to-use tool that helps you explore revenues & expenses for the upcoming season. The idea behind the tool is simple: knowing what revenue to expect versus how much you need to cover expenses will give you a clear picture of where you stand financially for the upcoming season—what the net position might look like. Knowing where you stand lets you make better decisions early on, whether cutting expenses or exploring new sales or revenue opportunities.

- **Easy-to-use.**

And we mean just that—it's simple to use. You need a computer and standard Microsoft Office Excel software. All you need to do is fill in your expected revenues and expenses—the forecasting tool automatically does the calculations and forecasts.

- **Play with the numbers.**

The whole point of a 'tool' is to make tasks easier and to let you easily repeat tasks. Don't be shy about playing with the numbers—see what happens if you add new sales or decrease expenses. Use the tool over and over, and keep playing with the numbers to create a clearer picture of your operation going into the upcoming season.

This user guide will walk you through the 4 Step Forecasting Tool.

WHY USE IT?

Knowledge is power. When it comes to outfitting, knowing where you stand early in the year in terms of expected revenues & expenses will help you make better decisions about your operation.

USE THE FORECASTING TOOL TO:

1. Clearly understand what the next season might look like financially, right now, and what decisions you need to make to get into a better position if needed.
2. Identify whether you have the resources (the cash) you need to cover your start-up costs for the upcoming season.

WHERE TO START?

Open the Excel forecasting tool on your computer. The tool will ask for revenues and expenses for the 2019 season (the last 'pre-COVID' season) and then ask you to forecast revenues and expenses for your upcoming season. If you had a normal year of operation in 2020, feel free to use those numbers.

TIP

Start with a trial run using estimates for 2019 and your next season.

Get started. Without looking for your financials, take a trial run by using estimates. Once you see how easy the tool is to use, you can then insert actual figures and start playing with the numbers.

HOW IS IT HELPFUL?

The forecasting tool is just that—a tool to help you forecast. You know your business better than anyone else, and you generally have an idea of what the season ahead will look like. This tool will simply give you a better, clearer understanding of what to expect financially. We've kept it simple and to the point.

The forecasting tool will automatically crunch numbers for you and produce a net revenue projection for the upcoming season that either looks good ... or not so good. If it's not so good, the tool gives you a few options: increase sales, reduce expenses or look for other forms of cash. The tool lets you test out those different scenarios.

TIP

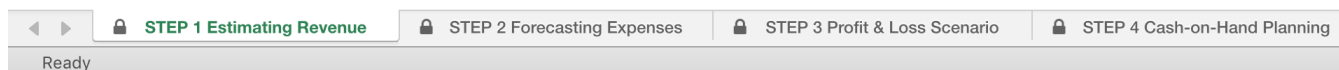
'Tweak' your results.

The forecasting tool is just that—a tool to help you forecast. Play with the numbers, try different versions and explore your options.

User Guide

STEP 1 – ESTIMATING REVENUE FOR THE UPCOMING SEASON

In Step 1, you will estimate your revenues for the upcoming season. To begin, open the Excel forecasting tool on your computer (if you haven't already) and click on the Step 1 tab at the bottom of your screen.



1.1 2019 SALES REVENUE

What was your Total Sales Revenue for 2019?

Enter your estimate or actual in the 2019 Sales Revenue box (1.1). The tool asks for this as it uses 2019 as a base year to help test your estimates, while also serving as a base for you to compare your numbers for the upcoming season to. For example, our outfitter had 2019 sales of \$100k.

STEP 1.1 2019 Sales Revenue: What was your Total Sales Revenue for 2019?	
2019 Sales Revenue	\$100,000

1.2 SALES REVENUE FOR THE UPCOMING SEASON

Establishing your estimated sales revenue for the upcoming season will require the following mix of steps, explained further below.

What is your confirmed sales revenue for the upcoming season?

Your confirmed sales revenue is the total sales that you have already booked for the upcoming season (the season you are planning for). This number should not include sales you hope to make in the future, only those you already have on the books.

Keep in mind you may be dealing with different prices from different seasons (e.g., due to COVID-19) and application of practices such as rebooking fees and repricing packages. Do your best to ensure your number accounts for these unique situations.

What percentage of revenue do you think you might lose due to cancelled trips?

This step asks you to estimate the percentage of confirmed sales revenue you may lose between now and the start of the upcoming season due to people cancelling their trips. As a start, base this on your

experience from other years. For example, you may lose 10% of your sales revenue due to cancellations in an average year.

The pandemic has created a situation where the percentage of lost sales revenue due to cancellations may be higher than average—more people may be likely to cancel their trips, and this may happen more closely to the trip date than in an average year. Look at scenarios with a higher-than-average cancellation rate. Use the tool to explore the ‘what ifs.’

What percentage of this revenue has been received (deposits and pre-payments) and already spent within the previous year?

The pandemic has created a tough situation as most outfitters lost an entire season, or two seasons, of revenue. Portions of the money already received (e.g., deposits) may have been spent, and therefore shouldn’t be accounted for in your sales revenue for the upcoming season. For example, any deposit revenue for trips that were to occur in the previous year that was spent in the previous year is not available as sales revenue for the upcoming season. This is ‘**Unavailable Revenue from Sales**’.

If you are in this position, enter the estimated dollar figure (amount of your total sales) already spent in the year previous and is not available for the upcoming year.

Do you have other streams of revenue related to your outfitting operation?

You may have other revenue that your operation normally generates in addition to your booking revenues—account for this in the tool. For example, you may sell equipment or have retail services (e.g., food store). Enter this amount in ‘**Other Sales Revenue**’.

In our practice scenario, our outfitter has entered \$70,000 in sales already booked for the upcoming season, used an estimate of 15% to account for potential cancellations, has already spent \$15,000 of the deposit revenue related to sales received for/spent in the previous year, and has entered \$5,000 in ‘Other’ revenue for the upcoming season (based upon previous year’s numbers). This leaves our outfitter with an ‘**Adjusted Sales Revenue for Upcoming Season**’ of \$49,500.

STEP 1.2 Sales Revenue for the Upcoming Season:	
Upcoming Season - Confirmed Sales Revenue	\$70,000
Estimated Percent of Revenue Lost to Cancellation	15%
Unavailable Revenue from Sales	\$15,000
Other Sales Revenue	\$5,000
Adjusted Sales Revenue for Upcoming Season	\$49,500.00

Enter your estimates for the upcoming year in the **Sales Revenue for Upcoming Season (1.2)**. The forecasting tool will automatically calculate your **Adjusted Sales Revenue for the Upcoming Season**.

1.3 NEW SALES OPPORTUNITIES AND OTHER REVENUE OPPORTUNITIES

TIP

Leave this question blank on your first time through the tool.

Leave section 1.3 blank on your first time through the forecasting tool (as shown below), and go right to Step 2 (Forecasting Expenses). Once you complete Step 2, you'll have an idea of where you sit based upon these initial numbers, which you will see in Step 3.

This is basically where you would land if you stopped selling right now. You can then work back to 1.3 and input estimates in the 'New Sales' and 'Other Revenue' boxes to see what options you can consider to improve your net position through additional revenue.

STEP 1.3 New Sales and Other Revenue Opportunities:

New Sales	\$0
Other Revenue	\$0
Total New Sales and Other Revenue	\$0
Revised Sales Revenue for the Upcoming Season	\$49,500.00

After your preliminary run, use this section to see how additional sales will improve your net position for the upcoming season.

Once you complete Step 1 and Step 2, Step 3 will provide you with a Profit-Loss Forecast. If you're not happy with this position, you can change it by increasing sales or finding other revenue. Based upon previous years, you may have a good idea of expected additional sales—those you don't have booked as 'confirmed' right now, but are confident you will realize.

This step also provides you with an opportunity to list other sources of revenue you may have or anticipate you may stream into your operation for the upcoming season. For example, you may have revenue from government support programs. While we encourage you to focus primarily on sales revenues and expenses, you can also use **Other Revenue** as a consideration in your planning.

Enter your estimate for **New Sales** and **Other Revenue**. The forecasting tool will automatically calculate your **Revised Sales Revenue for the Upcoming Season**.

STEP 2 – FORECASTING EXPENSES FOR 2021

Step 2 lets you estimate your operating expenses for the upcoming season. Start by clicking on the Step 2 Expenses tab at the bottom of your screen.



2.1 2019 OPERATIONAL EXPENSES

What were your 2019 operating expenses?

Enter your 2019 Operating Expenses in the boxes, as shown on the next page. The list may include items that don't apply to your operation—just leave those boxes empty. The list also includes several lines for 'Other' expenses, where you can insert numbers for items not covered in the list, such as repayable financing payments.

TIP

Use a 'total' figure on your first run through the tool.

As an option on your first run, rather than breaking your 2019 expenses into specific categories, you can just select an 'Other' box and input your estimate of total 2019 expenses.

The more effort you put into breaking down your expenses into the respective categories, the more value you will get out of the tool as you work to estimate your expenses for the upcoming season.

Our outfitter input numbers from records of their last full operating season to get confirmed total 2019 Expenses of \$54,700.

See example on next page.

STEP 2.1 2019 Operational Expenses

Salaries for full-time staff	\$4,500.00
Payments for contract staff	\$12,000.00
Rent/lease vehicles and equipment	\$2,500.00
Rent/lease land and buildings	\$0.00
Fuel and oil	\$5,000.00
Food and Groceries	\$10,000.00
Small equipment	\$5,000.00
Liability Insurance	\$3,500.00
Insurance on equipment/buildings	\$4,000.00
Financing costs	\$0.00
Lodging and accommodations	\$0.00
Marketing and advertising	\$2,500.00
Air charters	\$0.00
Tag fees/licenses	\$1,000.00
Taxes	\$2,200.00
Other	\$2,500.00
Other	\$0.00
Other	\$0.00
Total Expenses	\$54,700.00

2.2 EXPENSE FORECAST FOR THE UPCOMING SEASON

Use this section to estimate your upcoming season operational expenses.

This step lets you estimate how much you think your operational expenses will change for the upcoming season. The expense categories include both set costs (things you may not have any control over, such as insurance, wages and rent) and variable costs (things you can control, like advertising or small equipment purchases). Make your estimates with this in mind.

The forecasting tool automatically fills in the list of 2019 Operating Expenses you created in the Step 2.1. All you have to do is estimate how much you think those costs will change this season. For example, your insurance premiums may go up, although your marketing costs may go down, or your rent will go up, but travel will go down.

For each expense, enter the percentage change you expect in the upcoming year in the red box. For those expenses you estimate will go down, place a minus sign in front of the number. For example, our outfitter estimated a 50% decrease in marketing and advertising costs, which was entered as -50%.

TIP

Account for any New Expenses or those not Incurred in 2019.

If you wish to include forecasts for expenses that you did not incur in 2019 (e.g., those set at \$0.00), you can add the total estimated expense in this box just above the 'Total Expenses for the Upcoming Season' box.

Our outfitter plans to lease some land in the upcoming season, and as this will be a new expense (0% in 2019), they added this \$1,500 in the '**New Expense**' box. Their estimates resulted in an overall percentage increase of 10.04% in total expenses for an estimated total of \$60,190 for the upcoming season.

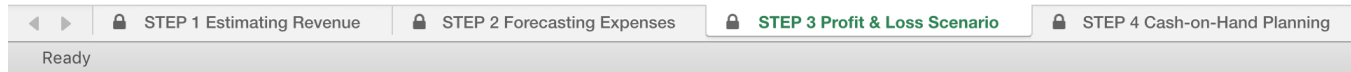
See example on next page.

STEP 2.2 Expense Forecast for the Upcoming Season

Operating Expenses	2019 Total	Percentage Change	Expense Forecast for Upcoming Season
Salaries for full-time staff	\$4,500.00	12%	\$5,040.00
Payments for contract staff	\$12,000.00	5%	\$12,600.00
Rent/lease vehicles and equipment	\$2,500.00	10%	\$2,750.00
Rent/lease land and buildings	\$0.00	0%	\$0.00
Fuel and oil	\$5,000.00	12%	\$5,600.00
Food and Groceries	\$10,000.00	10%	\$11,000.00
Small equipment	\$5,000.00	0%	\$5,000.00
Liability Insurance	\$3,500.00	30%	\$4,550.00
Insurance on equipment/buildings	\$4,000.00	30%	\$5,200.00
Financing costs	\$0.00	0%	\$0.00
Lodging and accommodations	\$0.00	0%	\$0.00
Marketing and advertising	\$2,500.00	-50%	\$1,250.00
Air charters	\$0.00	0%	\$0.00
Tag fees/licenses	\$1,000.00	0%	\$1,000.00
Taxes	\$2,200.00	0%	\$2,200.00
Other	\$2,500.00	0%	\$2,500.00
Other	\$0.00	0%	\$0.00
Other	\$0.00	0%	\$0.00
Sub Total Expenses	\$54,700.00	7.29%	\$58,690.00
New Expenses (not incurred in 2019)		\$1,500.00	
Total Expenses for the Upcoming Season		\$60,190.00	
Overall Percentage Change		10.04%	

STEP 3 – PROFIT & LOSS SCENARIO

Click on the Step 3 Profit & Loss Scenario tab, and you'll find that the forecasting tool has automatically generated the profit & loss scenarios. This is basically the net position you will be in for the upcoming season with the revenues and expenses you have inputted into the tool.



3.1 A FINANCIAL SNAPSHOT OF YOUR OPERATION

Use this section to guide adjustments.

Basically, you will see two snapshots of your operation. One shows 2019 results. The other is the profit & loss scenario of what the upcoming season could look like, based on the numbers you provided in Steps 1 and 2. Our outfitter first looked at the picture for 2019, which showed a profit of \$54,700. They double-checked to ensure this was a reflection of what actually happened. If it hadn't looked right, our outfitter would have gone back and spent more time ensuring the inputs for 2019 were accurate.

TIP

When using the tool, if the 2019 picture doesn't look right, go back and review your revenue and expense numbers for that year—fine tune them—before considering your net Profit & Loss position for the upcoming year.

Our outfitter is looking at a loss of \$10,690 based upon revenue and expense estimates for the upcoming season. This doesn't look great, but keep in mind that only confirmed sales were entered the first time through the tool.

See example on next page.

STEP 3.1 A Financial Snapshot of Your Operation

2019 Actual Historical Profit & Loss

Total 2019 Revenue: \$100,000.00

Total Revenue: \$100,000.00

Operating Expenses

Salaries for full-time staff	\$4,500.00
Payments for contract staff	\$12,000.00
Rent/lease vehicles and equipment	\$2,500.00
Rent/lease land and buildings	\$0.00
Fuel and oil	\$5,000.00
Food and Groceries	\$10,000.00
Small equipment	\$5,000.00
Liability Insurance	\$3,500.00
Insurance on equipment/buildings	\$4,000.00
Financing costs	\$0.00
Lodging and accommodations	\$0.00
Marketing and advertising	\$2,500.00
Air charters	\$0.00
Tag fees/licenses	\$1,000.00
Taxes	\$2,200.00
Other	\$2,500.00
Other	\$0.00
Other	\$0.00

Total Expenses **\$54,700.00**

Historical Net Profit & Loss **\$45,300.00**

Profit & Loss Scenario for the Upcoming Season

Revised Sales Revenue: \$49,500.00

Total Revenue: \$49,500.00

Operating Expenses

Salaries for full-time staff	\$5,040.00
Payments for contract staff	\$12,600.00
Rent/lease vehicles and equipment	\$2,750.00
Rent/lease land and buildings	\$0.00
Fuel and oil	\$5,600.00
Food and Groceries	\$11,000.00
Small equipment	\$5,000.00
Liability Insurance	\$4,550.00
Insurance on equipment/buildings	\$5,200.00
Financing costs	\$0.00
Lodging and accommodations	\$0.00
Marketing and advertising	\$1,250.00
Air charters	\$0.00
Tag fees/licenses	\$1,000.00
Taxes	\$2,200.00
Other	\$2,500.00
Other	\$0.00
Other	\$0.00
New Expenses	\$1,500.00

Total Expenses **\$60,190.00**

Upcoming Net Profit & Loss **-\$10,690.00**

If your profit & loss picture for the upcoming season is less than desirable, you need to make some adjustments. This is where the planning aspect of the tool comes in. But first, save the current version of the Excel forecasting tool, so you can refer to it later.

There are several ways you can change your 2021 profit & loss picture:

- Go back to Step 1.3 and insert numbers in the **New Sales** and **Other Revenue** section. During your first run-through, you left this blank. Now, see what happens to your profit & loss picture if you add new sales or find other revenue. Changes you make here will automatically be reflected in the profit & loss picture for the upcoming season.
- Go back to Step 2.2 **Expense Forecast for the Upcoming Season**. Look at your estimated percentage increase or decrease of expenses from 2019—play with these numbers. For example, try decreasing staff expenses or marketing expenses. As with the revenue adjustments, these changes will automatically be reflected in the profit & loss scenario for the upcoming season.

Our outfitter used a combination of scenarios to create a better net position. First, they went back to 1.3. They were confident that they would book another \$15,000 in new sales and confident they would receive \$18,000 in support through a government sector support program. This added \$33,000 to their **Revised Sales Revenue** number.

STEP 1.3 New Sales and Other Revenue Opportunities:	
New Sales	\$15,000
Other Revenue	\$18,000
Total New Sales and Other Revenue	\$33,000
Revised Sales Revenue for the Upcoming Season	\$82,500.00

Our outfitter also went back to 2.2 and trimmed the estimates for small equipment, kept estimates for contract staff the same as 2019, and decided against leasing the new land. These steps added an additional \$4,600 to the bottom line. With these changes, our outfitter's second scenario shows a profit of \$26,910.

TIP

Use the Forecasting Tool regularly—By continually checking in and updating your numbers as new information comes in, you will get a much clearer idea of what you need to do to improve your financial picture for the upcoming year.

See example on next page.

STEP 3.1 A Financial Snapshot of Your Operation

2019 Actual Historical Profit & Loss

Total 2019 Revenue: \$100,000.00

Total Revenue: \$100,000.00

Operating Expenses

Salaries for full-time staff	\$4,500.00
Payments for contract staff	\$12,000.00
Rent/lease vehicles and equipment	\$2,500.00
Rent/lease land and buildings	\$0.00
Fuel and oil	\$5,000.00
Food and Groceries	\$10,000.00
Small equipment	\$5,000.00
Liability Insurance	\$3,500.00
Insurance on equipment/buildings	\$4,000.00
Financing costs	\$0.00
Lodging and accommodations	\$0.00
Marketing and advertising	\$2,500.00
Air charters	\$0.00
Tag fees/licenses	\$1,000.00
Taxes	\$2,200.00
Other	\$2,500.00
Other	\$0.00
Other	\$0.00

Total Expenses **\$54,700.00**

Historical Net Profit & Loss **\$45,300.00**

Profit & Loss Scenario for the Upcoming Season

Revised Sales Revenue: \$82,500.00

Total Revenue: \$82,500.00

Operating Expenses

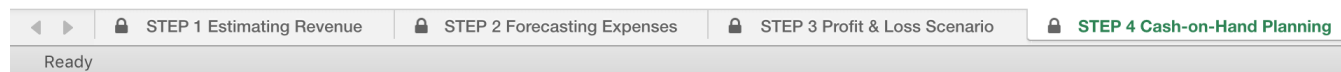
Salaries for full-time staff	\$5,040.00
Payments for contract staff	\$12,000.00
Rent/lease vehicles and equipment	\$2,750.00
Rent/lease land and buildings	\$0.00
Fuel and oil	\$5,600.00
Food and Groceries	\$11,000.00
Small equipment	\$2,500.00
Liability Insurance	\$4,550.00
Insurance on equipment/buildings	\$5,200.00
Financing costs	\$0.00
Lodging and accommodations	\$0.00
Marketing and advertising	\$1,250.00
Air charters	\$0.00
Tag fees/licenses	\$1,000.00
Taxes	\$2,200.00
Other	\$2,500.00
Other	\$0.00
Other	\$0.00
New Expenses	\$0.00

Total Expenses **\$55,590.00**

Upcoming Net Profit & Loss **\$26,910.00**

STEP 4 – CASH-ON-HAND FOR START-UP

In Step 4, you will estimate start-up costs to allow the forecasting tool to identify any gap between start-up costs and cash-on-hand. Begin by clicking on the Step 4 Cash-on-Hand Planning tab at the bottom on your screen.



4.1 ESTIMATE YOUR START-UP COSTS FOR THE SEASON

How much cash-on-hand do you need to prepare for guests?

Preparing your camp for guests at the start of each season requires cash-on-hand to pay for supplies, equipment, labour and more. Normally, this means using cash from booking deposits for the upcoming year. In a difficult year, you might have used part of these deposits earlier, which means you might be heading into the upcoming season with less cash-on-hand to cover interim operations and start-up costs.

This step is basically a cash flow exercise. It assumes there is a bit of a line between the cash you have on hand before guests show up and what is generated after (e.g., clients paying for the balance of their package at the arrival or end of their trip). The forecasting tool uses your estimated expenses for the upcoming season from Step 2 as the basis for estimating the percentage of these expenses you will need to cover between now and when you first welcome guests in the upcoming season—and start to realize more revenue.

For each item on the list, identify the percentage of your expenses for the upcoming season that you will incur before you open your camp doors. The tool will automatically calculate your total start-up costs.

Our outfitter went through Step 4.1 and estimated that roughly half of the estimated expenses (51% or \$28,120) would have to be covered before the first guests arrive.

See example on next page.

STEP 4.1 Start-Up Costs for the Season

Based on your 2021 Expense Forecast, list the percentage required for start-up in order to open for the season.

Operating Expenses	Upcoming Year Expense Forecast	Percentage Required for Start-Up	Start-Up Costs
Salaries for full-time staff	\$5,040.00	50%	\$2,520.00
Payments for contract staff	\$12,000.00	0%	\$0.00
Rent/lease vehicles and equipment	\$2,750.00	100%	\$2,750.00
Rent/lease land and buildings	\$0.00	0%	\$0.00
Fuel and oil	\$5,600.00	100%	\$5,600.00
Food and Groceries	\$11,000.00	25%	\$2,750.00
Small equipment	\$2,500.00	50%	\$1,250.00
Liability Insurance	\$4,550.00	100%	\$4,550.00
Insurance on equipment/buildings	\$5,200.00	100%	\$5,200.00
Financing costs	\$0.00	0%	\$0.00
Lodging and accommodations	\$0.00	0%	\$0.00
Marketing and advertising	\$1,250.00	100%	\$1,250.00
Air charters	\$0.00	0%	\$0.00
Tag fees/licenses	\$1,000.00	100%	\$1,000.00
Taxes	\$2,200.00	0%	\$0.00
Other	\$2,500.00	50%	\$1,250.00
Other	\$0.00	0%	\$0.00
Other	\$0.00	0%	\$0.00
New Expenses	\$0.00	0%	\$0.00
Total Expenses	\$55,590.00	50.58%	\$28,120.00

4.2 ESTIMATE AVAILABLE CASH-ON-HAND

What cash do you have available 'cash-on-hand' for operations until you first welcome clients in the upcoming year?

This exercise simply asks you to estimate the cash you have available from different sources to assist with covering the start-up costs. Our outfitter estimated they had or will have \$25,000 in revenue available for start-up. They will also receive the \$18,000 in sector support before they open their camp. As shown in the table, our outfitter has \$43,000 available.

STEP 4.2 Estimated Available Cash-on-Hand	
What cash do you have available - 'cash-on-hand' - for operations until your clients start to show up?	
Available Deposits and Pre-payment Revenue:	\$25,000.00
Program Funding Received:	\$18,000.00
Other Funding Available for Start-Up:	\$0.00
Total Cash-on-Hand for Start-Up:	\$43,000.00

Estimate or add up cash you have received from clients who have yet to make their trip and that remains available to you to invest in camp start-up for the upcoming season. Enter the number in the **Available Deposits and Pre-payment Revenue** box.

Repeat this for any **Program Funding** you have received or expect to receive (e.g., support from the provincial government) that is still available for investment in camp start-up. List any other funding you have available for start-up in **Other Funding Available**.

The forecasting tool will automatically generate a **Total Cash-on-Hand for Start-up**.

4.3 POTENTIAL SHORTFALL BETWEEN START-UP COSTS AND CASH-ON-HAND

Do you have enough cash-on-hand to cover your start-up costs?

The forecasting tool provides one last calculation—your **Total Cash-on-Hand** from 4.2 minus your **Start-up Costs for the Season** from 4.1. If the result is a positive number, you're in good shape; if it's a negative number, you may need to look for ways to reduce your expenses or find additional sources of cash (e.g., financing).

The tool will automatically show you where you sit in terms of your cash available and your estimated expenses for the period between now and when you open your camp. Our outfitter ended up in a positive position, with more than enough cash-on-hand (\$14,880) to cover start-up costs.

STEP 4.3 Potential Shortfall Between Start-Up Costs and Cash-on-Hand

Do you have enough cash-on-hand to cover your start-up costs?

Total Cash-on-Hand for Start-Up:

\$43,000.00

Start-Up Costs

\$28,120.00

Available Cash Position

\$14,880.00