Milestone 1 Task 2
Back-of-the-Envelope Calculation

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WADHWANI FOUNDATION ENTREPRENEURSHIP NETWORK

LEARN**WISE**™ Foundational Course in Entrepreneurship

By now, not only have you identified a problem worth solving, but also have come up with an idea to address the identified problem. Next, you need to check whether your idea is financially viable or not. The **Back of the Envelope Template** will help you do that.

Instructions:

1. Fill up the **Back of the Envelope Template** given below.
2. Before putting in the values, cross-check the figures with at least two experts from the market or other people who are familiar with your sector.

Back of the Envelope Template		
Initial solution or idea (Coffee shop/day care/ gym/eatery/tutorial/any other idea) **Website Design**		
Nature of Business (Product based/ service based) **Service Based charging commission**		
Category	**Description**	**Estimated Value**
Setting up expenses	Equipment	**0 cost for equipment**
	Technology – developing website/app; getting Point of Sale (POS) machine; Internet	**Website design 10,000 to 15,000**
	Legal/regulatory obligations	**0 rupee**
Monthly expenses *Note: If you think your cost is applicable for an entire year, divide it by 12 and put the value up in the relevant column*	Rent of the place	**0 rupee**
	Electricity	**0 rupee**
	Salaries, contract payment, or any other payment towards outsourced work	**0 rupee**
	Raw materials and supplies	**0 rupee**
	Advertisement/promotions	**Rs. 5600**
	Others, please specify	**Not such**
Loan	Monthly interest	**0 Rs.**
Total approximate cost per month		**Rs. 15000 to 20000**

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Estimated Price per unit	**Commission per booking**	**15% - 20% of total fee**
Expected no. of sales per day	**No. of pundits booked**	**5 to 10 initially**
Expected revenue per day (no. of sales x average price)	**Revenue depends on the ritual to be performed which start from as minimum as 1000**	**Rs. 2000 to 10,000**
Expected revenue per month	**Total booking per month**	**150,000**
Profit per month	**Net Profit after deducing all costs**	**70,000 to 80,000**
Business is feasible	Yes/No/Maybe	**Yes**

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