

FIN 6100 Module 2 Assignment

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Redgecoop is a digital cooperative society that provides financial clusion services for small and medium businesses in underserved communities.

This comprehensive financial plan provides a roadmap for the digital cooperative company's financial management, with the flexibility to adapt to changing market conditions and meet its goals for customer and facility expansion. It also promotes ethical considerations in cost management and focuses on key performance indicators that drive strategic actions within the organization.

IT Services Forecasting model

Start Date	01-August-23
Current Month	05-March-24
Forecast end	05-March-25

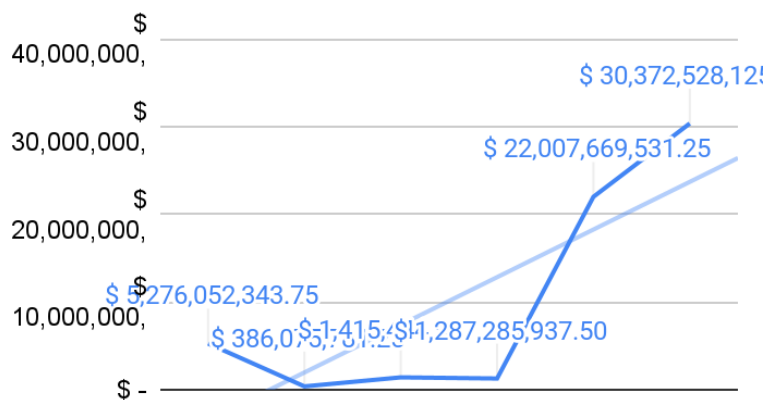
Scenario 1: Base Case

Assumptions: Steady market conditions, expected customer growth, and facility expansion.
Forecast revenues, costs, and cash flows accordingly.

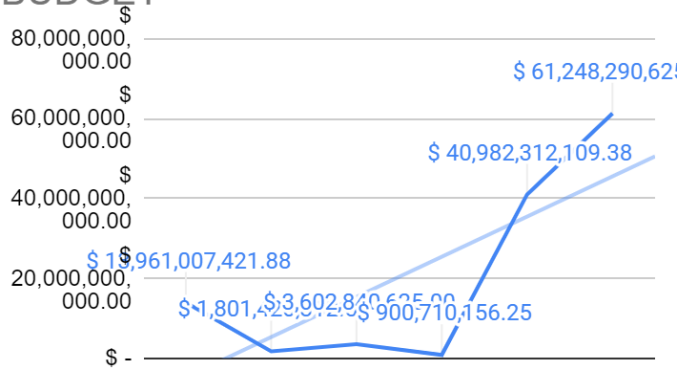
Scenario 1: Base Case	12-Month																			
	SCROLLING FORECAST																			
Revenue				\$ 2,000.00	\$ 3,000.00	\$ 4,500.00	\$ 6,700.00	\$ 10,125.00	\$ 15,187.50	\$ 22,781.25	\$ 52,987.50	\$ 70,062.50	\$ 105,187.50	\$ 156,843.75	\$ 231,265.62					
				\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 50.00	\$ 92.19	\$ 29.69	\$ 14.45	\$ 21.68	\$ 32.52	\$ -	\$ -	\$ -	\$ -	\$ -

[illegible]

"Variance 2: High Operational Costs including increased employee expenses.
Solutions: Optimize workforce, implement cost-saving technology, and negotiate better vendor contracts.



BUDGET



Strategy 2: Lean Workforce Management Implement a lean approach to workforce management, focusing on productivity.

Ethical considerations: Ensure fair treatment, training, and reassignment options for employees impacted by downsizing.

KPI 2: Customer Lifetime Value (CLV)

Alignment: Measures the long-term value of a customer, aligning with customer expansion goals.

Measurement: $CLV = (\text{Average revenue per customer} * \text{Gross margin}) / \text{Churn rate}$.

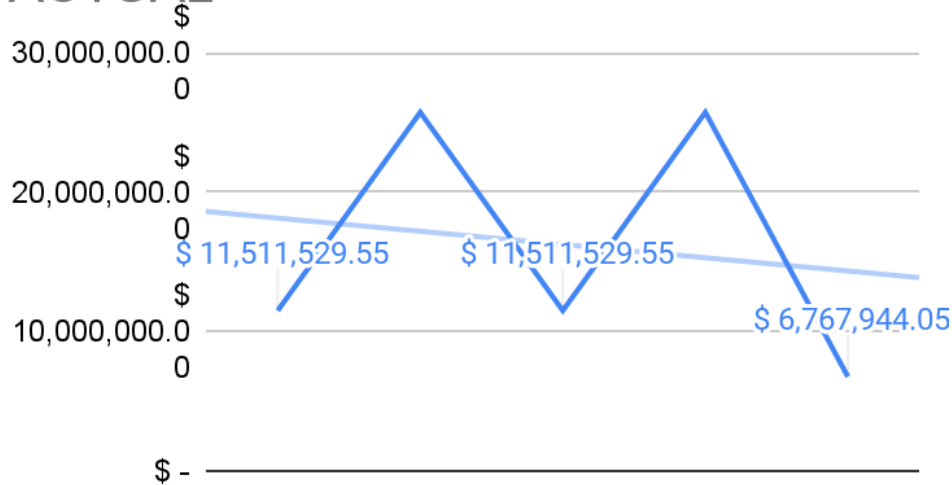
Action: Helps in customer retention strategies and maximizing revenue from existing customers."

Scenario 3: Bear Market

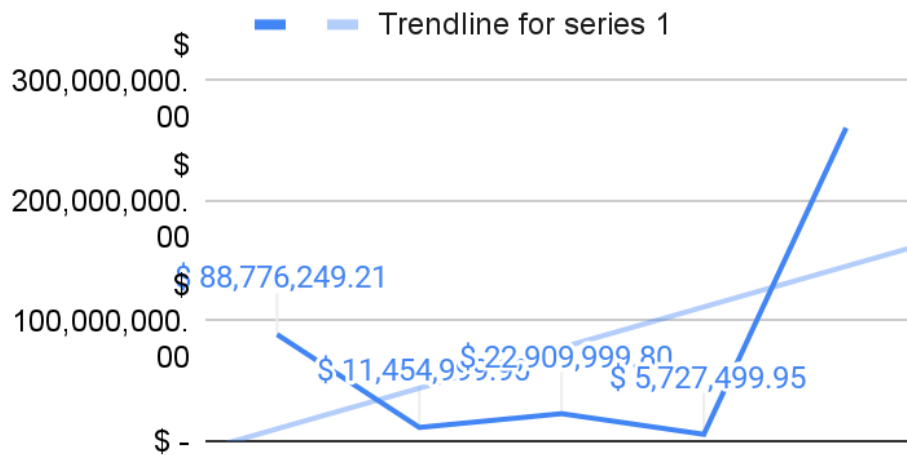
Assumptions: Challenging market conditions, slower customer growth, and limited expansion. Forecast with cost control measures in place to ensure sustainability.

		12-M O N T H R O L I N G F O R E C A S T																			
Revenue					\$ 1,255,000.00	\$ 1,386,000.00	\$ 1,524,600.00	\$ 1,677,060.00	\$ 1,844,760.00	\$ 2,029,840.00	\$ 4,739,870.00	\$ 3,943,850.00	\$ 4,324,060.00	\$ 5,379,060.00							
			\$ -	\$ -	000	000	000	000	000	000	600	260	519	271	087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operational costs	Operational costs				\$ 3,550,000.00	\$ 3,060,000.00	\$ 3,366,000.00	\$ 3,702,860.00	\$ 4,072,140.00	\$ 4,428,160.00	\$ 4,966,000.00	\$ (3,514,450.00)	\$ 56,590.00	\$ 62,249.00	\$ 68,470.00						
			\$ -	\$ -	000	000	000	000	000	000	000	030	3145	1901		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development and maintenance	Development and maintenance																				
					\$ 1,255,000.00	\$ 1,386,000.00	\$ 1,524,600.00	\$ 1,677,060.00	\$ 1,844,760.00	\$ 2,029,840.00	\$ 2,029,840.00	\$ 1,028,520.00	\$ 1,131,810.00	\$ 1,244,990.00	\$ 1,369,490.00						
			\$ -	\$ -	000	000	000	000	000	000	000	000	398	22		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ACTUAL



BUDGET



Strategy 3 Sustainable Procurement

Shift towards sustainable and cost-effective procurement practices.

Ethical considerations: Ensure suppliers meet ethical and environmental standards, fostering sustainable practices.

KPI 3: Facility Utilization Rate

Alignment: Measures the efficiency of facility use in line with expansion.

Measurement: Utilization rate = (Actual facility use / Total capacity) * 100.

Action: Ensures optimal facility use and informs decisions on expansion or consolidation.

