

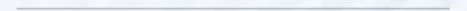


Financial Modeling for Entrepreneurs



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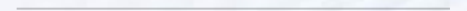
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Game-Based Learning

01



Balloon Business Challenge

A game to introduce revenue and cost concepts through experiential learning and negotiation.



Role Play

Participants act as entrepreneurs or customers.



Create & Sell

Entrepreneurs create balloon products with a Rp5,000 capital cost.



Maximize Profit

The goal is to generate the highest profit through smart pricing and cost control.

Profit vs Loss Reflection

Groups analyze which teams made a profit or a loss, fostering a deep understanding of market dynamics.



Which teams were profitable, and which incurred losses?



Why did some teams fail to make a profit?



Pizza Pricing Strategy Game

Teams sell customizable pizzas, learning dynamic pricing, negotiation, and profit optimization based on customer budget constraints.

Sellers (Teams)

Set margins and prices for a pizza with a base cost of Rp10,000 and various toppings.



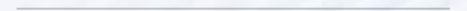
Buyers (Customers)

Choose toppings within a budget. Rp25,000



Cost Structure Basics

02

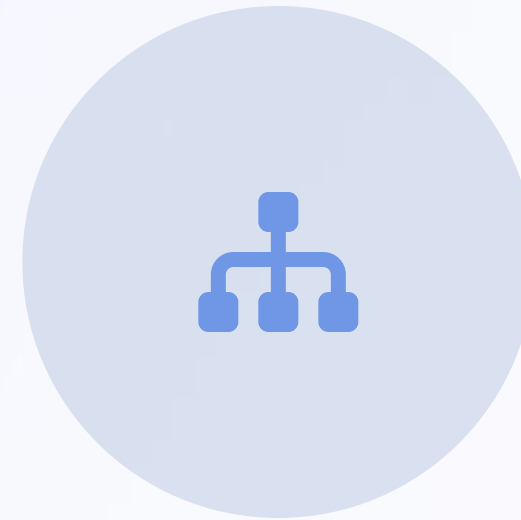


What is Cost Structure?

Cost structure reflects all expenses a business incurs. It is a key component of the Lean Canvas and essential for pricing, budgeting, and profitability.



Fixed Costs
Rent, Salaries, Taxes



Variable Costs
Materials, Labor,
Commissions

Strategic Planning
Pricing & Profitability

Fixed vs Variable Costs



Fixed Costs

Remain constant regardless of production volume.

- Rent and Utilities
- Salaries (Fixed)
- Insurance & Taxes
- Loan Repayments



Variable Costs

Change directly with output level.

- Raw Materials
- Direct Labor (Hourly)
- Packaging & Shipping
- Sales Commissions

Cost-Driven vs Value-Driven Strategy

Cost-Driven



Focuses on minimizing expenses to offer the lowest prices. Targets price-sensitive customers.
Aims for high volume sales.

VS

Value-Driven

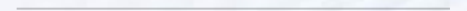


Emphasizes unique features, quality, and innovation to justify higher prices. Builds strong brand loyalty and customer relationships.



Revenue Stream Design

03



Understanding Revenue Streams

Revenue streams show how a business earns money. They are a core part of the Lean Canvas and guide pricing, customer targeting, and sales strategies.



Forecast Income: Helps predict future revenue and identify the most effective sales channels.



Attract Investors: Provides crucial data to showcase business viability and growth potential.



How Will You Charge?

Choose a model that aligns with your product and customer expectations.



One-Time Fee

A single payment for perpetual product access. Attracts low-commitment buyers.

Ex: Software License



Recurring Fee

Regular payments (e.g., monthly) for continued access. Improves cash flow and loyalty.

Ex: SaaS Subscriptions



Service-Based

Payment for customized support or professional services, often under contract.

Ex: Consulting, Support

Who Will You Charge?

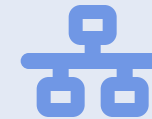
One-Sided Market



A direct interaction between a single group of customers and the business. The value chain is linear.

Ex: Bookstore, Laundry Service

Two-Sided Market



Connects two interdependent groups, creating value for both. The platform facilitates the interaction.

Ex: Ride-sharing, Marketplace

Pricing Strategies Overview

Fixed Pricing

Standardized prices based on clear criteria.

List Price: Standard price for all.

Per-Feature: Price based on features.

Customer Segment: Different prices for different groups.

Volume Pricing: Discounts for bulk purchases.

Dynamic Pricing

Flexible prices based on market conditions.

Negotiation: Price is negotiated with the buyer.

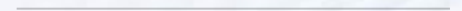
Real-time: Price changes with supply and demand.

Auction: Price is determined by bidding.



Financial Management

04





What is Financial Management?

The process of planning, organizing, controlling, and monitoring financial resources to achieve business goals.

- ☰ Planning: Forecasting cash flow and profit.
- 📁 Budgeting: Allocating funds to activities.
- 🛡 Controlling: Monitoring spending against budgets.
- 🔍 Auditing: Internal checks to prevent fraud.
- 📄 Reporting: Creating financial statements.



Planning

Forecasting cash flow, profit, and loss. It guides spending and prevents overspending by setting a clear financial roadmap.



Budgeting

Allocating funds to specific business activities. It ensures resources are used efficiently to achieve financial stability and goals.



Controlling

Monitoring actual spending against budgets. It allows for timely adjustments and ensures financial integrity.



Auditing

Conducting internal checks to detect discrepancies and prevent fraud, supporting data-driven decision-making.

Reporting and Analysis

Financial reports provide insights into business performance, help identify trends, and are crucial for stakeholders and strategic planning.



Profit & Loss Statement

Shows revenues, costs, and expenses over a period.



Cash Flow Statement

Tracks the flow of cash in and out of the business.



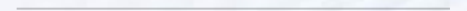
Balance Sheet

A snapshot of assets, liabilities, and equity.



Lean Canvas Application

05



Lean Business Plan Template

PROBLEM Outline the top 3 challenges or problems owners are facing	SOLUTION Outline possible solutions for each problem.	UNIQUE VALUE PROPOSITION Single, clear, compelling message that states why you are different and worth paying attention to. What are you delivering to customers that will make a positive impact on their lives?	MARKET ADVANTAGE Unique set of strengths that cannot easily be bought or copied.	CUSTOMER SEGMENT List your target customers and users. Have you conducted a market fit analysis ?
	KEY METRICS & MILESTONES List the key numbers that tell you how your business is doing. Which activities will you track (e.g. sales, successful testing, conversion) and how will you measure your goals?		CHANNELS List your path to customers (inbound or outbound). Which are the most cost effective?	EARLY ADOPTERS List the characteristics of your ideal customers.
EXISTING ALTERNATIVES How these problems are solved by	KEY RESOURCES What resources will you need to be successful? Include a list of partnerships, employees, distributors, or suppliers.			
COST STRUCTURE List your fixed and variable costs. Note the costs of running a business (e.g. rent, employees, online expenses, travel etc) for an idea of how many customers you'll need annually.		REVENUE STREAMS List your sources of revenue. What is a single customer's annual worth estimated at?		

 If you found this template useful, please share it: [Link](#) [Twitter](#) [Facebook](#) [LinkedIn](#)

Fill Your Lean Canvas

It's time to apply what you've learned. Complete the key financial sections of your Lean Canvas to validate your business model's feasibility.

Cost Structure

List all fixed and variable costs to understand your financial foundation.

Revenue Stream

Identify all potential sources of income and your pricing strategy.

Cost Structure Checklist

Ensure all expenses are accounted for to avoid underpricing and maintain profitability. Distinguish between fixed and variable costs.



Fixed: Rent, Taxes, Salaries



Variable: Raw Materials, Packaging



Variable: Equipment, Utilities (varies)



Variable: Sales Commissions

Revenue Stream Checklist

List all potential income sources and ensure your revenue covers costs and aligns with customer willingness to pay.



Product Sales: Direct sales of goods.



Subscriptions: Recurring revenue for access.



Services: Fees for professional services.



Licensing: Fees for using IP or technology.

Pricing Validation Tips

Your initial price is a hypothesis. Validate it with the market to find the optimal point that maximizes both profit and customer satisfaction.

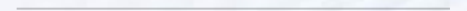
- ✓ Test with Real Customers: Use surveys, A/B tests, and pilot sales to gather feedback.
- ✓ Adjust Based on Value: Price according to the perceived value and benefits you provide.
- ✓ Ensure Profitability: Margins must cover both fixed and variable costs.
- ✓ Analyze Competitors: Understand their pricing as a benchmark, not a rule.





Interactive Tools & Summary

06



Break-Even Analysis Tool

Determine the minimum sales needed to cover all costs. This is a critical milestone for any business.

$$\begin{array}{rcccl} \text{Fixed Costs} & & \text{Price per Unit} & & \text{Variable Cost} & & \\ \text{(Rent, Salaries)} & & \text{(Revenue)} & & \text{(Materials)} & & \\ \text{Rp 10,000,000} & \div & \text{Rp 50,000} & - & \text{Rp 30,000} & = & \end{array}$$

Break-Even Point
(Units to Sell)

500

Cash Flow Forecast Table

Project monthly cash inflows and outflows to identify potential shortfalls and plan for funding needs.

Month	Cash Inflow (Sales)	Cash Outflow (Expenses)	Net Cash Flow
January	Rp 20,000,000	Rp 15,000,000	Rp 5,000,000
February	Rp 18,000,000	Rp 22,000,000	- Rp 4,000,000
March	Rp 25,000,000	Rp 19,000,000	Rp 6,000,000

Profit Margin Visualizer

Understand the relationship between cost control and revenue growth. Adjust pricing or costs to see the impact on profitability.

Gross Profit Margin 60%



Net Profit Margin 15%



Common Financial Mistakes to Avoid



Underpricing Failing to charge enough to cover costs and make a profit.



Ignoring Hidden Costs Forgetting about small expenses that add up (e.g., transaction fees).



Mixing Finances Using personal funds for business or vice-versa, creating accounting chaos.



No Regular Reviews Failing to track financials leads to unexpected losses and poor decisions.

Key Takeaways

Mastering financial modeling is essential for turning a business idea into a sustainable venture. Remember these core principles.



Know Your Numbers

Understand your cost structure inside and out.



Choose Wisely

Select a revenue model that fits your market and product.



Manage Proactively

Regularly review and adjust your financial plan.

Next Steps Action Plan

Translate your financial model into action. These steps will set you on the path to a financially sound business.

1. Complete Your Lean Canvas: Finalize all sections, with a focus on the financials.
2. Validate Pricing with Customers: Get real feedback on your proposed prices.
3. Set Up a Simple Accounting System: Use tools or spreadsheets to track income and expenses from day one.
4. Schedule Monthly Reviews: Block time to analyze your financial performance and make adjustments.



Thank You & Contact

Keep learning, keep building, and stay financially smart on your entrepreneurial journey. We're here to support you.



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THANK YOU FOR READING!