**Instructions on how to use QuickBooks to build your projections**

The very best way to do your projections is to base them on your own categories and numbers in the format you are used to viewing your financial information. To do that you need to use a monthly 2020 P&L from QuickBooks as your base.

Here are instructions for getting the 2020 Monthly P&L and exporting it to Excel:

1. Open QuickBooks
2. Go to Reports in top menu bar
3. Pick Company & Financial
4. Pick P&L Standard
5. A new window will open with your Profit and Loss
   1. Change the dates to 1/1/2020 to 12/31/2020
6. At the top of the report next to the date it says “show columns” – select month from the pull down menu
7. Once you have done all of this the report will show as 13 columns (Jan thru Dec plus a Total)
8. To export this report click on the Excel button at the top of the report
   1. Click on create new worksheet
   2. A new box will appear – select the blue export button
9. This will open the report in a new Excel document
   1. Go to File and click Save As
      1. Create a folder named 2021Roadmap
      2. Save your document as 2021.Name of your company.Projections

If you are unfamiliar with working in Excel then enlist help. Your CPA or bookkeeper should be proficient in Excel. Also there are many YouTube training videos like this one on simple formula creation (if you watch this for the purposes of your projections you will only need to watch thru the first 5 formulas): <https://www.youtube.com/watch?v=Jl0Qk63z2ZY>

In the Create Your Assumptions worksheet we did provide 4 scenarios that you might use in projecting revenues. As you gathered data it should have become clear to you which of the scenarios was best to begin with. But you can also do multiple scenarios (make sure you do a save as and create a new document or create a new sheet in Excel so that you don’t lose your original). Here are those suggestions repeated:

1. Maintaining - 2020 2nd-4th quarter results.
2. Growth – in addition to 2020 results add any NEW pivot opportunities.
3. Decline – based on 2020 2nd-4th quarter results will there be additional declines? 25%/50%/75% of annualized revenues?
4. Create your own based on your specifics and potential plans…which could be a mix of the above.

In all cases make sure when you add/increase or reduce revenues you review all expenses related to those changes and increase or reduce accordingly.

TIPS:

1. You may want to add a section on COVID-19 Expenses (other than Payroll unless you want to add a designated COVID Payroll and the Payroll Expenses associated with that payroll) such as:
2. Safety Equipment
3. Safety Supplies
4. Advertising
5. Website Changes/Updates
6. Cleaning
7. Increased Insurance
8. Other
9. It is very important to use the comment option in any cell in which you make a change to record why you made the change (your assumption) so that you can remember your thought process as you were building your projections. If you don’t keep them within the Excel sheet in comments make sure to write them down somewhere and make a notation as to which set of projections they apply to. This is also especially helpful if you do more than one set of projections as you explore different scenarios.

If you would like help in strategizing your options you can reach out to a VtSBDC advisor. Please note that we can’t do the projections for you but we can help with context and strategy.

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