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3-Scenario Cash Flow Forecast

Part 1: The Offer · Part 2: A Brief Guide

Next year, month by month, in base, best and worst cases.

Pre-filled Excel template comes with basic automated drivers set up for you to revise with your own assumptions.

Intermediate knowledge of Excel recommended.

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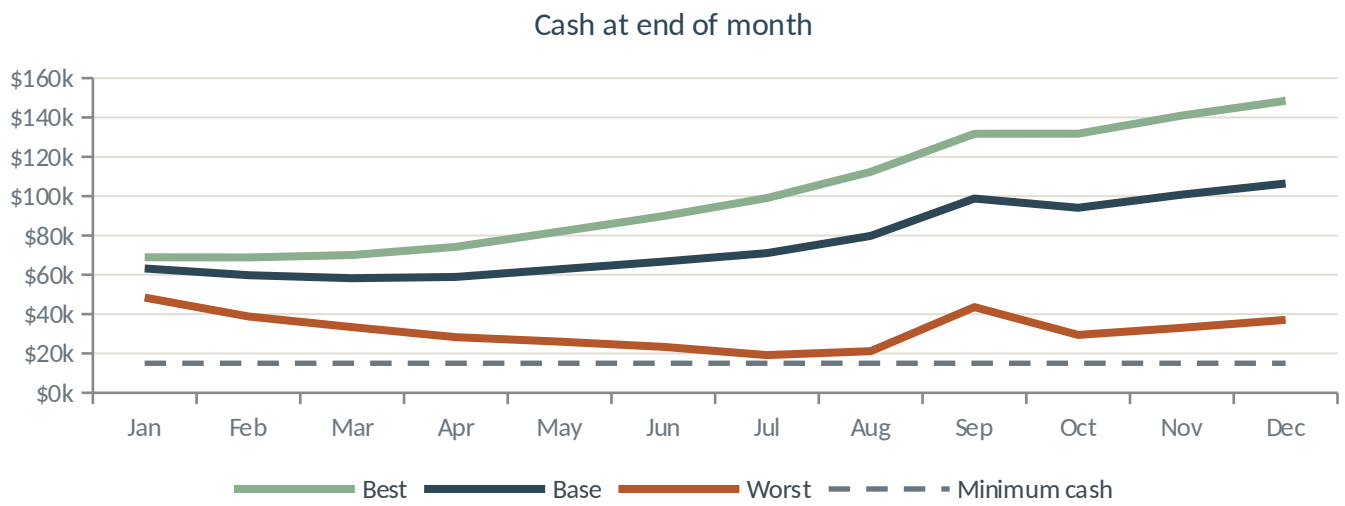
Sample Service: basic plan

For you to update: Basic automated drivers · without classes set up · built from last year's General Ledger

Cash flow forecasts are planning tools. Results depend entirely on the assumptions entered and are not a prediction, a guarantee, or tax, legal or investment advice.

Recommended to get the most out of your forecast: be sure to update the drivers with your own business model assumptions. Part 2 of this deck shows how.

$ thousands	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year end
Base	63.2	59.8	58.2	58.9	62.8	66.7	71.0	79.8	98.8	94.1	100.8	106.4	**106.4**
Best	68.9	68.8	70.0	74.2	82.0	89.8	99.0	112.3	131.7	131.7	141.0	148.5	**148.5**
Worst	48.4	38.8	33.4	28.3	26.0	23.3	19.2	21.1	43.5	29.4	33.0	37.1	**37.1**
Minimum	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	



Key numbers	Base	Best	Worst
Year-end cash	$106.4k	$148.5k	$37.1k
Lowest month-end cash	$58.2k	$68.8k	$19.2k
Month of the low point	Mar	Feb	Jul
Months below minimum	0	0	0
Line of credit needed	**none**	**none**	**none**
Net income	$76.5k	$115.8k	$16.7k
Cost shock, year	$0	$0	$4.4k

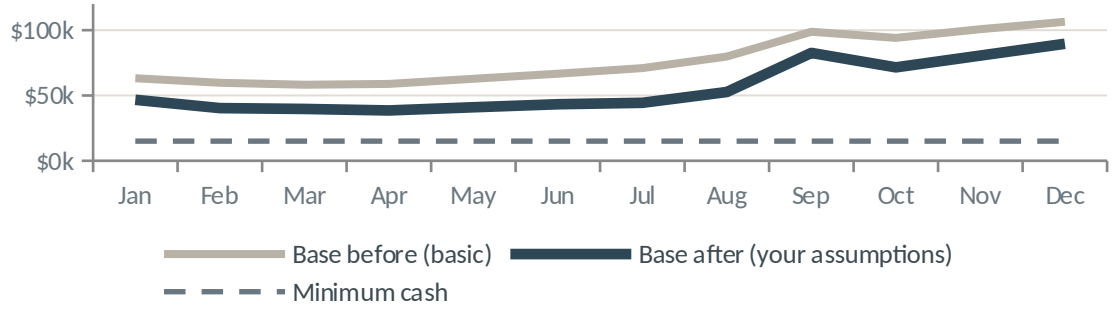
Three scenarios: Cash at end of month

Sample Service **before** and **after** you add your customized assumptions

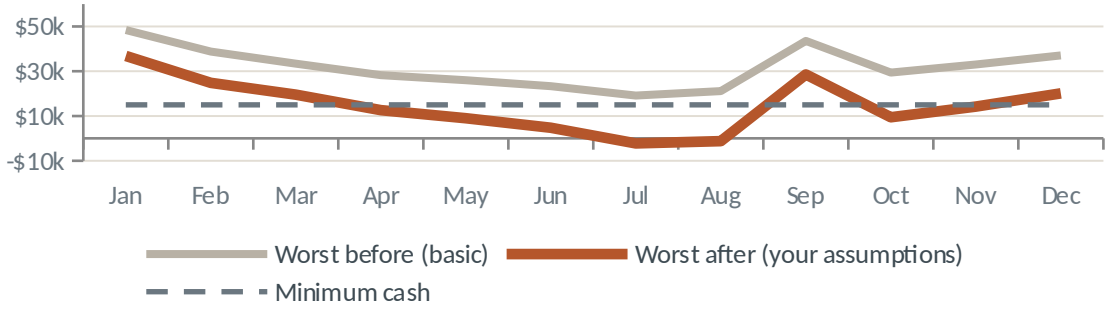
$ thousands	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year end
Before: basic plan (automated drivers)													
Base	63.2	59.8	58.2	58.9	62.8	66.7	71.0	79.8	98.8	94.1	100.8	106.4	106.4
Best	68.9	68.8	70.0	74.2	82.0	89.8	99.0	112.3	131.7	131.7	141.0	148.5	148.5
Worst	48.4	38.8	33.4	28.3	26.0	23.3	19.2	21.1	43.5	29.4	33.0	37.1	37.1
After: tailored with your customized assumptions													
Base	46.7	40.4	39.7	38.5	41.0	43.3	44.4	52.7	82.6	71.6	80.6	89.6	89.6
Best	51.0	47.0	48.2	49.5	54.6	59.7	64.2	75.5	105.6	97.9	108.6	118.9	118.9
Worst	36.8	24.8	19.6	12.6	9.0	4.7	−2.3	−1.3	28.5	9.5	14.2	20.1	20.1
What changes when you add your own assumptions: after minus before													
Base	−16.4	−19.4	−18.5	−20.3	−21.8	−23.4	−26.6	−27.2	−16.2	−22.5	−20.2	−16.8	−16.8
Best	−17.9	−21.8	−21.8	−24.7	−27.3	−30.2	−34.8	−36.8	−26.1	−33.8	−32.4	−29.6	−29.6
Worst	−11.6	−14.0	−13.8	−15.6	−17.0	−18.6	−21.4	−22.4	−15.0	−19.9	−18.8	−17.0	−17.0

Orange cash = below the $15k minimum. Orange difference = less cash after your revisions.

Base case: before vs. after



Worst case: before vs. after



PART 2

Tips on how to set up your own assumptions

How to set the sales and cost drivers in your 3-Scenario Cash Flow Forecast Excel template, so the forecast matches your business.

Intermediate knowledge of Excel recommended.

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Detailed assumptions – sales and cost drivers

Two versions: the basic plan and a sample of how you can revise the assumptions. Each cell is Base / Best / Worst.

	Automated assumptions → Basic plan automated	Assumptions revised for accuracy by client → Sample: Farm with classes set up
SALES DRIVERS		
Sales	+2 / +15 / −15%	Tomatoes, Greens: +3 / +10 / −50% Other crops: +3 / +10 / −20%
Customer payment days	Last year's / −5 / +15	7 / 5 / 15
COST DRIVERS		
Materials & other COGS	+3 / +12 / −10%	+3 / +2 / +8%
Direct labor	+3 / +10 / −5%	+4 / +3 / −25%
Management labor	+3 / +3 / +5%	+3 / +3 / +3%
Overhead	+3 / +3 / +5%	+3 / +2 / +6%
Supplies on hand days	From last year	0 / 0 / 0
Bill payment days	15 / 15 / 10	10 / 10 / 5
Cost shock	Worst only: +10% on fuel, freight, materials, utilities	Iran war: fuel, fertilizer

Your Excel template: customize the SALES DRIVERS to match your business model assumptions

This example uses: Sample Farm with classes set up

Yellow cells are yours to change. Everything else calculates.

Scenario drivers	Base	Best	Worst
SALES - change vs the same month last year, by product line			
Tomatoes	3.0%	10.0%	-50.0%
Salad Greens	3.0%	10.0%	-50.0%
Garlic	3.0%	10.0%	-20.0%
Winter Squash	3.0%	10.0%	-20.0%
Pastured Eggs	3.0%	10.0%	-20.0%
Cut Flowers	3.0%	10.0%	-20.0%
Other revenue (not tagged to a product line)	0%	0%	0%
TIMING - when cash actually moves			
Customer payment days	7	5	15

Why itemize by product line?

For a farm, itemized detail helps because crops carry different risks. For this farm, **tomatoes and salad greens** carry more production risk than **the other crops**.

No classes set up? Itemize on a separate spreadsheet and enter the combined % on the All sales row of the Excel template. The next slide shows how.

Days customers take to pay you

More days = cash arrives later. Market and farm-stand sales are paid almost on the spot.

No classes set up? Combine itemized sales into one %

This example uses: Sample Farm figures, worked as if classes were not set up

Your own worksheet	Last year sales	Base	Best	Worst	Worst $ change
Tomatoes	21,507	3%	10%	-50%	(10,753)
Salad Greens	39,806	3%	10%	-50%	(19,903)
Garlic	18,318	3%	10%	-20%	(3,664)
Winter Squash	5,068	3%	10%	-20%	(1,014)
Pastured Eggs	10,003	3%	10%	-20%	(2,001)
Cut Flowers	17,453	3%	10%	-20%	(3,491)
Total	**112,155**				**(40,825)**
Combined % = $ change ÷ sales		**3.0%**	**10.0%**	**-36.4%**	

Enter the combined % on the Excel template:

Scenario drivers	Base	Best	Worst
SALES - change vs the same month last year			
All sales	**3.0%**	**10.0%**	**-36.4%**

1 **List last year's sales by product**
From your P&L or Sales by Product report.

2 **Give each product its own %**
Base / Best / Worst, then multiply to get the $ change.

3 **Divide total $ change by total sales**
Enter that combined % on the All sales row.

Why weight by sales? A simple average of the worst-case % would be −30%. Tomatoes and greens are 55% of sales, so the weighted figure is −36.4%.

Note: one combined % applies to every month alike, so seasonal timing is less precise than with classes. The yearly total is the same.

Your Excel template: customize the COST DRIVERS to match your business model assumptions

This example uses: Sample Farm with classes set up

Scenario drivers	Base	Best	Worst
COSTS - change vs the same month last year			
Materials & other cost of sales	3.0%	2.0%	8.0%
Direct labor (incl. payroll taxes)	4.0%	3.0%	-25.0%
Management labor	3.0%	3.0%	3.0%
Overhead	3.0%	2.0%	6.0%
TIMING - when cash actually moves			
Supplies on hand days	0	0	0
Bill payment days	10	10	5
COST SHOCK LAYER			
Include the cost shock in this scenario?	Yes	Yes	Yes
Shock starts – ends	Jan 2027 – Dec 2027		
Exposed account	**Base +%**	**Best +%**	**Worst +%**
Fertilizer & Soil Amendments	15.0%	0%	40.0%
Tractor Fuel	10.0%	-5.0%	30.0%
Vehicle Expense	10.0%	-5.0%	25.0%
Poultry Feed	5.0%	0%	25.0%
Mulch (Plastic, Straw & Tarps)	8.0%	0%	15.0%
Drip Tape & Irrigation Fittings	8.0%	0%	15.0%
Packaging & Boxes	5.0%	0%	10.0%
Utilities	5.0%	0%	12.0%

Yellow cells are yours to change. Everything else calculates.

% change vs. last year

Each cost moves up or down from the same month last year, in Base / Best / Worst.

When you pay

Days you hold supplies and days you take to pay bills. Fewer days = cash leaves sooner.

Extra cost if prices jump

List the accounts exposed to a price shock and the extra % in each scenario. Here: the Iran war on fertilizer, fuel and feed.

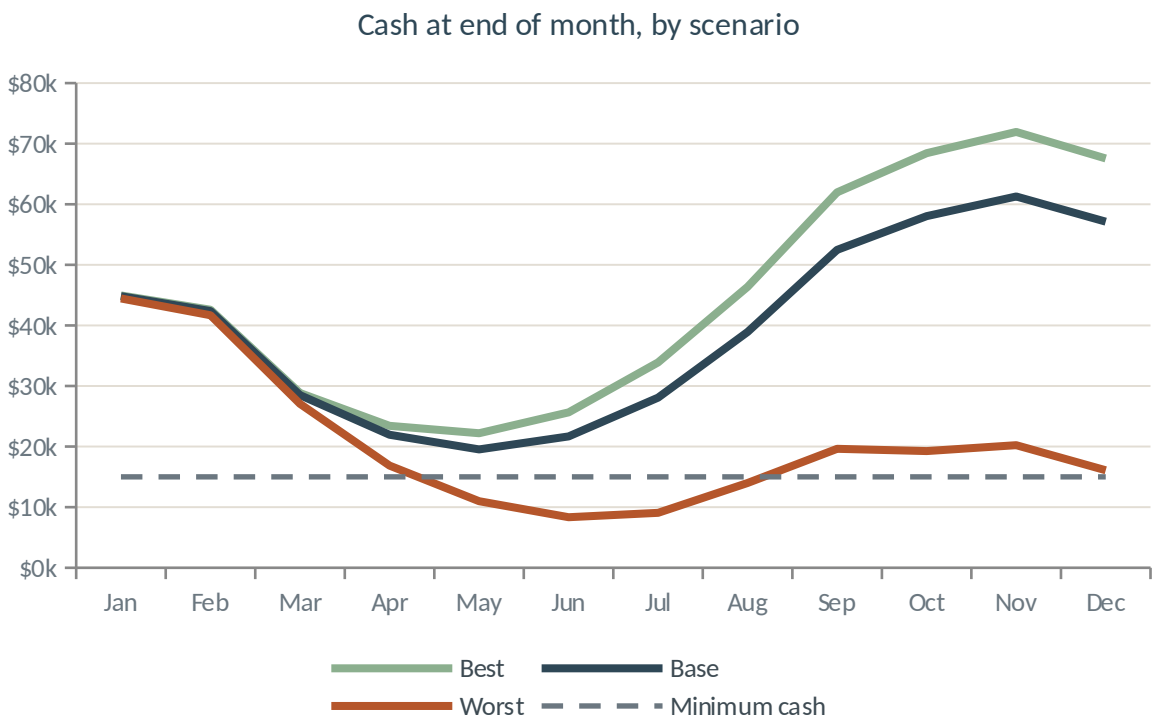
Your Excel template: the summary your customized drivers produce

This example uses: Sample Farm with classes set up · 3-Scenario Cash Flow tab

SIDE BY SIDE - cash at end of month	Jan 27	Feb 27	Mar 27	Apr 27	May 27	Jun 27	Jul 27	Aug 27	Sep 27	Oct 27	Nov 27	Dec 27	Year
Base case	44,826	42,371	28,489	21,950	19,526	21,675	28,070	38,928	52,477	58,037	61,278	57,126	**57,126**
Best case	44,950	42,590	28,836	23,421	22,195	25,641	33,883	46,376	61,964	68,428	71,938	67,553	**67,553**
Worst case	44,454	41,687	27,055	16,856	10,985	8,338	9,065	13,995	19,630	19,257	20,227	16,081	**16,081**
Minimum cash cushion	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	

KEY NUMBERS	Base case	Best case	Worst case
Year-end cash	57,126	67,553	16,081
Lowest month-end cash	19,526	22,195	8,338
Month of the low point	May 2027	May 2027	Jun 2027
Months below minimum cash	0	0	4
Extra cash needed (line of credit size)	–	–	**6,662**
Net income for the year	13,750	24,139	(27,102)
Cost shock extra costs for the year	1,698	(89)	4,501

Same layout as rows 107–139 of the 3-Scenario Cash Flow tab. Everything here calculates from your drivers.



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10-Hour Review Plan

Set up classes in QuickBooks, so each product line gets its own assumptions.

Controller plans

Build tailored assumptions together and keep the forecast up to date through the year.

Email me at contact@watersbooksops.com