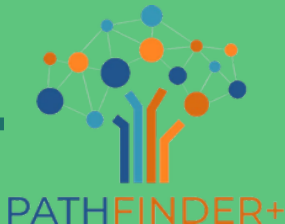


# SUCCESSFUL FINANCIAL PLAN



IT IS IMPORTANT TO FOSTER TRANSPARENCY AND EFFECTIVELY COMMUNICATE FINANCIAL AND IMPACT RESULTS TO STAKEHOLDERS, INCLUDING DONORS, INVESTORS, AND THE COMMUNITY, USING KPIS TO MEASURE BOTH FINANCIAL SUCCESS AND SOCIAL IMPACT.



## ASSESS YOUR CURRENT FINANCIAL SITUATION

- Determine your assets, liabilities, and net equity.

$$\text{EQUITY} = \text{TOTAL ASSETS} - \text{TOTAL LIABILITIES}$$

- Use tools like a BALANCE SHEET to track your finances.



## ANALYSE THE RESULTS AND THE ECONOMIC VIABILITY

- Track your income and expenses to create a detailed BUDGET.
- Please note that income may come from sources such as prizes, grants, donations, crowdfunding, etc.
- For a business to be considered economically viable, the Net Result must be positive in the short-medium term.  
$$\text{NET RESULT} = \text{INCOME} - \text{EXPENSES}$$
- Identify areas where you can cut back on expenses and redirect funds towards savings or debt repayment.

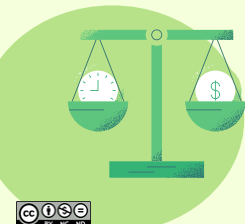


## ANALYSE THE FINANCIAL PLAN

- The entrepreneur must define the Key Performance Indicators (KPIs) of their business.
- KPIs for social projects can include: community participation rate in project activities, percentage change in beneficiaries or their satisfaction index, cost per result, total funds raised from a campaign, increase in recurring donors, etc.
- Some of the most relevant economic-financial KPIs are:
  - Working capital analysis
  - Acid test
  - Profitability analysis (ROE and ROA)
  - Impact ratios: Social return on investment (SROI)
  - The Break-even point

## SOCIAL AND ENVIRONMENTAL BALANCE

- The social balance involves taking into account the possible social costs and benefits of the project.
- For a company to be sustainable from an environmental point of view, it will have to try to maximize environmental benefits (for example, with initiatives that promote awareness about caring for the environment) and minimize costs.



## REGULARLY REVIEW AND ADJUST

- Review your budget and financial goals regularly to stay on track.
- Make adjustments as needed based on changes in your income or expenses.
- Stay disciplined and committed to your financial plan for long-term success.
- It is advisable to complement the financial plan with a risk analysis or CONTINGENCY PLAN.

