

Power of One Template

This sheet is intended to help Participants in EOA Cash Day understand the Power of One Template put together by Greg Crabtree.

Step 1

First, here is the data you will require BEFORE attempting to do this exercise for your business:

- Last 2 years P&L (Calendar year 2013 & 2014, or any comparable 2 year period)
- Balance sheet for the year end that matches P&L's (12/31/13 & 12/31/14, or ending months if different year end is used)

Step 2

Now that you have this Data, follow the instructions below on how to input the Data into the Spreadsheet called: "EOA Power of One Template"

Input process:

- Click on the "Power of One" tab to input data
- Fields highlighted in yellow are the input fields. Do not try to change any formula fields or add columns or rows.
- P&L Input
 - Designed for limited input
 - Revenue – should be self-explanatory
 - Cost of Goods Sold – for this simplistic example, use all costs you consider direct costs to your revenue (materials, subcontractors, direct travel, finished goods or labor)
 - Input Net income (use a negative number if a loss)
 - Input interest expense (enter as a positive number)
 - Input Taxes (enter as a positive number only if the company pays taxes, US based S Corporations and LLCs would not enter anything here)
- Balance Sheet
 - Enter Items in the highlighted areas. Group accounts in one of the line items shown
 - Watch the "Variance" line on line 37 to make sure the Balance Sheet is in balance. ***This line must be zero.***