



FINANCIAL SELF-CHECK

The tool provides an overview of the financial condition of your company.

Suggested time
2 hours

Materials
Computer, link to tool (see below), financial data about the company, post-its and pens, internet access

Participants
Mentor and mentee

GROWTH JOURNEY



Onboarding

Sparring

Innovation

PERSONAL JOURNEY



The tool (similar to 'Profit and Loss Statement') presents an overview of revenue, expenses and costs incurred during a specific period of time (normally either for a quarter or fiscal year). The outcome provides information about the company's level of ability, also known as Net Income, which appears on the company's income statement. This serves as an indicator of the company's profitability and is useful for investors.

In this context we recommend that mentor and mentee fill in the figures together (e.g. online by means of shared screen), even though it is called a self-check tool. Both for support, since it might be difficult for the business owner to face the realities, and to have the opportunity to discuss and address the challenges and possibilities as they present themselves. Furthermore, it is crucial to fill in the correct data in order to provide an accurate picture of the situation.

After the introduction to the tool, the business owner is advised to use it on a regular basis. Link to tool: www.ec.europa.eu/research/participants/lfv/lfvSimulation.do

STEPS

The tool requires you to fill in several mandatory fields:

A) Assets: Subscribed capital, Fixed assets, Current assets

B) Liabilities: Capital & reserves, Creditors

C) Liabilities - turnover: Operating income, Gross operating profit or loss, Net operating profit, Profit/loss on ordinary activities, Profit/loss for financial year.

Based on this the tool calculates a Financial Viability Simulation.

- 01 | You start by filling in the entry for revenue (top line).
- 02 | Now you work your way down filling in the costs and getting to know the company.
- 03 | The costs will then be subtracted and result in the company's financial bottom line.
- 04 | Additionally the ratio's results and analysis hereof are calculated.
- 05 | Note that the definition of equity for small business owners is simple: It is the difference between what your business is worth (your assets) minus what you owe (your debts and liabilities).



This tool is suggested by the project partner, Lead Expert of Ministry of Entrepreneurship Competitiveness Department in the ministry of Economics of Republic of Latvia.

FACILITATION TIPS



SUPPORTING TOOLS

Personal Journey/The Cycle of Renewal: At this stage the mentee might feel depressed and therefore not open towards new thoughts and actions. The theory of The Cycle of Renewal by Frederic Hudson, might help you to get a deeper understanding about the mentees personal condition.

Active Listening: To ask the right questions and establish a space of trust.

The Past and Future Ruler: To keep a focus on the successes and learnings from the past and have a discussing about what to do less of and what to do more of?



REVISIT

To remain updated on the company's level of ability it is recommended to revisit this tool regularly.