

Financial training For non financial staff



The financial training specialists

Tour de France (profit)

Today the Tour de France goes past our house. Our quiet little village has been inundated with visitors, campers, caravans and cyclists.

According to the TV coverage the farmers are doing very well out of it, selling parking and camping places.

In fact lots aren't doing too well. There were some 50,000 visitors forecast, numbers today are nothing like that. The field opposite us has maybe 20 cars parked in it. But £200 isn't bad as a windfall bonus.

Except there have been costs associated with it. 2 guys spent all day Thursday putting plastic net fencing round the perimeter of the field, and fencing off the part of the field you really wouldn't want to park or camp in.

From 7am yesterday until the road closed this morning there were one or two people on the gate. Notices were printed and put up, bins and a portaloo provided and emptied. The £200 parking fees will have been more than consumed by the associated costs.

So, with our projects, business plans and budgets, are the forecasts they are based on reliable? If not, the plans won't be fulfilled.

What level of activity or achievement do we need to see to at least break even, and is that likely?

What's the profitability of the project, not just the sales revenue?

Do we believe it, or is it an opportunity simply too good to be true (in which case it may not be true...)?

Now I'm off to enjoy the race!