



# Creative Design

STRATA CLOUD REPORT - January 2020

Prepared 7 April 2021

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## Highlights

### 1. General Overview

The business maintains a steady pace each month

### 2. Particular Highlight

To address staff efficiency and output quality concerns, management have invested in new design software. Maximising ROI is crucial to maintain competitive in your market.

### 3. Revenue

The Revenue for Jan 2020 was \$103,860, compared to \$103,679 last month. This represents an increase of \$181, or 0.17%.

### 4. Gross Profit

The Gross Profit for Jan 2020 was \$67,062, compared to \$65,332 last month. This represents an increase of \$1,730, or 2.65%.

This isn't to be taken for granted - demand is expected to decrease throughout Q4.

### 5. Profit

The Net Profit for the year to date is \$91,555, compared to \$38,601 in the Budget. This represents an increase of \$52,954, or 137.18%.

Predicted overheads did not occur which were factored into the original budget for Q3.

### 6. Bank

The Bank for Jan 2020 was \$839,521, compared to \$823,576 last month. This represents an increase of \$15,945, or 1.94%.

Well done on maintaining a solid cash position throughout Q3. The current cash position is enough to cover direct and overhead expenses until demand picks up again.

## Observations

### 1. Market Conditions

The market has improved this past quarter - and remained stable. The focus is on recovery from the slow demand and solidifying our position.

### 2. Projections

New software will increase staff efficiency and quality of output. Therefore, it's imperative you start discussing sales and marketing strategies to increase demand and therefore, contracts to assign staff to.

### 3. CAPEX

CAPEX freeze still in effect, main focus on creditor reduction.

## Recommendations for Action

### 1. Revenue

Revenue is maintaining vs budget. It's recommended the sales team focus on closing any warm contracts to keep revenue above budget.

### 2. Profit

Profits maintain a lead on budget.

To maintain increased profit margins, it's crucial that staff engagement in migrating to the new Creative Design Software is monitored. Managers please take responsibility for supporting staff and scheduling relevant training.

### 3. People

New sales manager expected to fill current gap in team. Expected efficiencies minimise the need for any new staff.

### 4. Strategic

Franchise discussions are underway. To maximise franchise sale price - it's recommended that new processes are cemented and efficiency measured before launching franchisee opportunity.

### 5. Systems

Training and engagement is vital to maximising ROI on new software investment. It's recommended that management staff take responsibility of ensuring all staff complete relevant training and successfully migrate existing client base to the new software by next quarter.

## Strategy

Assignee: Richard



70%

Due: Jan 20

- 2020 strategy based on feedback from board
- Finalise and publish the draft strategy
- Share draft strategy with board

## Sales

Assignee: David



40%

Due: Apr 20

- Sales analysis - Q4
- Hire new sales manager ready for Q1 2020

## Marketing

Assignee: Stephen



70%

Due: Apr 20

- Review and select marketing agency
- Hire in-house designer
- Marketing campaign for Q1 2020

## Finance

Assignee: Julie



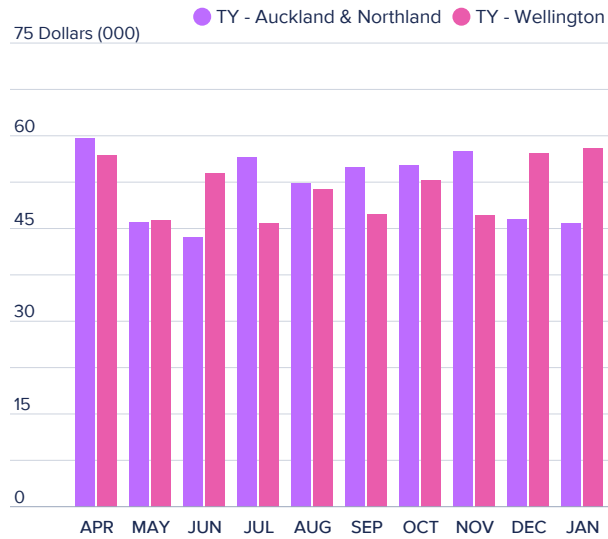
80%

Due: Feb 20

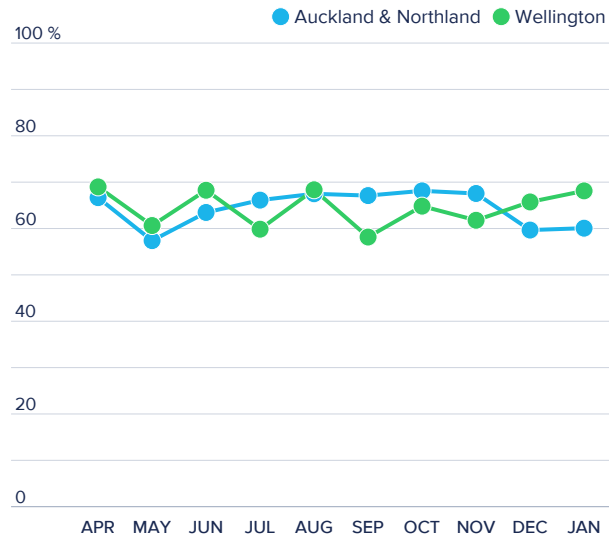
- 2020 Forecast
- Creditor reduction proposal
- Finalise new entertainment and expenditure policies
- Meet with tax office case manager

	YTD	Actual vs Last Year		Jan 20 Plus Last 3 Months				Forward Projection Full Year		
	Actual	Last Year	Variance %	Jan 20	Dec 19	Nov 19	Oct 19	YTD	Budget	Total 19/20
<b>Revenue</b>										
Product Revenue	105,498	106,766	-1.2%	10,123	10,384	10,939	11,075	105,498	24,120	129,618
Project Revenue	901,960	892,638	1.0%	90,617	90,134	90,940	94,053	901,960	199,429	1,101,389
Sundry Revenue	7,200	20,000	-64.0%	0	0	0	0	7,200	0	7,200
Support Revenue	32,742	36,763	-10.9%	3,120	3,161	2,714	1,997	32,742	9,815	42,557
<b>Total Revenue</b>	<b>1,047,400</b>	<b>1,056,167</b>	<b>-0.8%</b>	<b>103,860</b>	<b>103,679</b>	<b>104,593</b>	<b>107,125</b>	<b>1,047,400</b>	<b>233,364</b>	<b>1,280,764</b>
<b>Cost of Sales</b>	<b>365,161</b>	<b>374,717</b>	<b>-2.6%</b>	<b>36,798</b>	<b>38,347</b>	<b>36,659</b>	<b>36,148</b>	<b>365,161</b>	<b>93,510</b>	<b>458,671</b>
<b>Gross Profit</b>	<b>682,239</b>	<b>681,450</b>	<b>0.1%</b>	<b>67,062</b>	<b>65,332</b>	<b>67,934</b>	<b>70,977</b>	<b>682,239</b>	<b>139,854</b>	<b>822,093</b>
<b>GP%</b>	<b>65.1%</b>	<b>64.5%</b>	<b>0.6%</b>	<b>64.6%</b>	<b>63.0%</b>	<b>65.0%</b>	<b>66.3%</b>	<b>65.1%</b>	<b>59.9%</b>	<b>64.2%</b>
<b>OPEX</b>										
Depreciation	10,370	10,370	0.0%	1,037	1,037	1,037	1,037	10,370	2,074	12,444
<b>Financial</b>										
Accounting Fees	4,200	4,504	-6.7%	420	420	420	420	4,200	1,147	5,347
Bank Fees	1,910	2,002	-4.6%	191	191	191	191	1,910	395	2,305
Interest Expense	990	967	2.4%	99	99	99	99	990	300	1,290
<b>Total Financial</b>	<b>7,100</b>	<b>7,473</b>	<b>-5.0%</b>	<b>710</b>	<b>710</b>	<b>710</b>	<b>710</b>	<b>7,100</b>	<b>1,842</b>	<b>8,942</b>
<b>Operations</b>										
Insurance	0	0	0.0%	0	0	0	0	0	1,514	1,514
Rent Expense	95,650	92,611	3.3%	9,565	9,565	9,565	9,565	95,650	19,704	115,354
Repairs and Maintenance	0	0	0.0%	0	0	0	0	0	1,267	1,267
<b>Total Operations</b>	<b>95,650</b>	<b>92,611</b>	<b>3.3%</b>	<b>9,565</b>	<b>9,565</b>	<b>9,565</b>	<b>9,565</b>	<b>95,650</b>	<b>22,485</b>	<b>118,135</b>
Entertainment	4,020	4,843	-17.0%	402	402	402	402	4,020	1,202	5,222
Staff Training	1,080	1,368	-21.1%	108	108	108	108	1,080	282	1,362
National Travel	2,490	2,662	-6.5%	249	249	249	249	2,490	576	3,066
Wages	436,410	461,065	-5.3%	43,641	43,641	43,641	43,641	436,410	102,805	539,215
<b>Total OPEX</b>	<b>557,120</b>	<b>580,392</b>	<b>-4.0%</b>	<b>55,712</b>	<b>55,712</b>	<b>55,712</b>	<b>55,712</b>	<b>557,120</b>	<b>131,266</b>	<b>688,386</b>
<b>NOP%</b>	<b>11.9%</b>	<b>9.6%</b>	<b>2.4%</b>	<b>10.9%</b>	<b>9.3%</b>	<b>11.7%</b>	<b>14.2%</b>	<b>11.9%</b>	<b>3.7%</b>	<b>10.4%</b>
<b>Net Profit</b>	<b>91,555</b>	<b>75,579</b>	<b>21.1%</b>	<b>8,172</b>	<b>6,926</b>	<b>8,800</b>	<b>10,763</b>	<b>91,555</b>	<b>8,588</b>	<b>100,143</b>

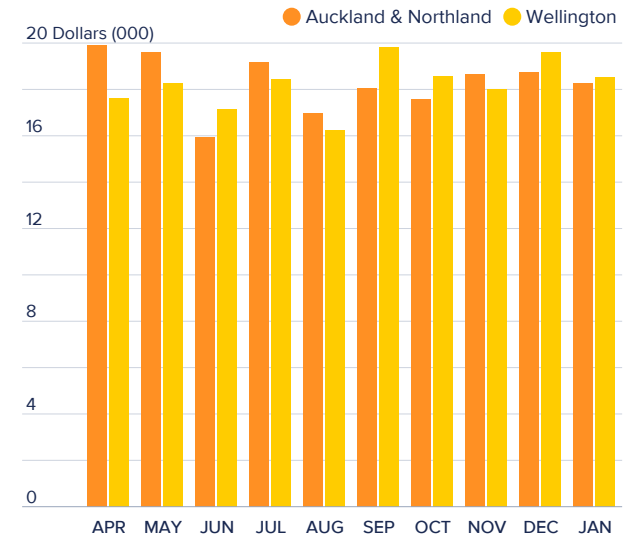
REVENUE BREAKDOWN - This year



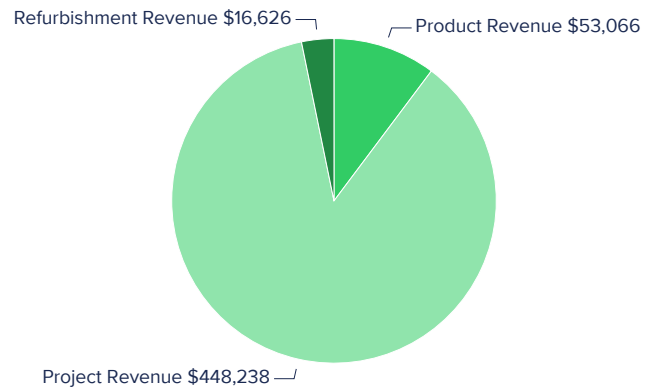
GROSS PROFIT % (EFFICIENCY)



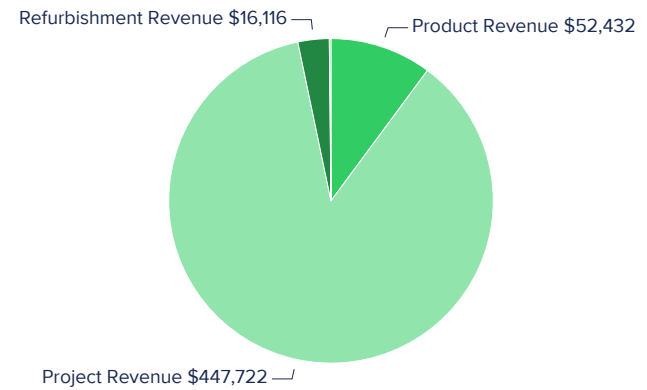
COST OF SALES - By Region



TOP REVENUE CONTRIBUTORS - Auckland

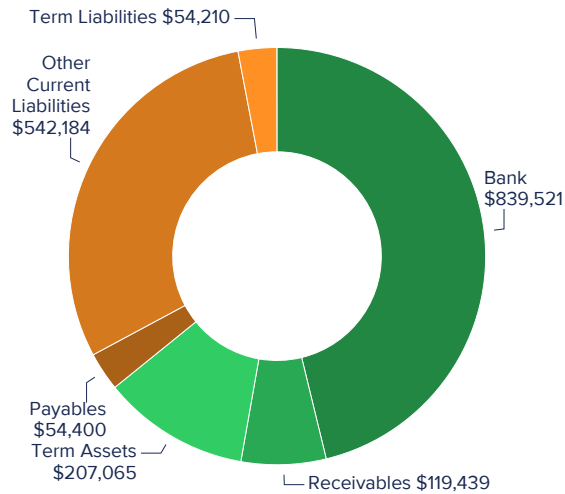


TOP REVENUE CONTRIBUTORS - Wellington

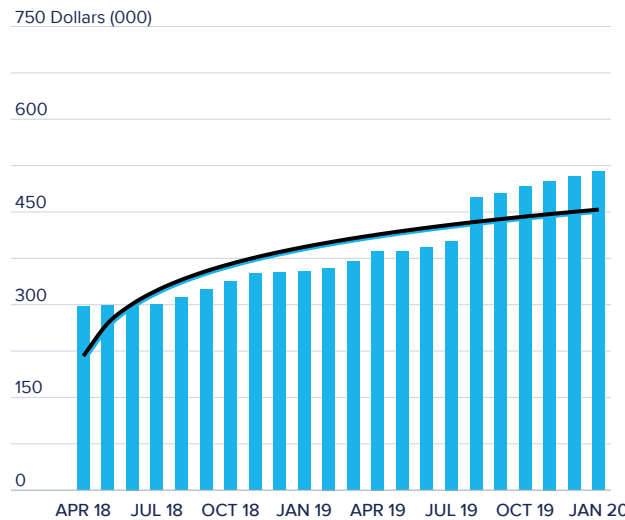


	Now	Actual vs Last Year to Date			Last 3 Months			Monitors	
	As at Jan 20	Last Year	Variance	Variance %	Dec 19	Nov 19	Oct 19	CAPEX Monitor	YTD
Accounts Receivable	119,439	109,288	10,151	9.3%	119,231	120,282	124,131	Computer Equipment	5,000
Bank Accounts	839,521	635,311	204,210	32.1%	823,576	804,639	781,265	<b>Total CAPEX</b>	<b>5,000</b>
<b>Total Current Assets</b>	<b>905,348</b>	<b>758,788</b>	<b>146,560</b>	<b>19.3%</b>	<b>889,195</b>	<b>871,308</b>	<b>851,783</b>		
Term Assets	207,065	214,508	-7,443	-3.5%	208,101	209,139	210,175	<b>Debt Monitor</b>	<b>As at Jan 20</b>
<b>Total Assets</b>	<b>1,112,413</b>	<b>973,296</b>	<b>139,117</b>	<b>14.3%</b>	<b>1,097,296</b>	<b>1,080,447</b>	<b>1,061,958</b>	Taxes	537,483
Accounts Payable	42,318	44,161	-1,843	-4.2%	44,099	42,158	41,570	Accounts Payable	54,400
Other Current Liabilities	554,266	412,655	141,611	34.3%	542,640	531,758	519,757	Term Loans	54,210
<b>Total Current Liabilities</b>	<b>596,584</b>	<b>456,816</b>	<b>139,768</b>	<b>30.6%</b>	<b>586,739</b>	<b>573,916</b>	<b>561,327</b>	Other	4,701
Term Liabilities	54,210	149,010	-94,800	-63.6%	57,110	60,010	62,910	<b>Total Debt</b>	<b>650,794</b>
<b>Total Liabilities</b>	<b>650,794</b>	<b>605,826</b>	<b>44,968</b>	<b>7.4%</b>	<b>643,849</b>	<b>633,926</b>	<b>624,237</b>		
<b>Net Assets</b>	<b>461,619</b>	<b>367,470</b>	<b>94,149</b>	<b>25.6%</b>	<b>453,447</b>	<b>446,521</b>	<b>437,721</b>		
Equity	370,064	291,891	78,173	26.8%	370,064	370,064	370,064		
Current Year Earnings	91,555	75,579	15,976	21.1%	83,383	76,457	67,657		
<b>Total Equity</b>	<b>461,619</b>	<b>367,470</b>	<b>94,149</b>	<b>25.6%</b>	<b>453,447</b>	<b>446,521</b>	<b>437,721</b>		

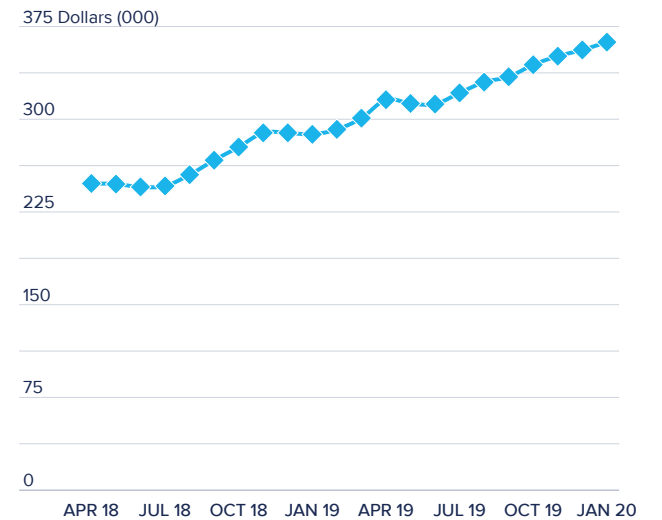
BALANCE SHEET COMPONENTS



EQUITY TREND



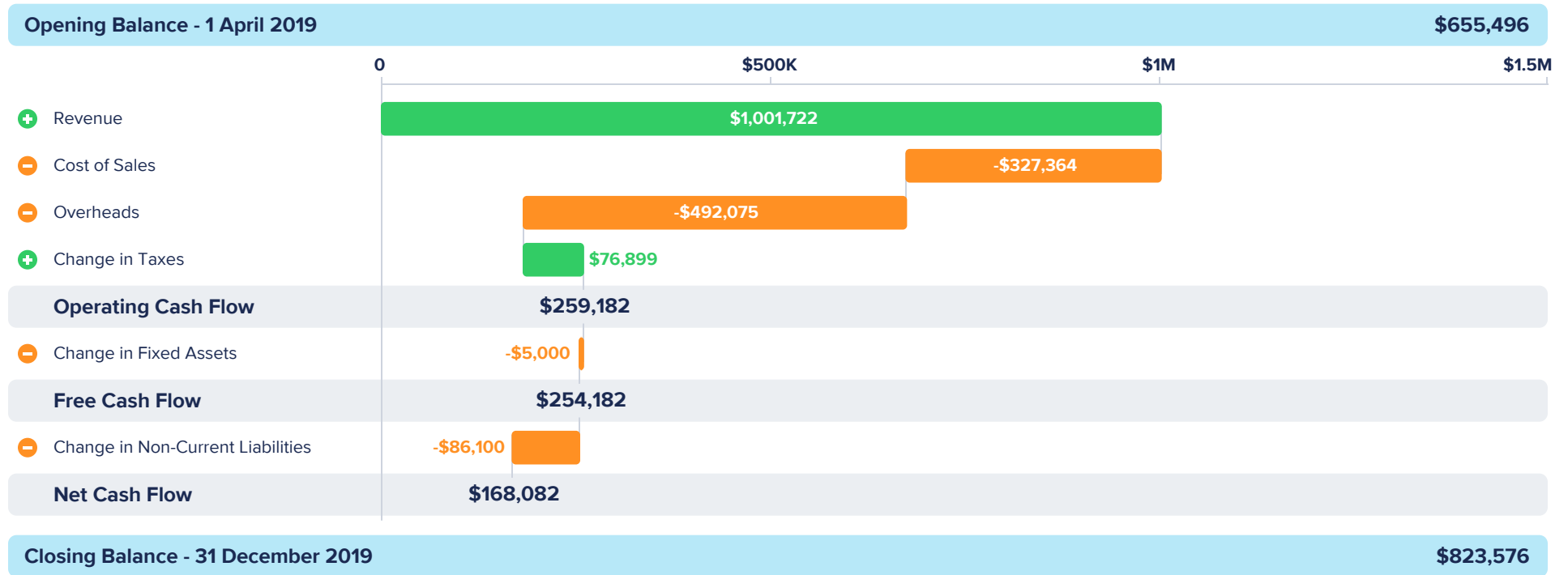
LIQUIDITY MONITOR



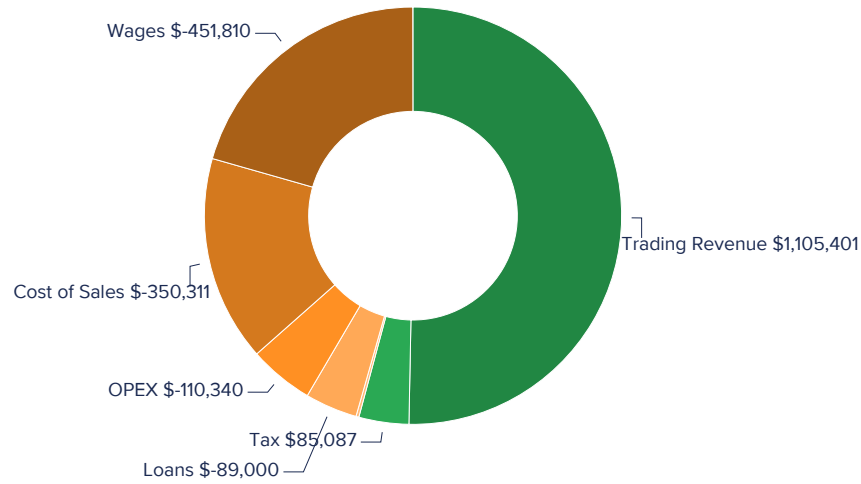
	Current Financial Year											
	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20
<b>Operating profit / (loss)</b>	<b>25,551</b>	<b>1,453</b>	<b>11,458</b>	<b>15,289</b>	<b>14,775</b>	<b>8,730</b>	<b>15,364</b>	<b>12,321</b>	<b>9,719</b>	<b>11,449</b>	<b>0</b>	<b>0</b>
Depreciation & amortisation	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	0	0
<b>EBITDA</b>	<b>26,588</b>	<b>2,490</b>	<b>12,495</b>	<b>16,326</b>	<b>15,812</b>	<b>9,767</b>	<b>16,401</b>	<b>13,358</b>	<b>10,756</b>	<b>12,486</b>	<b>0</b>	<b>0</b>
(Increase)/decrease in trade debtors	-9,478	27,640	-5,998	-5,508	-1,300	1,651	-6,604	3,849	1,051	-208	0	0
Increase/(decrease) in trade creditors	203	417	243	-572	-5,009	5,300	-1,962	588	1,941	-1,781	0	0
Increase/(decrease) in GST	10,233	6,574	7,324	9,018	8,946	8,040	9,157	8,579	8,188	8,448	0	0
<b>Cash generated from operations</b>	<b>27,546</b>	<b>37,121</b>	<b>14,064</b>	<b>19,264</b>	<b>18,449</b>	<b>24,758</b>	<b>16,992</b>	<b>26,374</b>	<b>21,936</b>	<b>18,945</b>	<b>0</b>	<b>0</b>
Income tax paid	1	0	0	0	0	0	0	0	0	0	0	0
Interest paid	-99	-99	-99	-99	-99	-99	-99	-99	-99	-99	0	0
<b>Net cash from operations</b>	<b>27,448</b>	<b>37,022</b>	<b>13,965</b>	<b>19,165</b>	<b>18,350</b>	<b>24,659</b>	<b>16,893</b>	<b>26,275</b>	<b>21,837</b>	<b>18,846</b>	<b>0</b>	<b>0</b>
<b>Net cash from investing activities</b>	<b>0</b>	<b>1</b>	<b>-5,001</b>	<b>1</b>	<b>-1</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>1</b>	<b>-1</b>	<b>0</b>	<b>0</b>
Cash inflow/(outflow) from borrowings	-2,900	-2,900	-2,900	-2,900	-62,900	-2,900	-2,900	-2,900	-2,900	-2,900	0	0
<b>Net cash from financing activities</b>	<b>-2,900</b>	<b>-2,900</b>	<b>-2,900</b>	<b>-2,900</b>	<b>-62,900</b>	<b>-2,900</b>	<b>-2,900</b>	<b>-2,900</b>	<b>-2,900</b>	<b>-2,900</b>	<b>0</b>	<b>0</b>
<b>Change in cash &amp; cash equivalents</b>	<b>24,548</b>	<b>34,123</b>	<b>6,064</b>	<b>16,266</b>	<b>-44,551</b>	<b>21,759</b>	<b>13,994</b>	<b>23,374</b>	<b>18,938</b>	<b>15,945</b>	<b>0</b>	<b>0</b>
Opening cash & cash equivalents	655,496	677,842	709,463	713,028	729,247	744,698	766,457	781,265	804,639	823,576	0	0
<b>Closing cash &amp; cash equivalents</b>	<b>677,842</b>	<b>709,463</b>	<b>713,028</b>	<b>729,247</b>	<b>744,698</b>	<b>766,457</b>	<b>781,265</b>	<b>804,639</b>	<b>823,576</b>	<b>839,521</b>	<b>0</b>	<b>0</b>



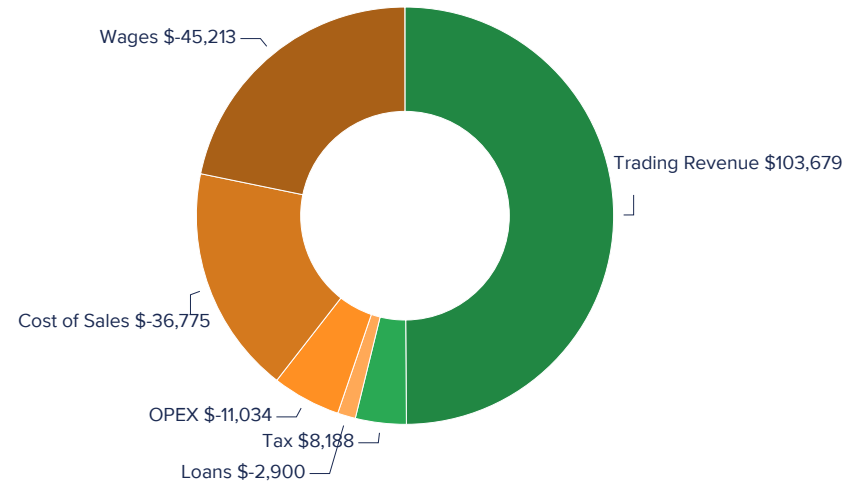
CASH MOVEMENTS SUMMARY



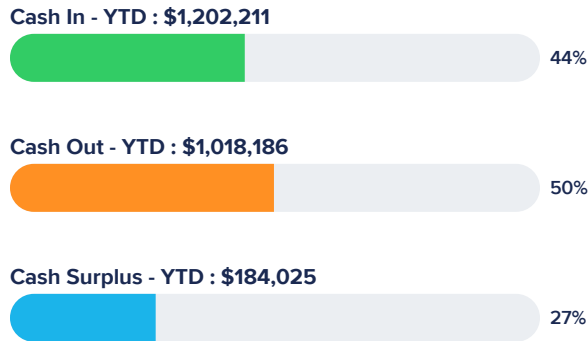
YTD CASH - excluding GST



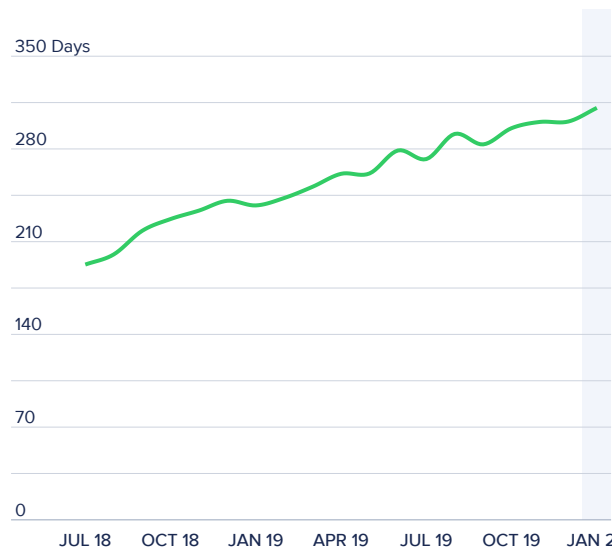
CASH - January 20 (excluding GST)



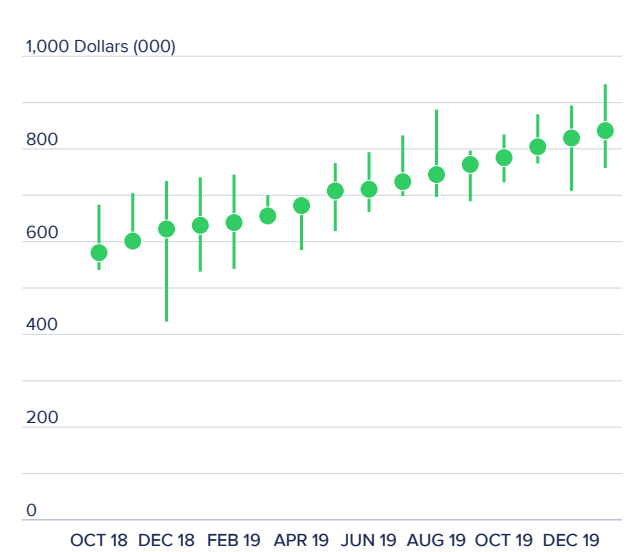
CASH TARGET MONITOR



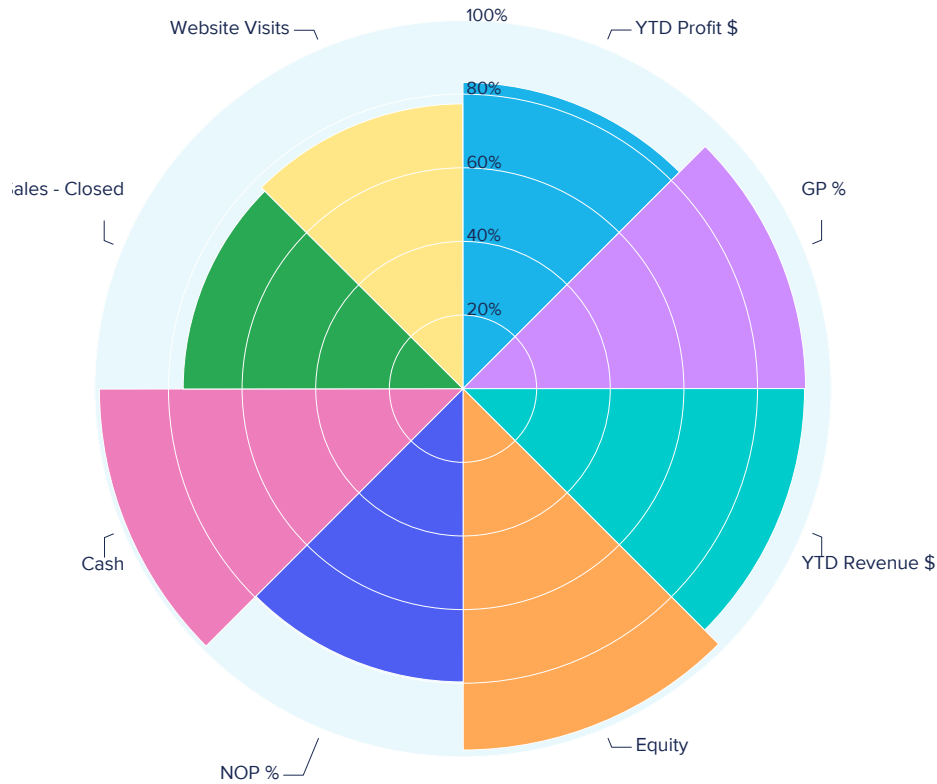
EXPENSE COVER TREND



CASH ON HAND - With High and Low Balances

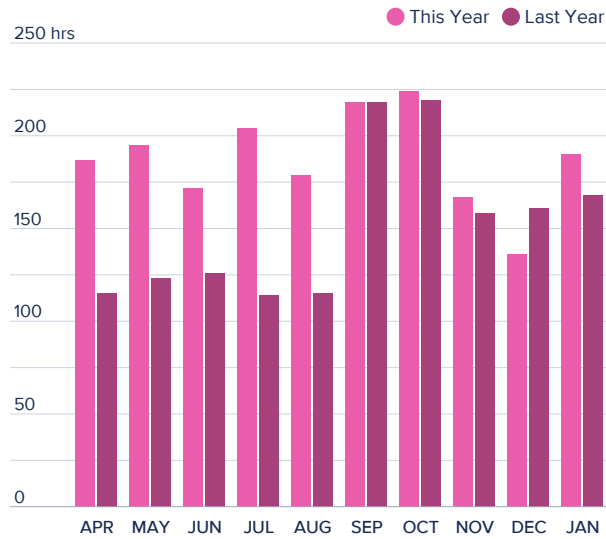


TARGET SCORE CARD

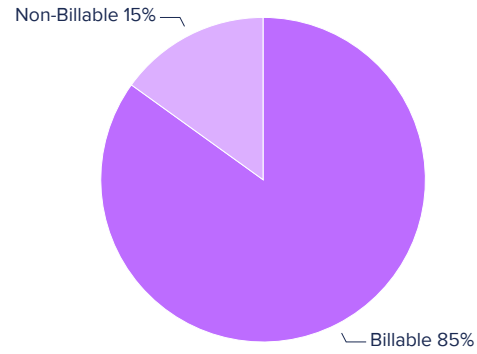


Actual vs Target		
	Actual	Target
Profit	125,119	150,400
GP %	65.1%	70.0%
Revenue	1,047,400	1,129,000
Equity	515,231	525,000
Net Operating Profit %	11.9%	15.0%
Cash	839,521	850,000
Sales - Closed	76	100
Website Visits	42,548	55,000

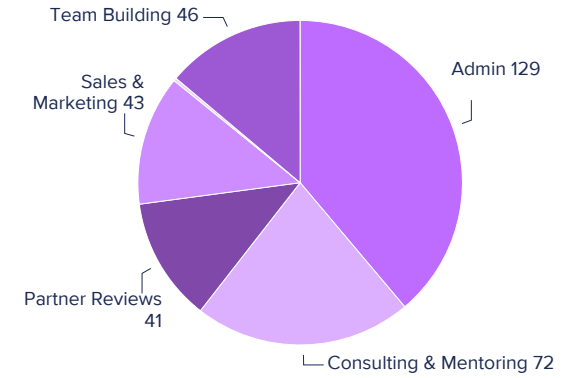
**FIRM BILLABLE HOURS** - This Year vs Last Year



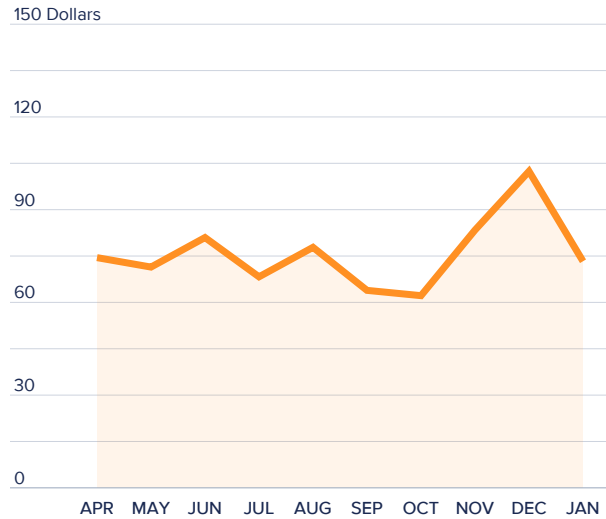
**BILLABLE and NON-BILLABLE** - This Year



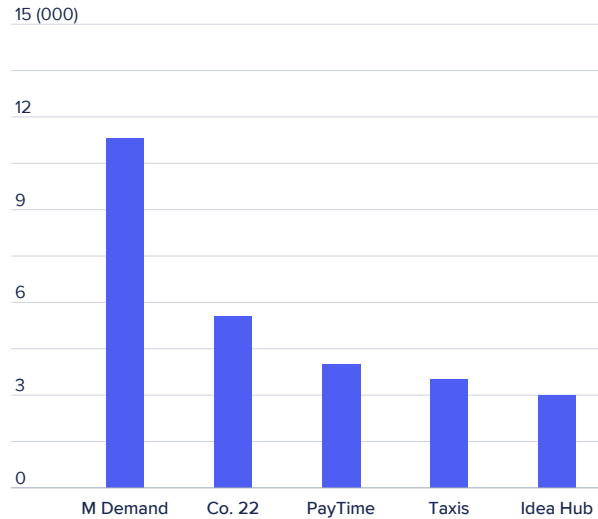
**NON-BILLABLE HOURS** - YTD



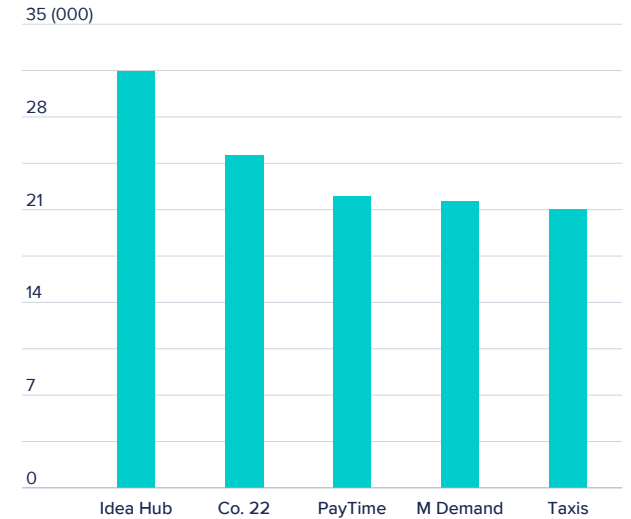
**OVERHEAD BURDEN PER HOUR**



**TOP 5 BILLABLE CLIENTS** - Current Month



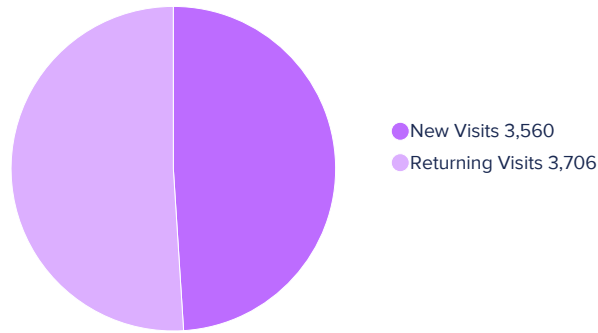
**TOP 5 BILLABLE CLIENTS** - YTD



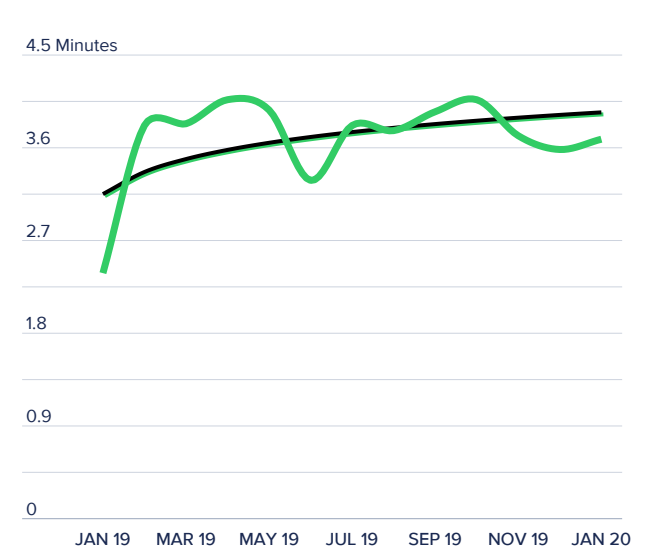
**MONTHLY UNIQUE VISITS**



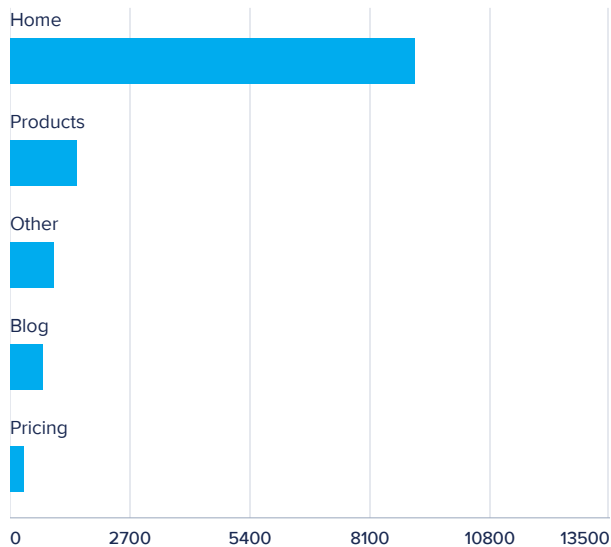
**NEW vs RETURNING VISITS - This Month**



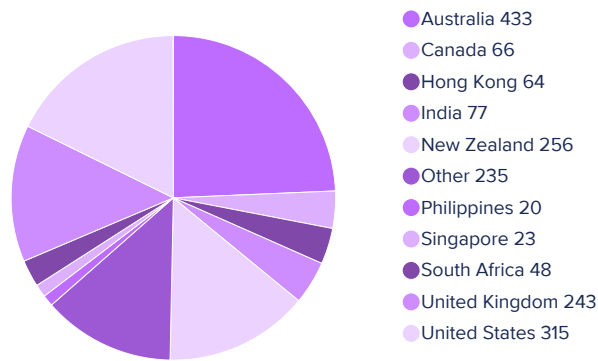
**TIME ON SITE - Last 18 Months**



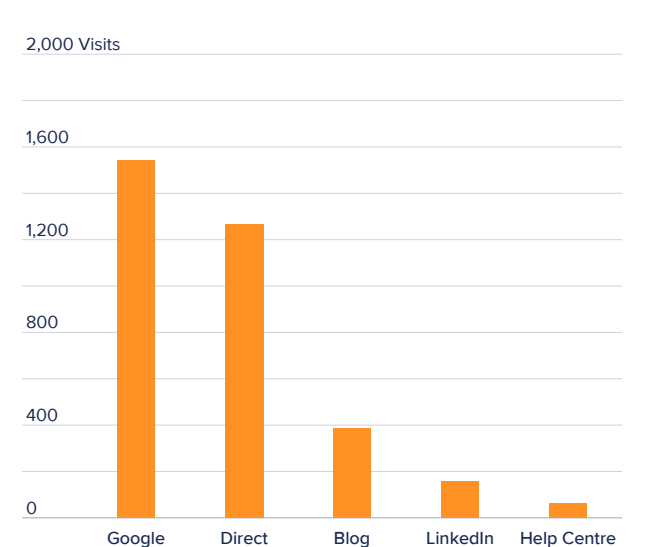
**POPULAR PAGES (Top 5) - This Month**



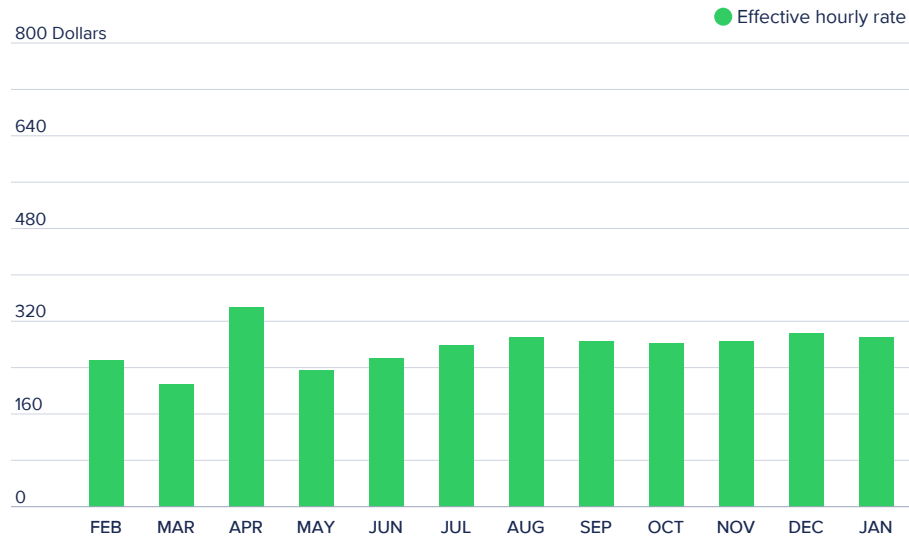
**UNIQUE VISITS BY COUNTRY - This Month**



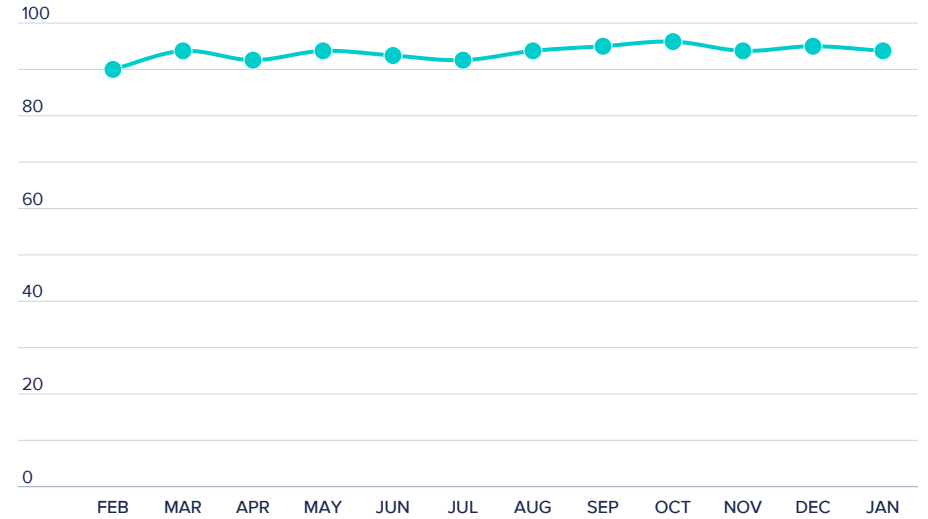
**ORIGINATING SOURCE (Top 5) - This Month**



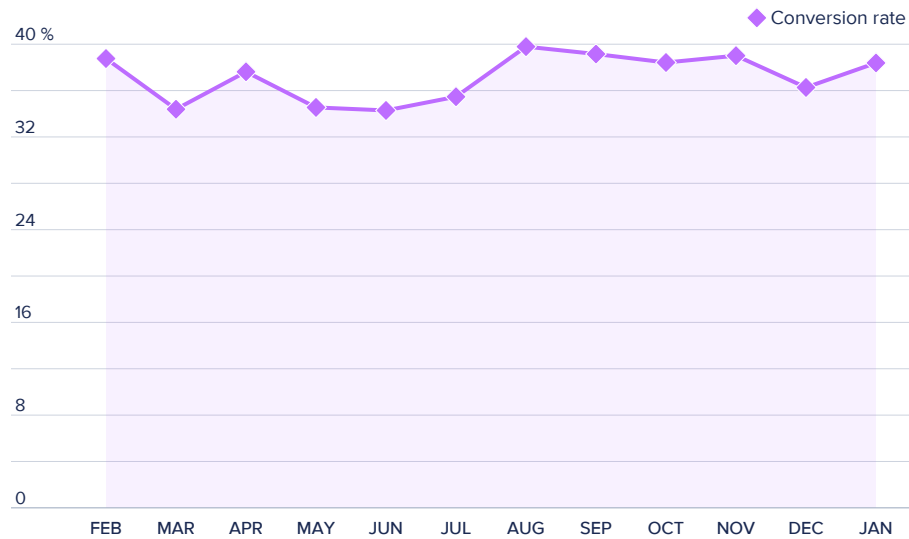
**EFFECTIVE HOURLY RATE**



**CUSTOMER SATISFACTION RATING**



**SALES CONVERSIONS**



**NEW CUSTOMERS**

