

How to Use This Return on Investment Calculator

Return on Investment Calculator

1 Initial Investment

2 Input Monthly Sales Estimates in USD

Sales, Number Jobs/Units Average Job/Unit Price

Monthly Sales	Annual Sales
0	0

3 Input Cost Estimates in USD

Average COGS Per Unit/Job Other COGS Per Unit/Job Bank Fee % Cost of Sales per Job/Unit

Cost of Sales - Monthly	Annual Cost of Sales	Monthly Sales Margin	Annual Sales Margin
0	0	0	0

3 Input Monthly Fixed Cost Estimates in USD

Electricity, Water, Internet Rental and Lease Miscellaneous Custom Costs

Daily maintenance Technical maintenance Logistics and Storage Royalty + Ad Fee %

Monthly Fixed Costs	Annual Fixed Costs
0.00	0.00

4 Tax %

P & L Summary

Net Profit / Loss -Monthly	Net Profit / Loss -Annual
0.00 USD	0.00 USD

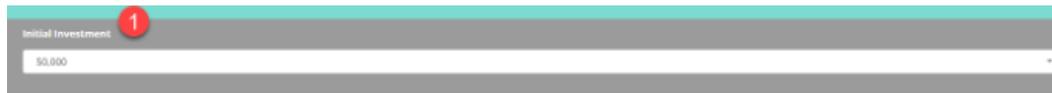
5 Investment Returns and Income - Buying ROI

I am looking my ROI & Net Income for

1 2 3 4 5 6 7 8 9 10

ROI	Breakeven, months	Net Income
-100 %	Infinity months	-50,000.00 USD

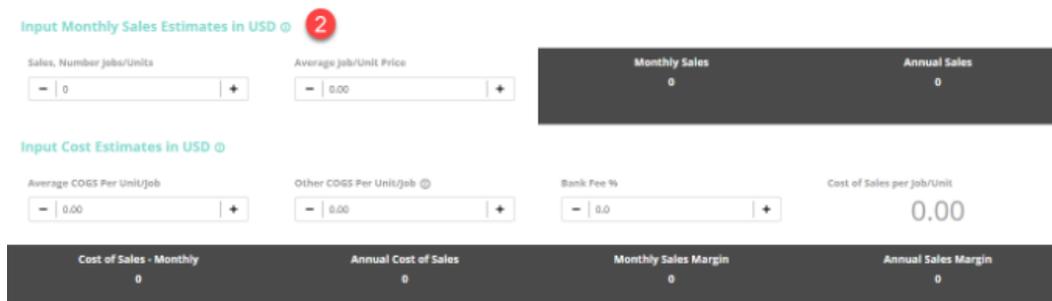
Section 1: Initial Investment



A screenshot of a software interface showing a field for 'Initial Investment' with a value of '\$0.000'. A red circle with the number '1' is positioned above the field.

1) **Initial capital investment/outlay** - just pick the option that is closest to what your annual outlay will look like. For those evaluating franchises, this can typically be found in Item 7.

Section 2: Sales and COGS (SALES - COGS = Gross Profit)



A screenshot of a software interface for inputting sales and cost estimates. It features several input fields and summary boxes. A red circle with the number '2' is positioned above the 'Input Monthly Sales Estimates in USD' section.

Input Monthly Sales Estimates in USD

Sales, Number jobs/Units: 0
Average job/Unit Price: 0.00

Summary: Monthly Sales: 0, Annual Sales: 0

Input Cost Estimates in USD

Average COGS Per Unit/Job: 0.00
Other COGS Per Unit/Job: 0.00
Bank Fee %: 0.0
Cost of Sales per Job/Unit: 0.00

Summary: Cost of Sales - Monthly: 0, Annual Cost of Sales: 0, Monthly Sales Margin: 0, Annual Sales Margin: 0

1) **Annual or Monthly sales** - Annual sales divided by 12. For those evaluating franchises, this can typically be found in Item 19.

2) **Average Price per unit/job/sale** - Annual sales divided by units sold divided by 12 to get units sold monthly. For those evaluating franchises, this can typically be found in Item 19, but you might have to ask the franchisor or do some math on this one.

3) **COGS per Unit/Job sale** - Total yearly product/labor costs divided total units/jobs/sales. For those evaluating franchises, COGS can typically be found in Item 19.

4) **Other COGS** - anything additional related to direct cost of sales.

5) **Bank Fees** - credit card merchant charges as a percent of sales so the total yearly merchant fee divided by total yearly sales this will return a percentage which should be something like 1.5 to 2.75%.

Section 3: Monthly Fixed Costs

Input Monthly Fixed Cost Estimates in USD 3

Electricity, Water, Internet - 0.00 +	Rental and Lease - 0.00 +	Miscellaneous - 0.00 +	Custom Costs ⊕ - 0.0 +
Daily maintenance - 0.00 +	Technical maintenance - 0.00 +	Logistics and Storage - 0.00 +	Royalty + Ad Fee % ⊕ - 0.0 +

Monthly Fixed Costs: 0.00 Annual Fixed Costs: 0.00

6) **Monthly Utilities total** - Annual Utilities/Internet costs divided by 12 to get monthly. For those evaluating franchises, this can typically be found in Item 19.

7) **Monthly Rent** - Annual rent costs divided by 12. For those evaluating franchises, this can typically be found in Item 19.

8) **Miscellaneous Monthly** - divide things like legal/accounting/bookkeeping and other indirect costs by 12. For those evaluating franchises, this can typically be found in Item 19.

9) **Custom** - anything else cost-wise divided by 12

10) **Maintenance costs** - repairs on equipment and divided by 12

11) **Technical costs** - computer service and repairs costs divided by 12

12) **Logistics and Storage** - delivery/toll/gas/parking, etc costs divided by 12

13) **Royalty and Add Fee Percentage** - these are for any royalty or add fees paid as a percentage just plug in percentage paid. For those evaluating franchises, this can typically be found in Item 5 and/or Item 6.

Section 4: Taxes (SALES - COGS - TAXES = Net Profit)

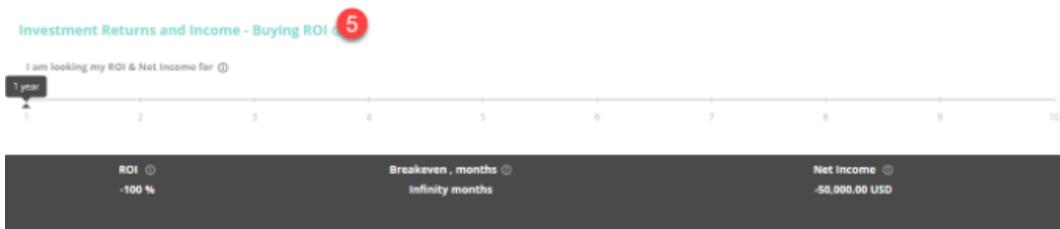
Tax % ⊕ 4
- 0.0 +

P & L Summary ⊕

Net Profit / Loss -Monthly: 0.00 USD Net Profit / Loss -Annual: 0.00 USD

14) **Tax percentage** - this will depend on many factors such as type of entity and such but a percentage of 15 to 25% would be normal for a profitable business.

Section 5: Show me the Money the RESULTS



How to read results

- 1) **Net Profit and Loss Monthly/Yearly** - Section 1 sales minus Section 2 costs of goods sold and bank fees and then minus fixed costs
- 2) **ROI** - The default is set to 1 year so this will likely be negative for large initial investments in the first or maybe years 2 or 3. Slide the Year toggle out to years 5 or more and you would hope to see some decent returns on your capital invested.
- 3) **Net Income** - The default is 1 year so this will likely be negative for large initial investments in the first or maybe years 2 or 3. Slide the Year toggle out to years 5 or more and you would hope to see some decent Net Income.