

webinar of infoseminar on financial evaluation of an idea

Date: November 28, 2020

Speaker: Srinjoy Ganguly, an IIM A and JU ETCE alumnus; currently the manager at Edelweiss Financial Services, Mumbai, India

Approximate attendance: 60

Where: Google Meet

Brief description of the event:

The event was organized as a part of the annual flagship infoseminar series, as a lead up to the Hult Prize On Campus event. It was the third installment of the series and saw a continuation in the rising trend of registrations. The session began with a welcome by the Campus Director, Ms Gargi Sinha Sarkar and the Student Head of the Entrepreneurship Cell, Mr Soumalya Kundu.

Mr Srinjoy intimated to the participants the way he would approach the topic for the attendees: an excel sheet would be used for formulating a “basic evaluation” of a standard idea for a startup ideation competition of Hult Prize’s level, at its On Campus stage. There was a quick description of the difficult faced while one assesses an idea, in contrast to doing so for an up and running startup.

The next thirty minutes saw a combination of explanation of pertinent terms and their manifestation in case of a new ideation. These included valuation, time value of money, risk-free securities, venture capital and net present value (NPV) etc. The participants were actively asking questions, which gave rise to absorbing discussions on financial terminology.

The next part saw the aforementioned terms getting transformed into numbers which “need to be researched the most”, according to the speaker: revenue, operating expenses and their respective growth rates in CAGR terms. He opined that once a team has these numbers, rest of the model becomes a “template”, which was duly shared among the participants later on.

There was an incessant mention of more terms: brand champions, k-value, order velocity, target margin, profit margin, net taxable income and cash flow. These were computed and listed in columns adjoining each other, which, in his terms, was “the heart” of the model. Computing the same would be pivotal in preparing exactly what the event required, while having an edge over other teams.

The three-sheet presentation concluded with a final valuation figure, using PE ratio, IRR (internal rate of return), churn rate and probabilities associated. Tips were peppered all along the two-hour long session, which consisted of a web link, meaning of having a steady cash burn, breaking even and answering investors. The question and answer session had more tips and

elucidations on the mentor’s part, with terms like amortization, disruption and customer education being the prime focus. There was also a mention on ensuring the “pitch presentation is interspersed with economics” and is six-seven slides long.

The session was wrapped up with a vote of thanks from the Campus Director and the Student Head of JU Entrepreneurship Cell, after which the attendees were implored to leave at will. It was made known later that the session received a “highly positive” response, in words of the Campus Director. A recording of the event was made available too, for future reference for the participants.



Promotional Poster for the webinar

The screenshot shows a Zoom meeting interface. On the left, a Google Sheet is displayed with the following financial data:

| Year | Revenue | Expense | Profit | Profit Margin% | Net Operating Loss | Taxable Income |
|------|----------|---------|---------|----------------|--------------------|----------------|
| 2020 | 120.00 | 400 | -280.00 | -233.33% | 280.00 | -380.00 |
| 2021 | 159.64 | 370.00 | -210.36 | -131.77% | 490.36 | -490.36 |
| 2022 | 212.37 | 340.00 | -127.63 | -60.10% | 617.99 | -617.99 |
| 2023 | 282.52 | 310.00 | -27.48 | -9.73% | 645.47 | -645.47 |
| 2024 | 375.85 | 280.00 | 95.85 | 25.50% | 549.62 | -549.62 |
| 2025 | 500.00 | 250.00 | 250.00 | 50.00% | 299.62 | -299.62 |
| 2026 | 574.35 | 220.00 | 354.35 | 61.70% | - | 54.73 |
| 2027 | 659.75 | 190.00 | 469.75 | 71.20% | - | 469.75 |
| 2028 | 757.86 | 160.00 | 597.86 | 78.89% | - | 597.86 |
| 2029 | 870.55 | 130.00 | 740.55 | 85.07% | - | 740.55 |
| 2030 | 1,000.00 | 100.00 | 900.00 | 90.00% | - | 900.00 |

On the right side of the Zoom window, a video feed shows Srinjoy Ganguly, the speaker, wearing headphones and speaking into a microphone.

The session in progress



Vote of thanks and conclusion