

# Management **StartUP**



Calculate the net present value of a potential investment

## Investment Net Value

TOOL MANUAL  
**FN04**

# ABOUT US



The staff of Online Management Solutions Ltd is trained on providing services for establishing and developing new entrepreneurial activities, as well as providing online services for businesses, and especially the media.

## Our Vision

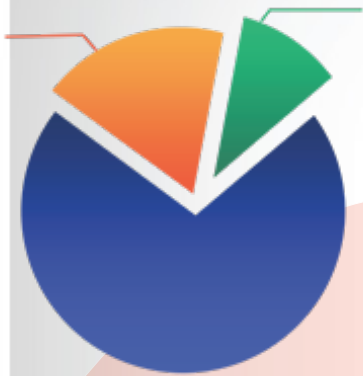
The website [managementstartup.com](http://managementstartup.com) was created by Online Management Solutions Ltd.

It stands as one of our first creations and it focuses on developing and providing research tools that can help people who are close to their entrepreneurial startup.

Management Startup was created by people with a high educational level and vast experience in the field of research and development of new tools for entrepreneurship.



# GENERAL DESCRIPTION



The tool calculates the net present value of an investment.

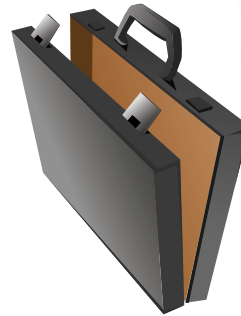
- The net present value is defined as the difference between the total present value of cash inflow and the total present value of cash outflow of the business, related to the specific investment.
- The net present value compares the current value, in monetary terms, of an investment in relation to value, in monetary terms, of the same investment in the future, after taking into account inflation and reimbursements (net profit).
- If the net present value of a potential investment is positive ( $NPV > 0$ ) then the investment is considered worthwhile
- However, if the net present value of a potential investment is negative ( $NPV < 0$ ,  $Outflow > Inflow$ ), then the investment should be rejected because the cash flow is negative
- If the net present value of a potential investment is zero ( $NPV = 0$ ), then the investment should probably be rejected as its revenue will be equal to its costs

# TOOL USAGE

The tool can be used by the financial and overall management of the business and will generate data, possibly, for a possible investment and give the opportunity for a potential investor to decide whether to implement an investment or to choose, if used tool separately for each investment, between two different investments.

## Type of business

Startups  
New Ventures  
Existing Companies  
Consultans  
Training Organisations



## Size of business

Micro  
SMEs  
Corporations

## Field of business

Services  
Manufacturing  
Trade



TYPE OF TOOL: Calculator

YEAR: 2012

TIME NEEDED: 45'

FREQUENCY: Occasionally



Online Management Solutions Ltd

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