MFD Business Growth & Income Planner
(User Manual)

Welcome to Your Business Flight Simulator

This tool is designed for Mutual Fund Distributors (MFDs) to move beyond simple spreadsheets. Think of this as a "Flight Simulator" for your practice. It helps you predict where your business will be in 5 years based on your current AUM, your hiring decisions, and your sales targets.

What this tool answers:

"If I hire 2 more RMs, can I afford their salaries?"

"How much will my monthly income be in Year 3 if market grows at 12%?"

"How much incentive should I pay my staff?"

Step 1: Business Profile (Where You Are Now)

This section establishes the baseline. Accuracy here ensures the projections are realistic.

A. Identity & Current Snapshot

ARN Number / Brand Name: Optional. Used for personalizing the PDF report.

Current AUM (Rs.): Your total Assets Under Management today.

Current SIP Book (Rs./month): Total value of all active SIPs triggered monthly.

Client Count: Total number of unique families/folios you service.

Avg. Revenue Yield (% p.a.): The average trail commission you earn.

Example: If you earn 0.80% on equity and 0.10% on liquid, put your blended average here (e.g., 0.75).

Client Investments Market Growth (% p.a.): The expected return on the portfolio itself (not your revenue).

Guideline: A conservative estimate for an equity-heavy book is 10% to 12%.

B. Capital Expenditure (Sales Team)

No. of Clients each RM will Handle: The capacity of one Relationship Manager.

How it works: If you have 1,000 clients and enter "200" here, the tool assumes you need 5 RMs. As you grow, the tool automatically "hires" more RMs and adds their salaries to your costs.

Base RM Salary: The fixed monthly salary for sales staff.

Self Salary: Your own draw/salary from the business.

Annual Hikes (%): Expected yearly salary increment (e.g., 8% or 10%).

Marketing Cost (CAC): How much you spend to acquire one new client (Ads, coffee meetings, events).

C. Operating Expenditure (Back Office)

Clients per Ops Staff: Back-office capacity. Usually higher than RMs (e.g., 1 Ops person per 400 clients).

Office Rent / Software / Admin: Fixed monthly overheads.

Income Tax (%): The tax rate applicable to your business profit (e.g., 30% for partnership/proprietorship).

Step 2: Growth Planning (Where You Want To Go)

This is the engine room. Be ambitious but realistic.

A. New Clients

New Client Acquisitions per Month: The net new families you plan to onboard monthly.

New Client Ticket Sizes: The average investment size for fresh clients (SIP and Lumpsum).

B. Business from Existing Clients (Upsell)

Existing Client New Lumpsum/SIP: Money coming from your current database (top-ups).

Growth (% p.a.): This is the "Step-Up" factor.

Logic: If you enter 10%, the tool assumes your existing clients will increase their investment capability by 10% every year due to salary hikes or inflation.

C. Risk & Incentives

Redemption Amount: The "leaky bucket." How much money leaves your AUM monthly?

Redemption Growth: Redemptions usually grow as AUM grows. Entering 5% here means redemptions usually increase slightly year over year.

% Revenue Shared as Incentive: The percentage of your Total Revenue you are willing to set aside for team bonuses.

Step 3: Monthly Projections (The Simulation)

Click the "Run 5-Year Projection" button to generate the data.

This section shows a detailed month-by-month breakdown for 60 months.

Key Columns Explained:

Opening AUM: AUM at the start of the month.

Market Effect: The tool adds the "Market Growth %" you entered to the opening AUM (Mark-to-Market).

Net Revenue: Your trail income minus 18% GST. The tool assumes GST is applicable.

CapEx (Capital Expense): Salaries of RMs + Your Salary + Marketing Costs.

OpEx (Operating Expense): Ops Salaries + Rent + Admin + Software.

PAT (Profit After Tax): The final money in your hand after all expenses and taxes.

Pro Tip: Open "Year 1" to see the immediate future, and "Year 5" to see the power of compounding.

Step 4: Yearly Summary

A high-level view for business owners.

What to check: Look at the PAT (Profit After Tax) column. Is it growing?

The "Annual Extra Expenses" Column: This is the only editable field here.

Use this for: One-time costs like office renovation, Diwali bonuses, or buying new laptops.

Action: Type a number here (e.g., 2,00,000) and watch the Tax and PAT automatically adjust.

Step 5: Employee Incentives

Design fair compensation plans for your team.

Box 1: New Sales Incentive Planner (The "Hunter" Role)

This helps you calculate how much to pay an RM for bringing in new money.

Logic: It calculates the revenue the new asset will generate over 2 years.

Outcome: It suggests an incentive amount based on the % share you defined.

Use case: Tell your RM, "If you bring 1 Crore AUM, you will earn Rs. X incentive."

Box 2: AUM Management Incentive (The "Farmer" Role)

This helps you calculate bonuses for RMs who manage existing relationships.

YoY Growth Target: The growth expected from the RM on their book.

Avg AUM: The tool auto-fills this based on your projections, but you can type a specific RM's book size (e.g., 10 Crores).

% Share to RM: Standard industry practice is sharing 10-20% of the trail revenue with the RM.

Step 6: Marketing Management

A strategic guide to acquiring and retaining clients.

Acquisition Planner:

Enter different sources (e.g., Referrals, Social Media).

Enter the cost per lead/client.

Result: See if your marketing budget aligns with your Step 1 inputs.

Segmentation Playbook:

This is a Guide. It divides your clients into segments like "Low Hanging Fruit" (easy upsells) or "Risk Correction."

Action: Print this section and use it in your Monday morning review meetings with your team to assign calling lists.

How to use this tool for Business Improvement

Hiring Decisions:

Before hiring a new RM, input their salary in Step 1. Check Step 4 (Yearly Summary) to see if your Year 1 Profit turns negative. If it does, do you have enough cash reserves to sustain it?

Setting Targets:

Go to Step 2 and adjust "New Clients per Month." Keep increasing it until your Year 3 PAT hits your financial goal. That number is now your sales team's target.

Bank Loans / Valuation:

If you are applying for a business loan or looking to sell your book, the PDF Export acts as a professional "Projected Cash Flow Statement" (CMA Data) which boosts credibility.

Client Conversations:

Use the "Segmentation Playbook" in Step 6 to identify which clients to call today.

Note on Data: This tool runs entirely in your browser. Your financial data is not sent to any server. It is safe and private.