NS Notes by Sara

PROJECT 01 · BONUS

Build your own project

You've run the six steps on Walmart and Target. Now plan a project of your own, on any companies you choose. Type in the yellow boxes and tick off each step.

The six steps
The same method, for any project

Ideas to explore
Eight projects, by level

Tools and data
Free, with where to look

Your project plan
A fillable worksheet

THE METHOD

Six steps, every time

Project 01 followed these steps. So will any project you design yourself. Tick each one when it's done.

1. **Assess: Find your data and check it.** ☐
   Take figures from each company's own reports. Check the year ends, the number of weeks, the units and how each line is defined. Write down where every number came from.

2. **Inquire: Ask one clear question.** ☐
   Tie it to a decision, then break it into parts you can measure. One question keeps the project small enough to finish.

3. **Analyze: Build the sheet and calculate.** ☐
   A sheet each for the data, ratios, charts and summary, plus a Sources sheet. Type each number once and let formulas do the rest.

4. **Visualize: Make one or two charts.** ☐
   One message each, with the finding as the title. Bars start at zero.

5. **Interpret: Write the one-page summary.** ☐
   Lead with the answer. Use Finding, Why, So what and Now what, with numbers, and name at least one limit.

6. **Prompt: Check it with AI, then by hand.** ☐
   Ask an AI tool to recheck your table using a six-part prompt. Then check two of its numbers yourself.

HOW TO USE THIS PDF

Open it in Adobe Acrobat Reader, Chrome, Edge or Preview. Click a yellow box to type, and click a small box to tick it. Save the file after typing so your answers stay. If your viewer doesn't save typed answers, print the plan page instead.

IDEAS TO EXPLORE

Pick an idea, then pick the companies

Each idea is a project you can run with the same six steps. Start at Beginner and move up.

LEVEL	IDEA	THE QUESTION IT ANSWERS
Beginner	**Ratio analysis**	How do two companies compare on margins, turnover and cash? This is what Project 01 does.
Beginner	**Trend analysis**	Is one company getting better or worse? Track its ratios over five years.
Beginner	**Common-size statements**	Where does each sales dollar go? Show every income statement line as a percentage of revenue.
Intermediate	**Return on equity breakdown**	Why is return on equity high? Split it into margin, asset turnover and borrowing.
Intermediate	**Cash flow analysis**	Is profit backed by real cash? Compare operating cash flow, capital spending and free cash flow.
Intermediate	**Budget vs actual**	Where did a business miss its plan? Compare a budget with results and explain the gaps (Topic 7).
Advanced	**Discounted cash flow valuation**	What could a business be worth? Forecast its cash flows and value them in today's dollars.
Advanced	**Peer multiples**	Is a company priced high or low next to similar ones? Compare price to earnings and similar multiples.

NOT SURE WHERE TO BEGIN?

Try trend analysis. It uses the same ratios as Project 01, but on one company, so you only need to learn one company's reports.

TOOLS AND DATA

What you need, and where to find real numbers

Tools

- **Excel or Google Sheets.** The math is mostly division, sums and averages.
- **A PDF reader with search.** Annual reports are long. Search for "balance sheet" or "cash flows" to jump to the statements.
- **The Financial Dictionary and Formulas** at notesbysara.org, when a term or formula is new.
- **The Project 01 starter workbook.** Reuse its layout: Data, Ratios, Charts, Summary and Sources sheets.

Where to find real numbers

SOURCE	USE IT FOR
The company's own website, usually under Investors	Annual reports and earnings releases. The best first source.
SEC EDGAR (United States), sec.gov/edgar	Official filings of US-listed companies, including the annual 10-K.
Companies House (United Kingdom), find-and-update.company-information.service.gov.uk	Accounts filed by UK companies.
Your stock exchange's website	Reports of companies listed in your own country.

Always take numbers from the company's own report, not a website that summarizes it, and note where each one came from.

YOUR PROJECT PLAN

Fill this in before you start

If you can fill in every box, you're ready to build.

My question One sentence, ending in a question mark.

The decision it informs Who would use the answer, and for what?

My companies Two in the same industry, or one company over time.

The years and year ends The same period for both. Note any extra weeks.

Where my numbers come from The report name and website.

The ratios or measures I will use Three to five is plenty to begin.

Possible causes to test The branches of my hypothesis tree.

When I will finish A date. Aim for a weekend.

My notes Terms to look up, questions, anything else.

KEEP IT SIMPLE

Five rules, and your finish line

1. **Stay small.** Two companies, one question. You can add more later.
2. **Choose a business you understand.** A supermarket, a phone maker or a bank you use.
3. **Compare like with like.** Same industry, same period, same units.
4. **Write down what you assumed.** If you left something out, say so in your summary.
5. **Say what you don't know.** End every summary with what you'd check next.

Before you call it finished

- [ ] Every figure is in the same units.
- [ ] The years line up, and you noted any extra weeks.
- [ ] Every number has its source written next to it.
- [ ] You compared how each company defines its lines.
- [ ] Each chart has the finding as its title.
- [ ] Your summary leads with the answer and uses numbers.
- [ ] You named at least one limit.
- [ ] You checked the AI's numbers by hand.
- [ ] You didn't say "buy" or "sell".

KEEP LEARNING

Every step is taught in the free Financial Data-to-Insight course at notesbysara.org/courses. Stuck on a concept? Email support@notesbysara.org.