

START-UP COSTS TEMPLATE

Initial costs - Equipment & assets

Extra equipment, e.g., vehicles
 Extra office equipment
 Fitting out, e.g., interior and exte-

Initial costs - Other 'one-off' costs

Advisor fees, e.g., accountant
 Franchise and other fees
 Lease payments
 Promotion costs, e.g., website
 Initial stock
 Insurance
 License fees
 Purchase cost of existing venture
 Office supplies
 Training costs & subscriptions

Working capital - Your monthly costs

Accounting
 Bank Fees
 Communications
 Freight and postage
 Insurance
 Interest
 Loan repayments
 Motor vehicle expenses
 Power
 Rent
 Repairs and maintenance
 Salaries and employee expenses
 Stationery
 Subscriptions
 Tax payments
 Web site hosting, Internet costs

Total Initial costs

Total monthly costs

In the first few months many businesses need a surplus of cash to cover overheads, as the initial profit from sales doesn't cover all the monthly expenses.

How many months cover do you think you need?

RESULTS

Total initial costs

Total monthly costs

Total start-up costs

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(monthly costs x number of months)

START-UP COSTS TEMPLATE

Our Start-up costs template can help you decide whether your idea will make money before you invest your time and capital.

What does the start-up costs template do?

This tool helps you determine how much money you need to start your business (initial costs and working capital) to identify if you need additional funding.

Initial costs

These costs include expenses associated with starting your business such as needing to buy equipment, vehicles, office equipment, technology and one-time costs set-up costs which can include franchise fees, rent deposits, initial lease payments, legal fees, and initial stock.

Don't forget to include any wages and salaries you may be paying before you go live.

Working capital

You'll most probably need some cash in the bank for several months as a float before you break-even and make a profit. This extra cash in the bank is called working capital to cover the running costs you'll incur regardless of whether you make a sale or not.

Examples of running costs include rent, insurance, finance fees, advertising, marketing, digital, utilities (power, phone), internet services, hosting, salaries,

payments and the minor monthly costs that can add up (stationary, freight, office expenses).

The start-up costs template prompts you to enter both initial (or capital) costs and your monthly running costs. You'll also need to make an estimate of the time you think it will take before your business becomes profitable. This helps to calculate an estimate of the amount of cash you'll need to cover your running costs.

Once you've entered your estimated costs and revenue figures, the template presents you with a summary estimating how much money you need to get started, how much money you'll need to run your business monthly, and how much cash you'll need to survive until the business becomes profitable.

Why use the start-up costs template?

The start-up costs calculator can save you a great deal of money and heartache if you don't have sufficient reserves to survive the crucial start-up period. Wouldn't you rather work it out on paper than find out the hard way?

It will also help you make your case should you seek a small business loan or a relationship with private investors.