

Name:

Date:

Class:

## Building Your Business Plan

### Activity 5-1: Start-Up Capital

#### Step 1: Start-Up Costs

Complete the following steps to estimate your start-up costs.

1. Go through the following list and place a checkmark in the box for all items you think you will need to start your business. This list is a working document. Not all categories will apply to your business, and you may have to add any categories you think are missing. If you marked an *Other* box, specify what exactly you anticipate needing in the space that follows the item.

#### Equipment (Asset)

Desk

Chair(s)

Lighting

Filing cabinet(s)

Shelving

Computer or Laptop

Printer

Phone

Other (specify)

Answer:

#### Transportation Vehicles (Asset)

Vehicle

Delivery Vehicle

Other (specify)

Answer:

#### Loans (Liabilities)

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Vehicle(s)

Furniture

Equipment

**Advertising and Promotion (Expense)**

Advertising

Digital Marketing

Signage

Promotional Materials

Other (specify)

Answer:

**Insurance (Expense)**

Liability

Building

Auto

Life

Business

Worker's Compensation

**Office Supplies (Expense)**

Office supplies (including paper, staplers, tape dispensers, pens, pencils, paper clips, etc.)

**Professional Services (Expense)**

Accountant

Lawyer

Patent Attorney

**Rent (Expense)**

Monthly Fee

Renovations

Other (specify)

Answer:

**Utilities (Expense)**

Gas

Electric

Phone

Internet

Delivery Vehicle

**Assets specific to retail businesses**

Opening Inventory

Mannequins

Fixtures

Hangers

Pricing Supplies

Cash Register

Cash Register Counter

Phone

Security System

Storage Racks

Carts

Other (specify)

Answer:

**Assets specific to wholesale businesses**

Opening Inventory

Storage Racks

Forklift

Carts

Pallets

Pallets Racking

Furniture

Fixtures

Equipment (specify)

Answer:

Other (specify)

Answer:

**Assets specific to manufacturing businesses**

Opening Inventory

Storage Racks

Forklift

Carts

Pallets

Pallets Racking

Furniture

Fixtures

Machinery

Equipment (specify)

Answer:

Other (specify)

Answer:

- Using the same list, indicate a dollar amount for each item you checked. Use the Internet to find approximate costs for these items. Similar to the previous question, for any Other items you have marked, specify what exactly you anticipate needing in the space provided and include a monetary amount.

**Equipment (Asset)**

- Desk

Answer:

b. Chair(s)

Answer:

c. Lighting

Answer:

d. Filing cabinet(s)

Answer:

e. Shelving

Answer:

f. Computer or Laptop

Answer:

g. Printer

Answer:

h. Phone

Answer:

i. Other (specify)

Answer:

**Transportation Vehicles (Asset)**

a. Vehicle

Answer:

b. Delivery Vehicle

Answer:

- c. Other (specify)

Answer:

**Loans (Liabilities)**

- a. Vehicle(s)

Answer:

- b. Furniture

Answer:

- c. Equipment

Answer:

**Advertising and Promotion (Expense)**

- a. Advertising

Answer:

- b. Digital Marketing

Answer:

- c. Signage

Answer:

- d. Promotional Materials

Answer:

- e. Other (specify)

Answer:

**Insurance (Expense)**

a. Liability

Answer:

b. Building

Answer:

c. Auto

Answer:

d. Life

Answer:

e. Business

Answer:

f. Worker's Compensation

Answer:

**Office Supplies (Expense)**

a. Office supplies

Answer:

**Professional Services (Expense)**

a. Accountant

Answer:

b. Lawyer

Answer:

c. Patent Attorney

Answer:

**Rent (Expense)**

- a. Monthly Fee

Answer:

- b. Renovations

Answer:

- c. Other (specify)

Answer:

**Utilities (Expense)**

- a. Gas

Answer:

- b. Electric

Answer:

- c. Phone

Answer:

- d. Internet

Answer:

- e. Delivery Vehicle

Answer:

**Assets specific to retail businesses**

- a. Opening Inventory

Answer:

b. Mannequins

Answer:

c. Fixtures

Answer:

d. Hangers

Answer:

e. Pricing Supplies

Answer:

f. Cash Register

Answer:

g. Cash Register Counter

Answer:

h. Phone

Answer:

i. Security System

Answer:

j. Storage Racks

Answer:

k. Carts

Answer:

1. Other (specify)

Answer:

**Assets specific to wholesale businesses**

- a. Opening Inventory

Answer:

- b. Storage Racks

Answer:

- c. Forklift

Answer:

- d. Carts

Answer:

- e. Pallets

Answer:

- f. Pallets Racking

Answer:

- g. Furniture

Answer:

- h. Fixtures

Answer:

i. Equipment (specify)

Answer:

j. Other (specify)

Answer:

**Assets specific to manufacturing businesses**

a. Opening Inventory

Answer:

b. Storage Racks

Answer:

c. Forklift

Answer:

d. Carts

Answer:

e. Pallets

Answer:

f. Pallets Racking

Answer:

g. Furniture

Answer:

h. Fixtures

Answer:

- i. Machinery

Answer:

- j. Equipment (specify)

Answer:

- k. Other (specify)

Answer:

- 3. Find a *start-up cost calculator* on the Internet, and calculate the start-up costs for your business. What is an estimate for your type of business? How did your manual estimate compare with the start-up calculator estimate?

Answer:

## Step 2: Start-Up Capital

*Starting a new business requires capital. You must decide how much capital is needed and where you will obtain it. Answer the following questions and complete the charts to help you find the best sources of funding.*

- 1. How much capital do you anticipate needing to start your business?

Answer:

- 2. Brainstorm at least four sources of bootstrapping. Indicate how much money you think you could save by using each idea. List more examples if needed.

- a. Bootstrapping Idea #1

Answer:

- b. Bootstrapping Idea #2

Answer:

- c. Bootstrapping Idea #3

Answer:

- d. Bootstrapping Idea #4

Answer:

3. Brainstorm at least four sources of personal assets you could use for your business. Indicate how much money you think you could save by using those assets rather than buying new ones. Add more examples if needed.

- a. Personal Assets Idea #1

Answer:

- b. Personal Assets Idea #2

Answer:

- c. Personal Assets Idea #3

Answer:

- d. Personal Assets Idea #4

Answer:

4. Brainstorm potential sources of equity financing available to help start your business. Name each source, and indicate how much money you think you might get from that source. Add more examples if necessary.

- a. Personal Savings

Answer:

- b. Family and Friends

Answer:

- c. Partners or Incorporating

Answer:

- d. Angel Investors

Answer:

- e. Venture Capitalists (VCs)

Answer:

- f. Crowdfunding

Answer:

- 5. Brainstorm sources of debt financing you could obtain to help start your business. Name each source and how much money you think you might get from each. Add more examples if necessary.

- a. Banks and Credit Unions

Answer:

- b. Peer-to-Peer or Social Lending

Answer:

- c. Loans for Relatives

Answer:

- d. Trade Credit

Answer:

- e. Retirement Accounts

Answer:

- f. SBA-Assisted Loans

Answer:

- g. Grants/State and Local Development Agencies

Answer:

6. If the potential sources of funding are actually available, will you meet your capital requirements? If not, how can you supplement your needs?

**Answer:**