



Detailed Contents

Introduction	xi
Section 1	
<i>Planning Your Business</i>	1
The Purpose of Your Business	1
Goals for the Business	1
Strengths and Weaknesses	2
How Do You Want to Spend Your Day?	3
What Are You Passionate About?	3
The Products and Services You Plan to Sell	4
Your Strategies	5
Your Suppliers	7
Your Margins	8
Your Cash Conversion Cycle	9
Section 2	
<i>Startup Expenses</i>	13
Asset Purchases	13
Initial Inventory and Raw Material Purchases	15
Other Startup Expenses	15
Section 3	
<i>Sales and Cost of Goods Sold Forecast</i>	19
Product Name	20
Average Price per Sale	21
Cost of Goods Sold per Sale	21
Gross Profit per Sale	22
Inventory and Raw Material Purchases	22

Payment for Purchases.....	23
Unit Sales.....	23
Payment for Sales.....	24
Section 4	
<i>Monthly Expenses</i>	25
Operating Expenses.....	25
Owners' Salary.....	26
Employee Salary/Wages.....	27
Employee Withholding.....	27
Payroll Expenses.....	28
Rent.....	29
Utilities.....	29
Telephone.....	29
Internet Expenses.....	30
Equipment Lease Payments.....	30
Office Supplies.....	30
Advertising.....	30
Travel.....	31
Postage and Delivery.....	31
Maintenance and Repair.....	31
Accounting, Payroll and Legal Expenses.....	32
Other Outside Services.....	32
Insurance.....	33
Licenses and Fees.....	33
Income Tax Payments.....	33
Real Estate and Personal Property Taxes.....	34
Miscellaneous.....	34
Other.....	35
Financing Activities.....	35
Payments on Loans.....	35
Interest Payments on Loans.....	36
Principal Payments on Loans.....	36
Payments to Owners.....	36
Withdrawal of Owners' Investment.....	37
Equity Investor's Withdrawals.....	37
Dividend Payments.....	37
Reserves.....	38

Section 5

How Much Cash Do You Need? 39

Sources of Startup Cash 39

 Your Money 40

 Family and Friends 41

 Loans 42

 Outside Investors and Venture Capitalists 42

Projected Cash Flows 44

 Beginning of Period Cash 46

 Cash Received 46

 Cash Paid 46

 End of Period Cash 47

Additional Cash Needs 47

Section 6

Sensitivity Analysis 49

Revenue 49

 Product Mix 50

 Lower Prices 50

 Sale Prices 50

Cost of Goods Sold 51

Unit Sales 51

Operating Expenses 52

Congratulations! 52

Appendix

Accessing the Business Forecasting Model:

 Website and Spreadsheet Directions 53

Index 57

