

Capital Requirements

Money is better than poverty, if only for financial reasons.

~ Woody Allen

How will you apply the proceeds of debt or equity financing? Use this sheet to determine your financing needs. While many investors or lenders may be satisfied with a summary listing of what you will do with the (their) money (See “Use of Funds Summary” (next worksheet)), often they will want a detailed list of what you intend to purchase. You will also likely want to list everything you will need.

The amounts entered here will automatically flow into the appropriate assumption pages and will be included on your financial statements.

All of the screens in this section belong to one spreadsheet page.



Note: Removing Rows

If any of these sections or rows are unnecessary, please **HIDE** them (First highlight the row(s) you don't want, then pull-down under **Format** to **Row**, then click **Hide**. Deleting them may cause formula problems elsewhere in the model.)

Start-Up Costs

This section can easily be changed to **Expansion Costs** for a growing company.

You may add line item by simply inserting rows (Pull-down under Insert (above) and let go on Rows).

Just be sure that the Total at the bottom of the section includes all rows in the section. (The Total numbers are the ones carried throughout the model.)

Start-Up / Expansion Costs		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Accounting									
Brochures									
Business Plan									
Insurance									
Information Systems									
Legal Fees - Agreements									
Legal Fees - Patent Filings									
Licenses & Permits									
Logo/Brand Development									
Office Supplies									
Postage									
Printed Materials									
Property Inspection									
Rent - Office									
Rent - Warehouse									
Telephone									
Web Hosting									
Website									
xxx									
xxx									
xxx									
Total Start-Up/Expansion Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Product / Service Development Costs

You can change this entire section – add or remove sub-sections. (For example, change “Product Development” to “Services Development” or anything else that will work for your business.)

Just make sure that the Total at the bottom of this section includes everything in this section.

	A	B	C	D	E	F	G	H	I
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
35	Product/Service Development								
36	R&D								
37	xxx								
38	xxx								
39	xxx								
40	xxx								
41	xxx								
42	Total R&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	New Products & Services								
44	xxx								
45	xxx								
46	xxx								
47	xxx								
48	xxx								
49	xxx								
50	Total New Products & Services	-	-	-	-	-	-	-	-
51	Acquisitions								
52	xxx								
53	xxx								
54	xxx								
55	Total Acquisitions	-	-	-	-	-	-	-	-
56									
57	New Hires - R&D	12,825	12,825	12,825	12,825	12,825	12,825	12,825	12,825
58	Total Additional R&D Investment	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825

The “**New Hires**” at the bottom will automatically roll-up from the HR pages and continue to carry forward. *Always manage your HR planning from the “Assumptions – HR” page.*

The “Use of Proceeds” page (next tab) summarizes everything from this page — the table will be picked up by your Financing Requirements page in the text of BizPlanBuilder.

Sales & Marketing

Sales & Marketing costs can add up quickly. Smart investors realize that you will need to spend money on marketing in order to be successful. Use this page to itemize your launch costs—we recommend listing at least 9 months worth of sales and marketing budget items to get your “pump primed.”

	A	B	C	D	E	F	G	H	I
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Marketing & Sales									
Advertising									
xxx Magazine									
xxx									
xxx									
xxx									
Total Advertising		-	-	-	-	-	-	-	-
Direct Mail									
Direct Mail - List Test									
Direct Mail - Roll-Out									
Total Direct Mail		-	-	-	-	-	-	-	-
Internet									
Internet Search Engines - Google									
Internet Search Engines - Yahoo! / Bing									
Internet Advertising - Web Links									
Total Internet		-	-	-	-	-	-	-	-
Packaging									
Packaging/Launch									
xxx									
Total Packaging		-	-	-	-	-	-	-	-
Public Relations									
PR Firm									
PR Materials									
Total PR		-	-	-	-	-	-	-	-
Conferences & Events									
xxx									
xxx									
Total Seminars		-	-	-	-	-	-	-	-
Social Media									
Facebook									
Google+									
Total Social Media		-	-	-	-	-	-	-	-
New Hires - Marketing & Sales		\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 11,400	\$ 11,400
Total Marketing Requirements		\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 11,400	\$ 11,400

Sales & Marketing costs will be carried to the “Use of Proceeds - Summary” page by sub-total of the bold-heading sections. *If you change a bold heading here, it will automatically change on the Use of Proceeds page.* You can add sub-sections... just make sure you add matching sub-sections on the “Use of Proceeds – Summary page.”

Inventory

Product names are automatically inserted from the “Basic Assumptions” page.

	A	B	C	D	E	F	G	H	I
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
60	Production & Inventory								
61	Intro Offer								
62	Product 1								
63	Product 2								
64	Product 3								
65	Product 4								
66	Product 5								
67	Product 6								
68	Product 7								
69	Product 8								
70	Product 9								
71	Other								
72	New Hires - Production	-	-	-	-	-	-	-	-
73	Total Production & Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Inventory will be carried to the “Use of Proceeds – Summary” page as a single line item.

Capital Equipment

The bold headings are common accounting terminology—we recommend using them as they are. Go ahead and change the blue headings to suit yourself.

You can add as many rows as you like. (Remember to HIDE the rows that you don’t want).

Also, remember to make sure that the total in each section include all of the rows you have added.

	A	B	C	D	E	F	G	H	I
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
124	Capital Equipment								
125	Land (Non-Depreciable Asset)								
126	Property A								
127	Property B								
128	Property C								
129	Total Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131	Buildings & Leasehold Improvements								
132	xxx								
133	xxx								
134	xxx								
135	xxx								
136	Total Buildings & Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138	Furniture & Fixtures								
139	xxx								
140	xxx								
141	xxx								
142	xxx								
143	Total Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
145	Machinery & Equipment								
146	Truck								
147	Kitchen Equipment								

Use of Proceeds - Summary

*The highest use of capital is not to make more money,
but to make money do more for the betterment of life.*

~ Henry Ford

This is a page for investors and lenders will want to see. This page rolls up and summarizes everything you entered on the previous “Capital Requirements” page. The only things you may need to customize are the addition of any matching sections to incorporate what you added on the previous page.

Microsoft Excel - Financials--Comprehensive.xls

File Edit View Insert Format Tools Data Window Help SpreadsheetConverter v5 Adobe PDF

Type a question for help

A1 This page summarizes the Capital Requirements page.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	
4	Use of Proceeds - Summary													Your Company Name Here	
5	(in thousands)														
6	2013														
7	Start-Up / Expansion Costs	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total	
8	Start-Up / Expansion Costs													\$ -	
9	Total Start-Up/Expansion Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10															
11	Product/Service Development														
12	R&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13	New Products & Services													\$ -	
14	Acquisitions													\$ -	
15	New Hires - R&D	12,825	12,825	12,825	12,825	12,825	12,825	12,825	12,825	12,825	12,825	12,825	12,825	\$153,900	
16	Total Additional R&D Investment	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$ 12,825	\$153,900	
17															
18	Production & Inventory													Total	
19	Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	New Hires - Production													\$ -	
21	Total Production & Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
22															
23	Marketing & Sales													Total	
24	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Direct Mail														
26	Internet														
27	Packaging														
28	Public Relations														
29	Conferences & Events														
30	Social Media														
31	New Hires - Marketing & Sales	4,750	4,750	4,750	4,750	4,750	4,750	11,400	11,400	11,400	11,400	11,400	11,400	96,900	
32	Total Marketing Requirements	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 11,400	\$ 96,900	
33															
34	Additional G & A													Total	
35	Other G&A														
36	New Hires Executive/Finance/Operations	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$193,800	
37	Total Additional G&A	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 21,850	\$ 4,750	\$ 4,750	\$ 4,750	\$ 4,750	\$193,800	
38															
39	Capital Equipment														
40	Land (Non-Depreciable Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
41	Buildings & Leasehold Improvements														
42	Furniture & Fixtures														
43	Machinery & Equipment														
44	Office Equipment														
45	Computers & Software														
46	Total Capital Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47															
48	Total Additional Investment	\$ 39,425	\$ 39,425	\$ 39,425	\$ 39,425	\$ 39,425	\$ 39,425	\$ 46,075	\$ 46,075	\$ 28,975	\$ 28,975	\$ 28,975	\$ 28,975	\$444,600	
49	Cumulative Total	\$ 39,425	\$ 78,850	\$ 118,275	\$ 157,700	\$ 197,125	\$ 236,550	\$ 282,625	\$ 328,700	\$ 357,675	\$ 386,650	\$ 415,625	\$ 444,600		

Charts--Demand Capital Requirements Use of Proceeds Assumptions-HR HR-Plan Charts--HR-Growth Assumptions

Often, investors will ask if you can “sharpen your pencil” to see if you can do more with less. Ugh! Nevertheless, be mindful of trying to buy your way out of problems. Investors and lenders are usually astute business people and want to see money spent only on things that really require money. We have a customer who needed jet aircraft. Plan A was to raise capital and buy them. Plan B was to find a person who owned jets who liked our customer’s proposition to lease them when he needed them. With that deal in place, a lot of capital was saved and any investment money could be applied to other things (instead of

buying jets, many other things!). Also, this kind of financial creativity sends a very positive message to investors and lenders—you will be careful, creative and conscious with their money.

Another way of thinking about your investment requirements

At the very bottom of the “Use of Proceeds – Summary” page is this unique table. It summarizes this screen ever further. (The actual table will make more sense with your numbers filled in.)

What if you were to adjust what you want to do with what money you have for a 9 month, 12 month, 18 month, etc. intervals? If investors were to put more in, they would finance the further depth and breadth of development.

They should be set at stages / milestones of evolution / development (prototype, complete construction, roll-out, expansion) – each milestone brings the company a higher valuation. This concept also serves to focus your priorities for using the financing to build your business. The farther you go, the more value you will build – where is the optimum investment point for you and your investor(s)? “Fund our operation for X months. This is what we can do...”

You can copy & paste [part of] this table into your business plan text in the Capital Requirements section. That way, when you change your numbers here, they will automatically update in your plan narrative.

Use of Investment Proceeds	9 months	12 months	18 months	24 months	36 months	48 months	60 months
Start-Up / Expansion Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Product/Service Development	-	-	-	-	-	-	-
Production & Inventory	-	-	-	-	-	-	-
Marketing & Sales	-	-	-	-	-	-	-
Additional G & A	843	843	843	843	843	843	843
Capital Equipment	-	-	-	-	-	-	-
Working Capital	250	300	500	500	750	750	750
Total	\$ 1,093	\$ 1,143	\$ 1,343	\$,343	\$ 593	\$ 1,593	\$ 1,593