

Start-up costs

The start-up cost calculator can help you decide whether your idea will make money before you invest time and capital.

1. INITIAL COSTS

Equipment & assets

Extra equipment, e.g., vehicles
Extra office equipment, e.g., computers
Furnishings, e.g., fittings, interior and exterior

Other "one-off" costs

Advisor fees, e.g., accountant fees
Franchise and other fees to be paid
Initial lease payments (new equipment etc.)
Initial promotion costs, e.g., website & signs
Initial stock
Insurance
License fees
Purchase cost of existing venture
Office supplies
Training costs & subscriptions

Total Initial costs

2. WORKING CAPITAL CALCULATION

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 / Business cards
Subscriptions
Tax payments
Web site hosting, Internet costs

Total monthly costs

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

How many months cover do you think you need?

YOUR START-UP COSTS

Total initial costs		<input type="text"/>
Total monthly costs	<input type="text"/>	
Months to cover overheads	x <input type="text"/>	= <input type="text"/>
Total start-up funds required		

Disclaimer

Please note that the information provided isn't intended and should not be relied upon as professional or personal financial product advice. You should seek professional advice before making any decision that could affect the financial health of your business. Source TSBC.com.

Start-up costs



The start-up cost calculator can help you decide how much money you'll need to have before you start up your new business.

What does the start-up costs calculator do?

Many businesses fail because they don't have sufficient cash to last until they become profitable.

This tool addresses two key financial areas that must be examined in order to make the smartest business decision. They are:

- Initial costs.
- Working capital (running costs for a number of months).

Totaling costs

All start-ups have start-up costs, followed by running costs. Your initial costs include expenses associated with starting your business such as:

- **Equipment and assets** – such as vehicles and furniture.
- **Office equipment** – such as computers, telephone systems, copiers, and water coolers.
- **One-time costs** – such as franchise fees, rent deposit, initial lease payments, legal fees, and initial stock.

While these costs won't necessarily repeat in the near future, your business will incur other operational costs on an ongoing basis. Your running costs are those that you'll incur regardless of whether you make a sale or not.

Examples of running costs include:

- Rent.
- Insurance.
- Advertising.
- Utilities.
- Phone and Internet services.
- Salary and payments to subcontractors.
- Postage.

The start-up costs calculator 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 calculator presents you with a summary estimating how much money you need to get started, how much money you'll need to run your business on a monthly basis, and how much cash you'll need to survive until the business becomes profitable.

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