

Introduction To Starting Your Own Business

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Northeast Indiana



Introduction to SCORE

Bill Causey

GE – MFG Sales & Marketing

(38 Years)

Business Segment Leader (6 Yrs.)

**International JV Leader – China,
India, South Korea (6 Yrs.)**

Plant and Multi-Plant Management

**Experienced in Manufacturing
Engineering, Quality Control, Plant
Management**



SCORE Mentor-16 Years

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How to Start Your Own Business

- Welcome and Introductions
- Myths & Realities of Entrepreneurship
- Legal Business Structures
- Business Modeling High Level Overview
- Business Planning
- Financial Tools and Cash Flow
- Putting it All Together

Background – Ed Derdzinski, MBA

Small Business Owner – 7 Years
Six Sigma Green Belt Since 2015
Multi-Site Warehouse Manager
Business Consultant – 8 Years
eCommerce, Fulfillment, Logistics,
Distribution and Supply Chain
Management
Train-The-Trainer Certification
Score Mentor Since 2021



Agenda

- Myths and realities of running a business
- Will people buy what you sell?
- Who do you need on your business team?
- How should you organize for success?
- What are the key government regulations?
- What are the key insurance considerations?
- Can you make enough money?
- Putting it all together: your business plan

Myths of Entrepreneurship

Myth 1: All I need is a good idea to be a successful entrepreneur

Myth 2: You'll be able to deduct everything, so you don't have to pay taxes

Myth 3: If you go out on your own, you won't have to work so hard or for such long hours each day

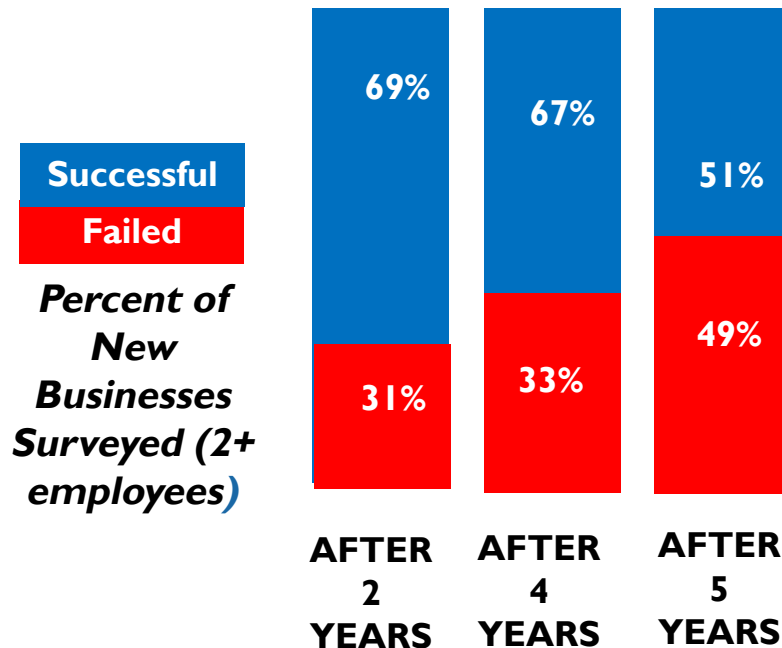
Myth 4: If you work independently, you won't have to report to a boss

Myth 5: Business owners get to do the work they want to do and only what they find interesting

Myth 6: 100% financing is easy to obtain

Realities of Entrepreneurship

Nearly Half of all new businesses fail after five years



Source: U.S Dept. of Commerce, Bureau of the Census, Business Dynamics Statistics

“

I'VE MISSED MORE THAN 9000 SHOTS IN MY CAREER.

I'VE LOST ALMOST 300 GAMES.

26 TIMES, I'VE BEEN TRUSTED TO TAKE THE GAME WINNING SHOT AND MISSED.

I'VE FAILED OVER AND OVER AND OVER AGAIN IN MY LIFE.

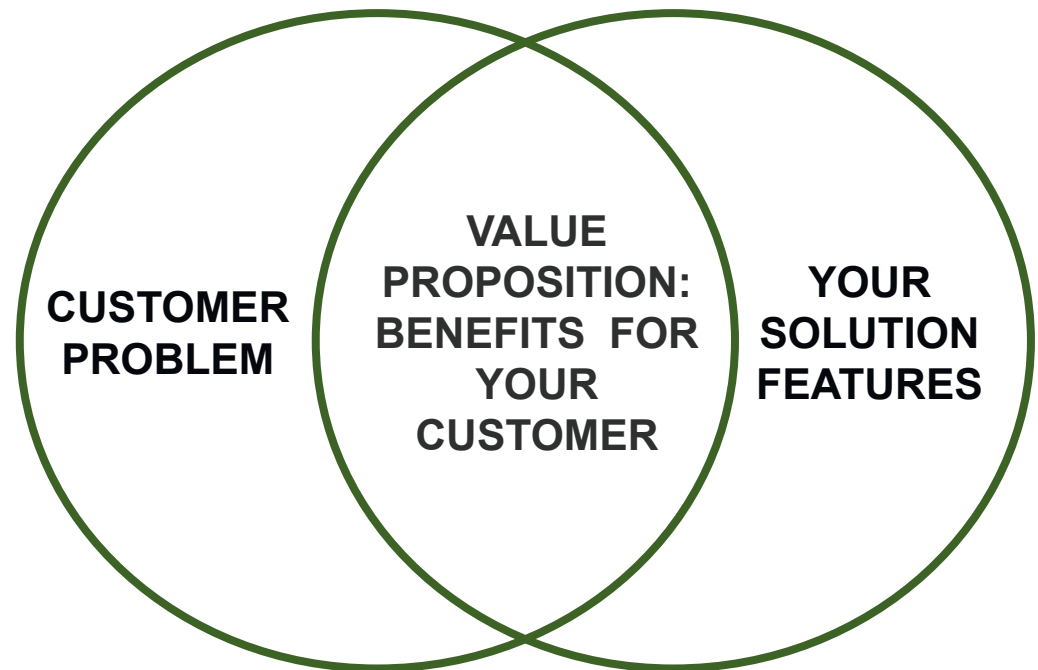
AND THAT IS WHY I SUCCEED.

-MICHAEL JORDAN

”

VALUE PROPOSITION: Will People Buy What You Sell?

- Are you solving the right customer problem?
- How important is it to the customer and will he / she care?
- Will it overcome *buyer inertia* to stay with existing alternatives?



What are the **BENEFITS** from the **CUSTOMER** point of view ?

Who Do You Need On Your Team?



- Banker
- Lawyer
- Accountant
- Insurance Agent
- Business Mentor
- Specialty Consultants (SMEs)
- Staff (employees)

The Essence Of Management: Multiply Yourself

How Much Capital Do You Need?

- *Enough to reach Breakeven to Profitability*
- *Include Capital Expenditures, Operating Expenses (Losses) and Net Working Capital*
- *Develop detailed financial projections in a two-part process to include:*
 - *One-time Start-up Costs*
 - *Monthly Operating Expenses*
- *Consider both Business **AND** Personal living Expenses*

*Plan On Covering **At Least** One Year Of Operations*

What Sources of Capital Are Available?

Equity (Internal Funds)

- Personal savings
- Family and friends
- Partner contributions
- Profits retained in the business

Debt (External Funds)

- Banks and credit unions*
- Community Express Micro Loans*
- Credit cards (not recommended)

** Can be guaranteed by SBA*

Recommend Equity Financing To The Maximum Extent

What Are The Insurance Considerations?



Avoid Catastrophic Expenses

- Property
- Liability
- Motor Vehicles
- Umbrella Liability
- Worker's Compensation
- Health
- Life
- Business Interruption
- Data Compromise
- Cyber Liability

Legal Issues for your Business!

Joshua A. Burkhardt Attorney At Law

Hunt, Suedhoff, Kearney LLP
(260) 423-1311



Common Entity Types

- **Sole Proprietorship**
- **Partnership**
- **Limited Partnerships**
- **“C” Corporation**
- **“S” Corporation**
- **Limited Liability Company**

Organizational Considerations

“Sole Proprietorship”

A single individual owns and operates the business. The owner and the business are considered the same “person.”

- No formal incorporation papers to file with the State.
- No double taxation.
- Simple and inexpensive to create.
- All profit made is personal income and taxed at owner's personal income tax rate.
- A “sole proprietorship” is the default rule for one person.
- *Unlimited personal liability!*
- *No continuation of the business when the owner dies.*

Organizational Considerations

“Partnership”

Two or more individuals own the business and work together to make a profit. The owners and the business are considered the same.

- No formal incorporation paperwork to file with the state.
- No double taxation.
- Should have a partnership agreement.
- All profit made is personal income for the partners and taxed at their respective personal tax rates.
- *Unlimited personal liability for all partners!*
- *No continuation of the business when the owner dies.*

Build a Wall to Protect your Assets



Organizational Considerations

“C” Corporation

A corporation is a separate legal entity under Indiana law.

- File “Articles of Incorporation” with the State and issue stock.
- Must elected Board of Directors and hold regular meetings.
- May have more than 100 shareholders.
- May have different classes of stock: e.g. Common or Preferred.
- Pays corporate taxes on income . (Double taxation)
- Dividends distributed to shareholders are taxed at shareholder’s personal tax rates.
- *Liability is limited, personal assets are protected!*
- Must observe specific corporate formalities.

Organizational Considerations

Subchapter “S” Corporation

- Incorporate as a C corporation then elect to be a Subchapter “S” corporation by filing IRS Form 2553 within 2 months and 15 days of incorporation.
- Cannot have more than 100 shareholders.
- Shareholders may be individuals, trusts, or estates.
- Can only have one class of stock.
- Should have shareholders agreements in place.
- Income reported as shareholder’s personal income and taxed at personal income tax rates.
- Does not have to pay corporate income tax.
- *Liability is limited, personal assets are protected.*
- Must observe corporate formalities and have annual meetings.

Organizational Considerations

Limited Liability Company (LLC)

A legal entity with the same protection from personal liability as a corporation yet retain the advantages of a partnership.

- Organize the LLC by filing the “Articles of Organization” with the State.
- An LLC is made up of “members” instead of “shareholders.” An LLC in Indiana can have one or more “members.”
- Flexible to manage, but must have and follow its Operating Agreement.
- All profit made is personal income and taxed at the members respective personal income tax rates.
- “Charging order” protection and “Pick your partner” provisions.
- Liability is limited, personal assets are protected!
- Not much annual paperwork.

LLC – Tax Election

- An LLC can elect how it wants to be taxed.
 - Sole Proprietorship (i.e. a disregarded entity)
 - Partnership
 - “C” Corporation
 - “S” Corporation

Breaking Down Corporate Protection



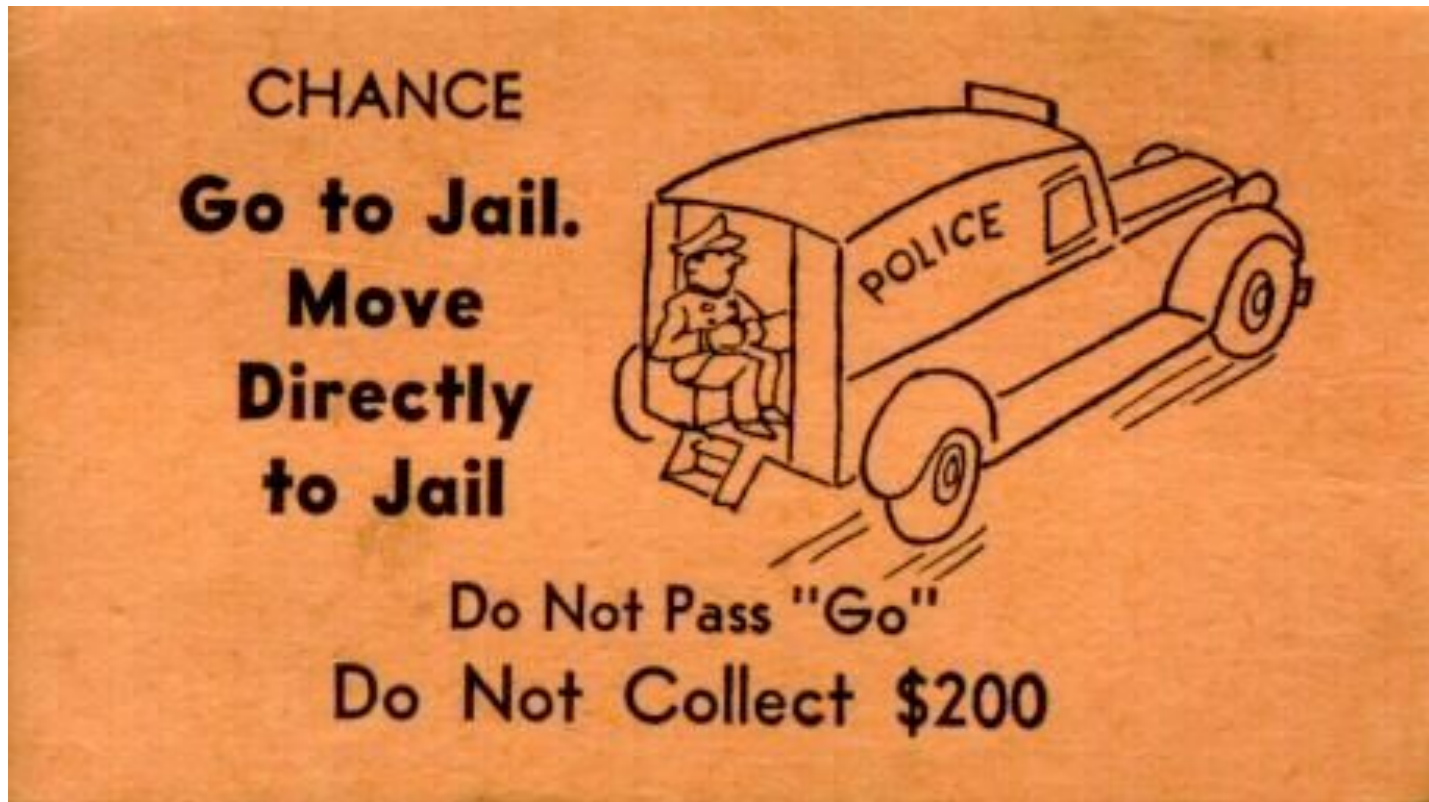
Factors Courts will Consider

- Undercapitalization;
- Absence of corporate records;
- Fraudulent representations by owners or directors;
- Use of the entity to promote fraud or illegal activity;
- Payment by the corporation of individual obligations;
- Commingling of assets and affairs;
- Failure to observe required corporate formalities; and
- Acts ignoring, controlling, or manipulating the corporate form.

Securities Law

- Shares of stock in a corporation are securities under federal and state law.
- Units of an limited liability company are securities under federal and state law.
- Be careful and follow the law!

Violating Securities Laws



- An experienced attorney will help you through the maze and avoid legal pitfalls.
- Thank you for the opportunity to talk with you today!
 - Joshua A. Burkhardt
 - Hunt, Suedhoff, Kearney LLP
 - (260) 423-1311
 - www.hsk-law.com

Is Your Dream a Real Business or a Hobby?

Evaluating Your Ideas for Profit Potential

SCORE Northeast Indiana

January 2022

Background - Billy Mitchell

SCORE: Mentor (8 Years)

- Specializing In Startup And Ongoing Businesses
- Past Chairman and Vice Chair

Aerospace Industry (40 Years)

- General Dynamics, Softech, Harris And Raytheon
- Military & Government Systems Marketing, Contracts And Proposal Development
- Business Development Leader For US Domestic And International NATO And Korean Markets



William J (Billy) Mitchell

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Agenda: What We Will Cover

- **Customer Value And The Lean Startup Process**
- **Lean Canvas Business Evaluation Tool And The Lean Start Up Process**
- **Example Business Idea Evaluation Using The Lean Canvas Evaluation Tool (Apple iPod)**

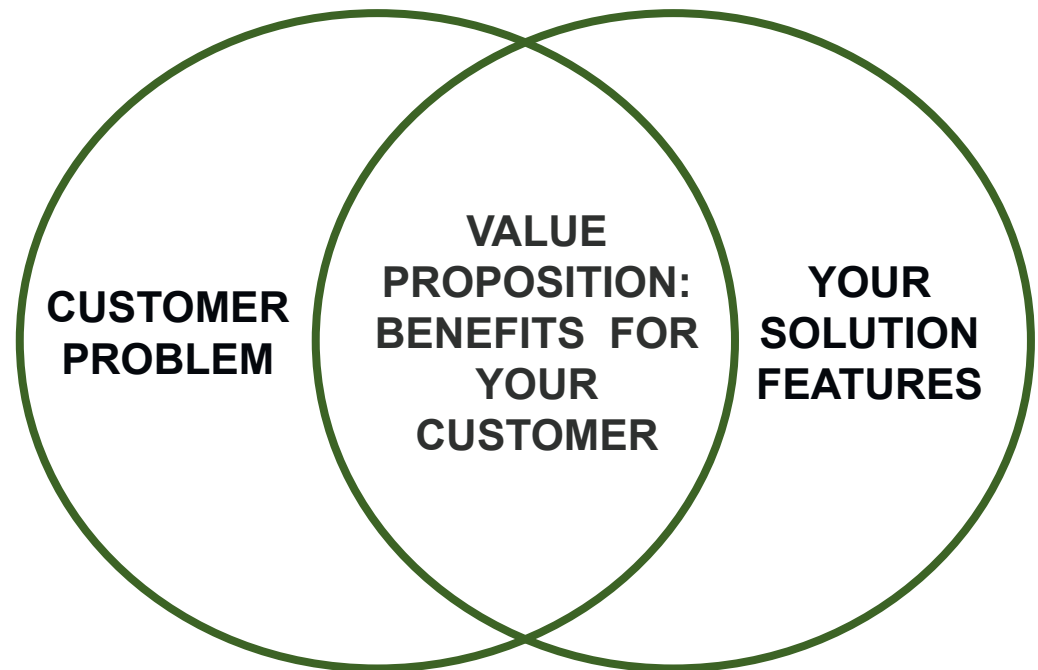
Is Your Dream A Real Business Or Just A Hobby?

References

- **The Startup Owner's Manual**
 - Written by Steve Blank and Bob Dorf
- **Lean Startup**
 - Written by Eric Ries, www.theleanstartup.com
- **Lean Business Model Canvas**
 - Created by Ash Maurya, www.leanstack.com
- **Business Model Generation**
 - Alex Osterwalder, Yves Pigneur and 470 practitioners from 45 countries
www.businessmodelgeneration.com
- **Adapted from Lean Startup: Move Your Idea to Action**
 - Created by Portland SCORE

How Do You Create Customer Value?

- Are you solving the right customer problem?
- How important is it to the customer and will he / she care?
- Will it overcome *buyer inertia* to stay with existing alternatives?



What are the **BENEFITS** from the **CUSTOMER** point of view? Example: Kroger's Tomatoes

The Kroger Value Proposition Example

- Price?
- Health?
- Brand ?
- Convenience?
- Demographics ?
- Combination?
- Other?

Regular Red & Roma Tomatoes



Organic Red & Roma Tomatoes

What **REALLY** drives the customer's buying decisions?

Lean Startup And Creating Customer Value

Lean Start Up Process

**Your
Idea**



- Create CUSTOMER Value!**
- Design Product/Service Rapidly, Iteratively.
 - Build Product/Service Customers Actually Want!
 - Substitute Data For Uncertainty: Get Out Of The Building (GOOB) And Ask The Customer!!
 - Design– Test – Measure – Learn - Apply: Repeat!
 - FAIL FAST!



**Your
Business
Plan**

Remember: The Customer's Reality Is The ONLY Reality!

So, Where Does The Lean Canvas Business Modeling Tool Fit In?

Lean Start Up Process



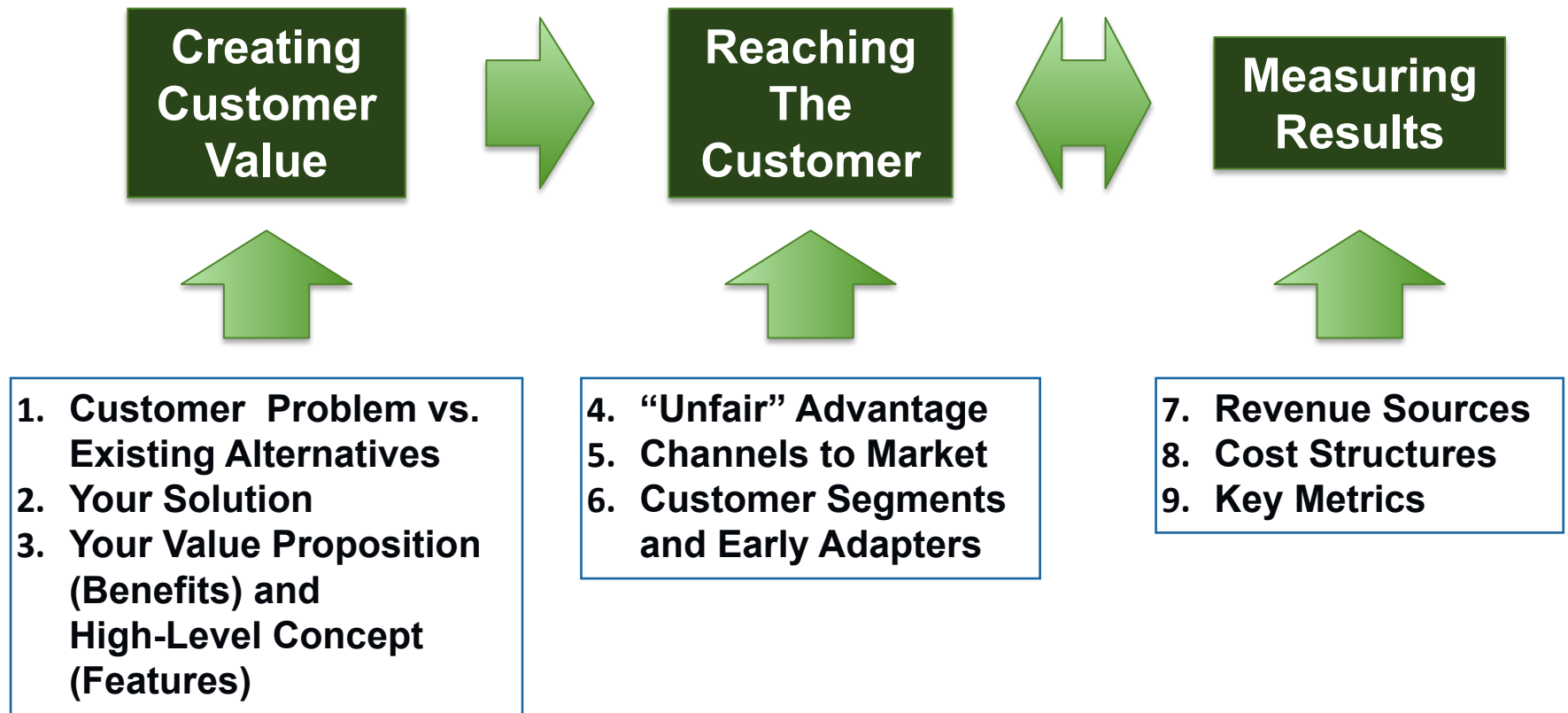
The Lean Canvas Tool Is Central To The Process

What Exactly Is The Lean Canvas Business Modeling Tool?

- *Designed around 9 key elements (business questions) found in any successful product / service startup*
- *Diagnostic tool to highlight any “holes” in your business model thought process*
- *Customer centered; iteratively incorporates real time customer feedback to fill the “holes” and improve the probability of success*
- *Collects the basic information necessary to develop a full business plan and associated revenue projections and capital requirements*

....Provides A Tool For Evaluating Your Ideas

What Are The Lean Canvas Business Modeling Tool Components?



Twenty Minute Exercise

The Lean Canvas Business Modeling Tool

Questions

20 Minute Exercise

<p>1 Problem</p> <p>What are the key (top three?) customer problems (desires and / or needs) that need to be solved?</p>	<p>2 Solution</p> <p>What is your solution and how does it solve the customer problem as compared to existing alternatives?</p>	<p>3 Proposition (Benefits)</p> <p>What are the key benefits of your solution (top three?) from the customer's point of view? Why buy your solution?</p>	<p>4 "Unfair" advantage</p> <p>What makes you different (unique) as compared to your competitors and is not easily copied?</p>	<p>5 Customer segments</p> <p>Who are the different customers you are trying to address (e.g. – government, retail, etc)? What differentiates them?</p>
<p>Existing alternatives</p> <p>What if anything is available now in the market to solve the identified problems and what are their shortfalls?</p>	<p>9 Key metrics</p> <p>What do you measure to define success (e.g. profit, revenue, turnover, backlog, etc)?</p>	<p>High level concept (Features)</p> <p>What are the key features of your solution (top three?) that you are selling?</p>	<p>6 Channels</p> <p>What are the various buying paths for the customer to get your product (direct purchase, leasing, etc)?</p>	<p>Early adapters</p> <p>Which customers are your most likely "first buyers" (e.g. have the highest need; have the money; are risk takers)?</p>
<p>8 Cost Structures</p> <p>What are the various fixed and variable cost components of your product or service</p>		<p>7 Revenue streams</p> <p>What are the sources of revenue for your product or service? (Note: Revenue less cost is profit)</p>		

Adapted from: Business Model Generation

Example: The Apple iPod Story

In 2001, Apple launched its iconic iPod brand of portable media players. The device works in conjunction with iTunes software that enables users to transfer music and other content from the iPod to a computer. The software also provides a seamless connection to Apple's on-line store so users can purchase and download content.

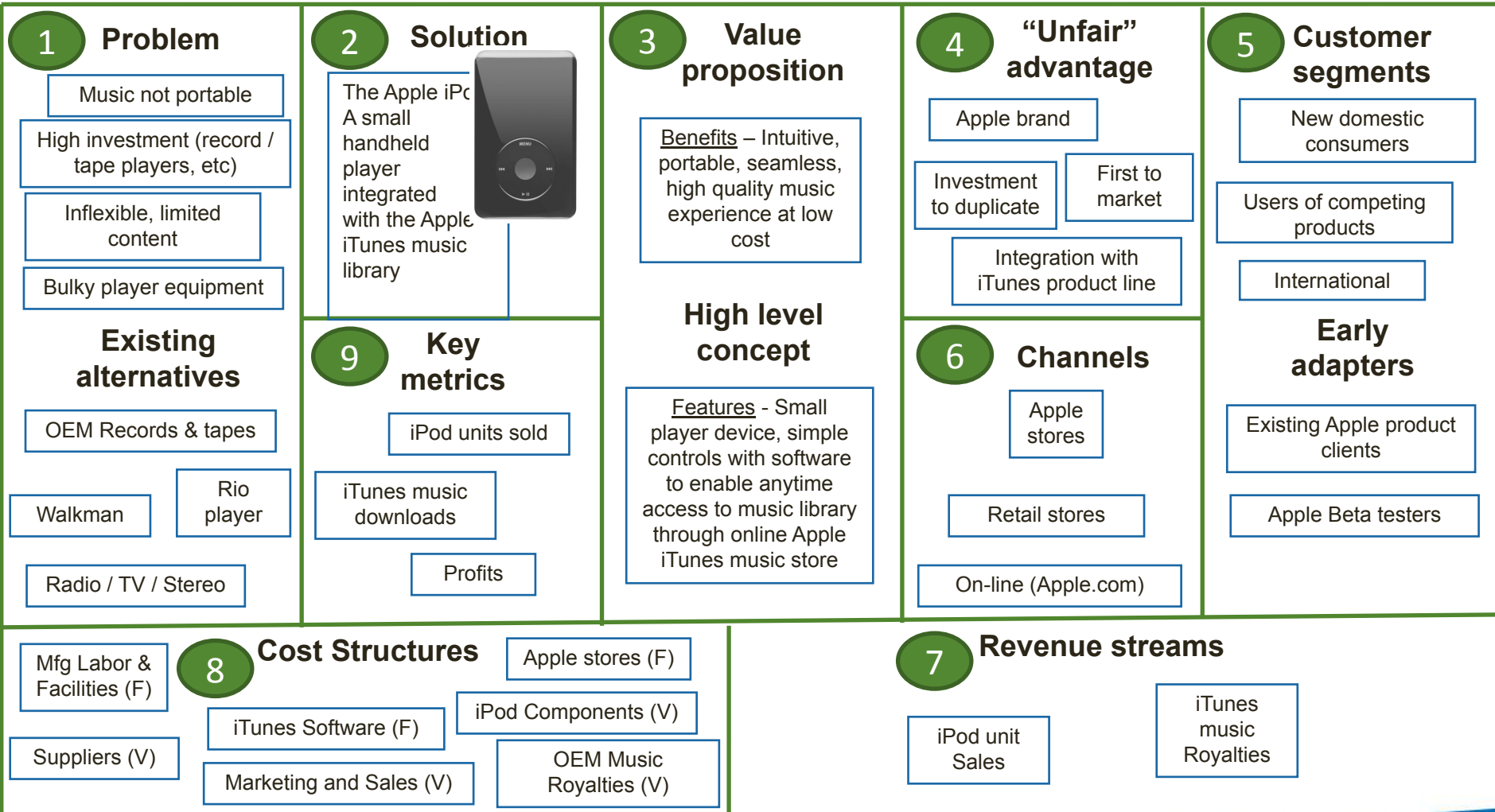
This potent combination of device, software and online store quickly disrupted the music industry and gave Apple a dominant market position. Yet Apple was not the first company to bring a portable media player to market. Competitors such as Diamond Multimedia, with its Rio brand of portable media players, were successful until they were outpaced by Apple.



How did Apple achieve such a dominance? Because it competed with a better business model. On the one hand, it offered users a seamless music experience by combining its distinctively designed iPod devices with iTunes software and the iTunes online store. Apple's Value Proposition is to allow customers to easily search, buy and enjoy digital music. On the other hand, to make this Value Proposition possible, Apple had to negotiate with all the major record companies to create the world's largest online music library.

The twist? Apple earns most of its music related revenues from selling iPods, while using integration with the online music store to protect itself from competitors.

Example: The Apple iPod “School” Solution



Lean Canvas and the Business Plan

Lean Canvas Tool

Creating Customer Value:

1. Problem / Existing Alternatives
2. Solution (Benefits)
3. Value Proposition / High Level Concept (Features)

Reaching the Customer

4. “Unfair” Advantage
5. Channels to Market
6. Customer Segments / “Early Adopters”

Measuring Results (\$)

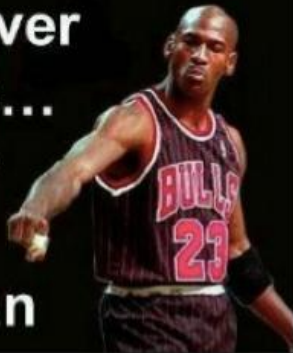
7. Cost Structures
8. Revenue Streams
9. Key Metrics

The Business Plan

- I. Table of Contents
- II. Executive Summary
- III. Company Description
- IV. Products & Services
- V. Marketing Plan
- VI. Operational Plan
- VII. Management & Organization
- VIII. Personal Financial Statement
- IX. Start up Expenses & Capitalization
- X. Financial Plan

Some Final Thoughts

**“I’ve failed over
and over and over
again in my life...
and that is why
I succeed”
- Michael Jordan**



Commitment Is The Key

- *Passion To Succeed*
- *Persistence - No “Quit”*
- *Independent Thinking*

Additional Help: SCORE Northeast Indiana Business Modeling Workshop

Overview:

- Two-hour interactive business modeling workshop using Lean Startup and the Lean Canvas Business Modeling Tool*
- In depth analysis of the 9 dimensions of the Lean Canvas Business Modeling Tool*
- In-class real world case analysis using the Lean Canvas modeling methodology*

What you will gain:

- A new perspective on customer focused business startup*
- A time efficient way to validate your business ideas and increase your probability of long-term success*
- An effective Business Plan approach to enhance your ability to source and gain outside financing*

For more information on Fort Wayne SCORE workshops and events contact us by phone at 260-422-2601, by email at ch.admin0050@scorevolunteer.org or visit our website at <https://northeastindiana.score.org>

Business Plans

Paul Goldman

Marketing, Operations, Business Management

VP Marketing & Communications (6 Yrs.)

VP / GM Business (10 Yrs.)

Experienced in:

- **Manufacturing**
- **Engineering**
- **Sourcing**
- **Operations**
- **Marketing**
- **Communications**

SCORE Member since '21



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Business Plans

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SCORE Mentor-16 Years

A Business Plan is a roadmap to success, providing greater clarity on all aspects of your business;

- *from marketing and finance*
- *to operations*
- *and product/service details.*

Why...do I need a documented Business Plan?

Why Business start ups fail

“If You Fail to Plan, You Are Planning to Fail”

Benjamin Franklin

Who Cares?

- *Family - Friends*
- *Employees*
- *Business Partners*
- *Banker*
- *Customers*

All of your Stakeholders care

Business Plan key elements

1. What kind of company
2. How will you go to market
3. How will you operate your business

#1 - defines your type of business

Will your Company be a:

- Manufacturer
- Retailer/wholesaler
- Service provider
- Storefront / Internet

#2 - describes the market . . .

- Who are your target customers?
- What do they want and expect?
- Where are they?
- How do you intend to reach them?
- Who and where is your competition and how do they operate?

3 - describes your Operation

- How it is operated and managed
- How it addresses the market
 - strengths and weaknesses
 - strengths and weaknesses of the competition
- What resources are needed
- What financial performance is expected
- It defines your legal status

Outline of a Business Plan

1. Table of Contents
2. Executive Summary
3. Company Description-Mission
4. Goals, Strategies
5. Products and Services, Marketing Plan
6. Operational Plan
7. Management and Organization
8. Personal Financial Statement
9. Start-up Expenses and Capitalization
10. Financial Plan
11. Appendices

Lean Canvas and the Business Plan

Lean Canvas

Your Offer:

1. Problem / Existing Alternatives
2. Solution (Benefits)
3. Value Proposition / High Level Concept (Features)
4. Unfair” Advantage

Reaching the Customer

5. Channels to Market
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Measuring Results (\$)

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Helpful Resources

SCORE National

www.score.org

SCORE Local Chapter

www.northeastindiana.score.org

SBA

www.sba.org

Local Public Library

Business Department

LivePlan

<https://www.liveplan.com/>



Online Edition

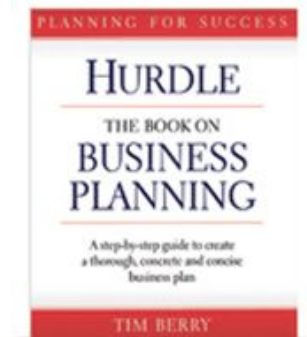
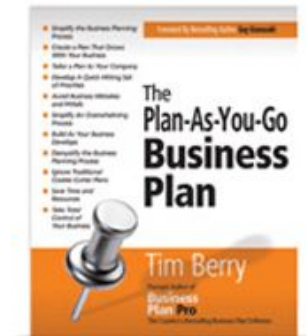
LivePlan – Online Planning

- ◆ Produce a complete business plan
- ◆ Access examples and help
- ◆ Use LivePlan anytime, anywhere
- ◆ Create your plan with PC or Mac
- ◆ No contract or hidden fees

[Learn more](#)

\$20/month

GET IT NOW



The Plan. . .

- Answers two questions:
 - Where do you want to go?
 - How are you going to get there?
- As long as is *essential* to convey the message
- Is a living instrument

Financial Tools and Cash Flow

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Financial Statements

- Do two projections: A “best guess” and a “worst case”.
- Research your projected sales, expenses and capital needs.
- Prepare monthly statements for the first 12 months then full 2nd and 3rd years.

Financial Statements

Three Accounting Tools For Running A Business

- The Balance Sheet - $\text{Assets} = \text{Liabilities} + \text{Capital}$
- Income Statement – Profit or Loss
- Cash Flow – The real measure of your business

Balance Sheet

- A snapshot of the financial position of a business on a given date.
- Prepared simultaneously with the Income Statement.
- Assets equal liabilities & capital.
- Assets reported in the order of liquidity.

Balance Sheet

- Liabilities reported according to maturity.
- The capital section represents the “book value” if all assets were liquidated and liabilities paid.

			Balance Sheet- September 30, 2015					
Assets			2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Cash			\$ 2,932	\$ 4,309	\$ 20,062	\$ 8,560	\$ 17,367	\$ 41,720
Accounts Receivable			1,000	1,667	4,000	4,000	7,000	11,250
Inventory			1,625	2,708	7,800	7,800	9,100	12,188
Land			0	0	0	25,000	25,000	25,000
Building			0	0	0	100,000	100,000	100,000
	Accumulated Depreciation		0	0	0	(3,951)	(9,219)	(14,487)
Leasehold/Building Improvements			30,000	30,000	30,000	40,000	40,000	40,000
	Accumulated Depreciation		(1,583)	(3,168)	(4,752)	(6,732)	(8,844)	(10,956)
Equipment			35,000	35,000	55,000	55,000	55,000	55,000
	Accumulated Depreciation		(6,996)	(13,992)	(20,988)	(29,982)	(40,974)	(44,972)
Total Assets			\$ 61,978	\$ 56,524	\$ 91,122	\$ 199,695	\$ 194,430	\$ 214,743
Liabilities & Owners Equity								
Liabilities								
	Accounts Payable							
	Sales Tax Payable		\$ 150	\$ 250	\$ 400	\$ 600	\$ 700	\$ 750
	Payroll Taxes Payable		92	130	138	145	497	597
	Mortgage Payment		0	0	0	73,625	71,585	\$ 69,281
	Term Loan Payable		0	0	0	27,870	24,739	\$ 21,202
	Line of Credit Payable		0	0	0	0	0	0
Total Liabilities			\$ 242	\$ 380	\$ 538	\$ 102,240	\$ 97,521	\$ 91,830
Equity								
	Common Stock & Equity		74,000	74,000	74,000	98,000	98,000	98,000
	Retained Earnings		0	(12,264)	17,856	(8,216)	(545)	(1,091)
	Net Income Current Year		(12,264)	(5,592)	9,640	7,671	(546)	26,004
Total Equity			\$ 61,736	\$ 56,144	\$ 101,496	\$ 97,455	\$ 96,909	\$ 122,913
Total Liabilities and Owners Equity			\$ 61,978	\$ 56,524	\$ 102,034	\$ 199,695	\$ 194,430	\$ 214,743
Return on Investment (ROI)								
Net Income Before Tax/Total Equity			-20%	-10%	9%	4%	-0.3%	12%

Income Statement

Statement of Company's Profitability

Do You Have a Business Or Hobby?

	INCOME STATEMENT BY FISCAL YEAR					
Finestkind Seafood, Inc.						
Assets	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
	Actual	Actual	Actual	Pro-Forma	Pro-Forma	Pro-Forma
SALES						
Wholesale	\$26,667	\$44,444	\$71,111	\$106,667	\$186,667	\$300,000
Retail	40,000	66,667	106,667	160,000	186,667	200,000
Total Sales:	\$66,667	\$111,111	\$177,778	\$266,667	\$373,334	\$500,000
Cost of Good Sold	42,267	70,444	112,711	169,067	236,693	317,000
Gross Margin	\$24,400	\$40,667	\$65,067	\$97,600	\$136,641	\$183,000
Expenses						
Utilities	\$1,200	\$1,440	\$1,680	\$1,980	\$2,640	\$2,880
Office Salaries	7,200	10,200	10,800	11,400	28,800	36,000
Labor	0	0	0	3,720	14,840	15,440
Medicare, Social Security	551	780	826	1,157	3,338	3,935
SUTA027 FUTA 008	0	0	0	436	970	1,701
Workmen's Comp Insurance	72	102	108	151	436	514
Advertising	1,667	2,778	4,444	6,667	9,333	12,500
Advertising Special Camp	0	0	0	5,155	0	0
Office Supplies	600	600	600	900	900	1,200
Insurance	960	1,020	1,080	1,200	1,800	1,800
Maintenance Repairs	1,000	1,667	2,667	4,000	5,600	7,500
Legal and Accounting	500	650	700	1,900	1,900	1,900
Delivery expense	667	1,111	1,778	2,667	7,467	12,000
Licenses	375	375	375	375	375	375
Boxes, Paper, Supplies	3,333	5,556	8,889	13,333	18,667	25,000
Telephone	960	1,200	1,500	1,800	3,600	4,600
Miscellaneous	2,400	3,600	4,800	6,000	6,000	6,800
Rent	6,600	6,600	6,600	1,650	0	0
Mortgage Interest	0	0	0	6,835	8,907	8,643
Term Loan Interest	0	0	0	2,671	3,240	2,830
Credit Line Interest	0	0	0	1,008	0	0
Depreciation Prior	8,580	8,580	8,580	8,580	8,580	1,586
Depreciation New	0	0	0	6,345	9,792	9,792
Straight Line 5, 19 years						
Total Expenses	\$36,665	\$ 46,259	\$ 55,427	\$ 89,930	\$ 137,185	\$ 156,996
Net Income	(\$12,265)	(\$5,592)	\$9,640	\$7,670	(\$544)	\$26,004

Cash Flow

Inc. Magazine mentions that 95% of Business failures are caused by Cash Flow Problems.

What is Cash Flow?

Stream of Revenue and Expenses

Let's look at a sample Cash Flow...Cue the Video Please....





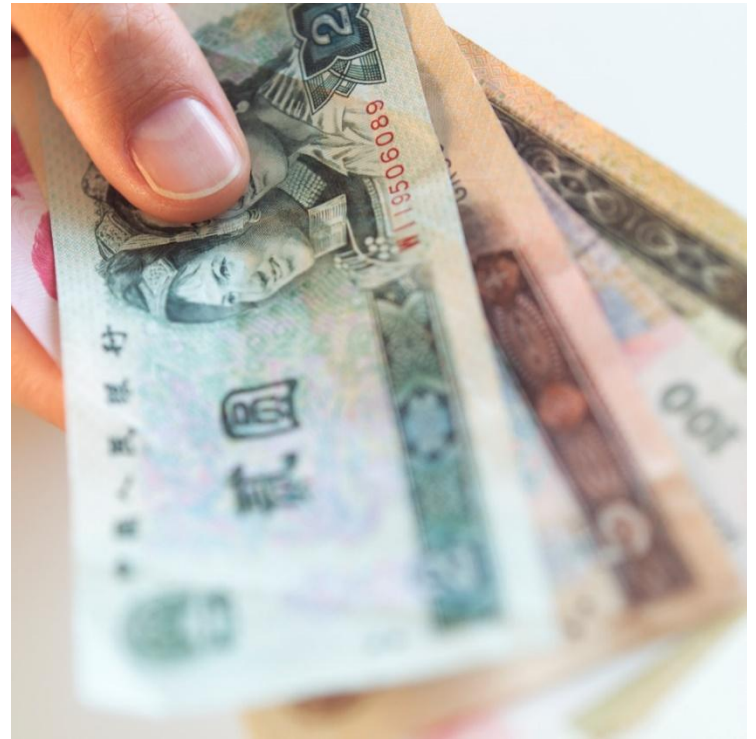
Understanding Cash Flow

Cash Flow Discussion

Amount of Cash to start your Business

Highlights Peak Periods of Need

Arrange Credit As Needed



Cash Flow

Cash Inflows from:

Operations – Sales

Financing – Bank Loans, Trade Credit

Investments – By Owners

Cash Flow

Cash Outflows from:

**Expenses – Rent, Payroll, Utilities,
Inventory**

**Investments – Equipment, Land,
Buildings, and Autos**

10 Critical Cash Flow Rules

1. Profits Are Not Cash

You can make a sale, and make a profit on your books but you don't have a real sale until you get paid and get the cash in your hand

3. Cash flow isn't intuitive

Don't try to do it in your head. You don't get cash till you are paid, suppliers want their cash before you make a sale

3. Growth sucks up cash

It's paradoxical. Fast growth can be a real problem regarding cash.

You can virtually sell yourself out of business.

10 Critical Cash Flow Rules (Cont'd)

4. Business to Business Sales sucks up cash

You borrow to build a product, put it in inventory and then wait 30 to 45 days to be paid

5. Inventory sucks up cash

Especially unusable inventory. Overstocks, obsolete, outdated....

6. Receivables is a 4 letter word.

Every dollar in receivables is less cash, especially late, overdue, questionable. Watch for extravagant terms.

10 Critical Cash Flow Rules (Cont'd)

7. Bankers and Investors hate surprises.

If you see a bump, growth spurt, opportunity, or problem, explain sooner rather than later

8. Three Vital Metrics:

1. Days Sales Outstanding
2. Inventory Turnover
3. Your Average Payment Days

9. Don't take Cash out of The Business Cars, New Office, Toys, Trips, etc

10 Critical Cash Flow Rules, (Cont'd)

10. **Respond to sliding Selling Prices and Lower Margins Immediately. This is one of the biggest sources of losses of cash flow and profits**

Where to Get More Information

Other Workshops, e.g.,

- How to Start Your Business
- Business Modeling-Quick Idea Evaluation
- Business Plan
- Credit Worthiness
- Finding the Money for Your Business

Where to Get More Information

- **SCORE Business Resource Center**
 - www.score.org
- **Your customers and competitors**
- **Public Library – business & technology department**
- **Local Newspapers**
- **The Internet**
- **Consultants**
- **Trade Associations**



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Simple Social Media Graphics - New Posts Visual

October 30, 2018, 11:00am EDT



This webinar will discuss the importance of creating and sharing visual content through social media, how to brand your visuals, how to design and more. [Read more](#)


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- Buying or Selling a Small Business (11)
- Innovation (11)
- Taxes (9)
- Franchising (5)

GO!
Date ▼




Maximize Your Cash Flow with a CRM System

October 23, 2018, 1:00pm EDT

In this webinar, CRM expert Gene Marks will discuss how CRM systems can help your business increase sales, profits and cash flow. [Read more](#)

[Register Now ▶](#)





Strategically and Successfully Grow Your Small Business

October 18, 2018, 11:00am EDT

This session will provide you with key aspects you should consider that will assure you have everything covered as you develop a plan for growth. [Read more](#)

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<https://www.score.org/biz-learning-center>

What is the SCORE Business Learning Center?

The SCORE Business Learning Center (SBLC) provides aspiring and existing small business owners in-depth online learning paths of specific business topics, such as online marketing, startup basics, and more.

At the end of a learning path, users will feel they have a better understanding of their chosen topic and the resources available for continuous learning. They will also have a mentor they can work with to apply the learning to their business.



SCORE
Business Learning Center



Simple Steps for Starting Your Business

If you're thinking about starting your own business, this course will teach you how to be well-informed and confident when you evaluate your ideas. You'll learn how to research industry profile data, customer data, financial projections, and more.

- Module 1: Startup Basics
- Module 2: Business Concept
- Module 3: Marketing Plan
- Module 4: Financial Projections
- Module 5: Funding Sources and Next Steps



Simple Steps for Exiting Your Business

This program focuses on the tactical steps business owners can take *now* to create a plan for exiting their business smoothly. By taking into consideration succession planning, retirement planning, and estate planning, business owners can begin to develop a strategy to secure their future and the future of their business.

- Module 1: Succession Planning
- Module 2: Retirement Planning
- Module 3: Estate Planning



Finance Basics

This five-part course provides valuable insights to help you make the right financial decisions for your business, such as how to manage your cash flow, create a profit & loss statement and prepare a balance sheet.

- Managing Your Cash Flow
- Creating a Profit & Loss Statement
- Preparing a Balance Sheet
- Preparing a Cash Budget
- Analyzing Your Financial Ratios



Marketing Basics

Are you marketing your small business strategically? Learn how to gather competitive intelligence, create a branding strategy, devise a marketing plan, and more. Set yourself apart from the competition, and increase profits with these easy-to-use tips.

- Building Your Brand
- Analyzing Your Competition
- Personalization Strategies to Attract & Retain Customers
- Maintaining an Agile Company: Tips to Respond to Changing Markets and Changing Customers



Management Basics

Discover how to effectively manage your company and learn how to implement a strategic plan, protect your intellectual property, value your business, identify ways your company can grow and much more.



Online Marketing for Small Business Owners

In this course, you'll learn the critical steps to get your business online, such as how to brand your business, top tips for choosing the right domain name, best practices for building your website and ways to leverage social media for growth.

- Getting Your Business Online
 - Build Your Website
 - Building and Growing Your Online Brand
 - Build Your Brand with Social Media
-
- Developing a Business Plan
 - Determining Your Company's Legal Structure
 - Targeting Your Market
 - Conducting a Market Analysis
 - Pricing Products and Services



Online Marketing for Small Business Owners

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- [Getting Your Business Online](#)
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Wrap Up

**GENERAL
QUESTIONS?**



Thank you for coming

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