

A photograph of a wooden desk with a silver laptop, a notebook, a pen, and a coffee cup. The laptop screen shows a website with various logos and text. The text is overlaid on three colored banners: orange, red, and dark green.

**Comprehensive**

**Business Start-Up**

**Workbook**

**Martine Alphonse**

# Comprehensive Business Start-Up Workbook

## A Simple Planning Guide

Created By:

Martine Alphonse

# Comprehensive Business Start-Up Workbook

I wanted to give you an accurate workbook that would cover all the pertinent aspects of setting up and running a successful online business.

There are 4 different sections that answer the Why, What, Who and How questions behind your business.

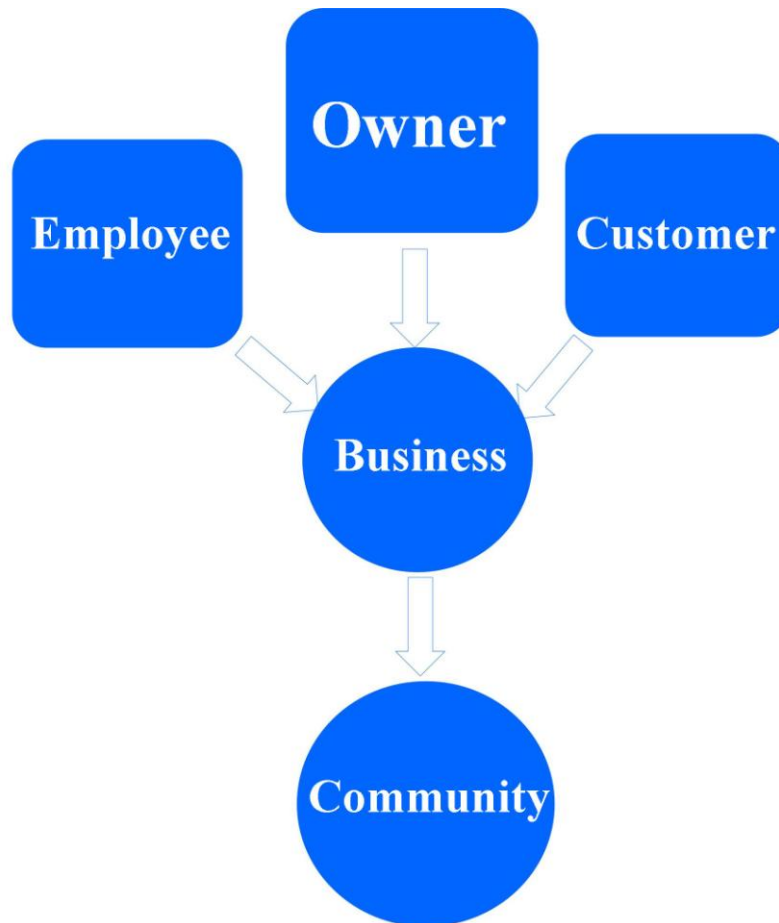
Consider this workbook to be a puzzle. As you fill in the blanks, you are in a way piecing together bits and pieces, thereby creating the big picture - your dream business!

You might have the desire to create a business and the ideas to back it, but for it to truly flourish, you need clarity. This workbook has been created to give you more clarity about the entire process involved in setting up an online business from scratch.

I sincerely hope you will find this workbook useful in launching your business.

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In a business, there are four key players:



1. Business Owner
2. Employee
3. Customer
4. Community

To build a successful and thriving business (especially a small business), one should satisfy the needs of these four core players. Many start-up businesses fail because they don't take into consideration one or more of the above mentioned group of people.

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If you study successful businesses that have sustained a long term, they've all got one thing right - they have made it a priority to satisfy the important people in their business. Businesses with long term success goals should aim to achieve the same.

If you want to create a business that stays long, your business should satisfy the owner (that's you!), your customers, your employees (who will support you as you grow) and the immediate community that is benefitted by your business.

The reason I went into business and started one from home is to have a certain level of freedom, which I did not feel at that time. I had completely neglected the part of the business owner that I should have been playing. I was working as a full-time employee for my business!

In the initial stages, when the cash flow is less, you will have to work as an employee. But you need to take some time to play the role of an owner as well to get the business to grow.

I have reworked this planner to get you thinking from the correct perspective right from the beginning.

So, let's get started!



## **For the Business Owner**

### **Why do you want to start this business?**

When you have a few solid reasons to start the business, that will become your driving force. You might want the freedom to work from home, an extra income or a way to channel your free time. Try to be as honest as you can, and jot down your reasons below.

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### **What do you want to achieve by starting a business?**

List the results that you want to achieve by starting this business. They should represent the outcomes you'd like to see as an effect of your business - personal, financial, lifestyle related or societal.

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## **For the Customer**

### **Why should prospective customers choose your business over hundreds of similar businesses out there?**

List out the reasons why customers would choose to buy from you. What more do you bring to the table? (You need to be ready to answer this in less than a minute. If you don't know it, how can you expect your buyers to know what they'll get from you?)

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### **What experience do you want to give your clients so that they will come to you again?**

One of big lessons I learned is that it is very easy to get repeat orders when you deliver on your promise or go a little beyond. I want my clients to feel that their marketing strategy is safe in my hands - that I will work honestly for them and deliver quality results. Your business clients should feel that they can trust you to provide the kind of value you promise. How do you want your clients to feel?

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## **For the Employee**

### **Why should an employee want to work for you?**

Nowadays, it is not just monetary benefits that people look for. They want to feel like they're a part of something big. They should also be able to learn and grow as they work for you. List out the reasons a prospective employee would want to work with you.

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### **What experience do you want to give your employees, so they will stick with you for a long time?**

We notice that in business, people are rapidly moving from one business to the next. One of your biggest challenges will be to keep your employees with you in the long run. They should be able to share your vision and work with you to take your business to the next lever. How do you plan to retain your employees?

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## **For the Community**

What does your business pass on to the community? What legacy does it leave for future generations?

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## **What Is Your Business About?**

### **What is your business idea?**

Jot down what core idea your business will be built on.

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## Doing a Break-even Analysis

If you are producing and selling products, you need to know if these products are profitable. Creating a break-even analysis will give you the information you need on profitability. You should construct a break-even table to show break-even points for various sales volumes and unit prices for each product; a lender or investor will probably want to see this information in the financial report section of your business plan. But you should have this information to help you determine the optimum sales price for each product, to reach maximum revenue by setting the price at the point where revenue is at its highest.

Here are the steps to take to determine break-even:

### 1. **Determine Variable Unit Costs.**

Determine the variable costs of producing one unit of this product. Variable costs are those costs associated with making the product or buying it wholesale. If you are making a product, you will need to know the cost of all the components that go into that product. For example, if you are printing books, your variable unit costs are paper, binding, and glue for one book, and the cost to put one book together. Let's say you calculate your unit variable cost at \$11.50.

### 2. **Determine Fixed Costs**

Fixed costs are costs to keep your business operating, even if you didn't produce any products. To determine fixed costs, add up the cost of running your factory for one month. These costs would include rent or mortgage, utilities, insurance, salaries of non-production employees, and all other costs. In other words, fixed costs are all costs of your business except those directly related to producing your products. Let's say you determine your monthly total fixed cost at \$25,000.

### 3. **Determine Unit Price**

Determine the unit price for your product. This price may change as you see where your break-even point is, but for now let's say your unit price is \$25.00 per book.

### 4. **Determine Sales Volume and Unit Price**

The break-even point will change as the sales volume for this product and the unit price changes.

### 5. **Create a Spreadsheet**

To do a break-even calculation, you will to construct or use a spreadsheet then turn the spreadsheet into a graph. The spreadsheet will plot break-even for each level of sales and

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product price, and it will create a graph showing you break-even for each of these prices and sales volumes.

## **How much sales will you need to break even?**

Calculate how many products/services you'll have to sell in order to regain the capital you've invested into the business.

# Startup Costs Worksheet

*The following two work sheets will help you to compute your initial cash requirements for your business. They list the things you need to consider when determining your startup costs and include both the one-time initial costs needed to open your doors and the ongoing costs you'll face each month for the first 90 days.*

## Startup Capital Requirements - One-time Startup Expenses

<b>Startup Expenses</b>	<b>Amount</b>	<b>Description</b>
Advertising		Promotion for opening the business
Starting inventory		Amount of inventory required to open
Building construction		Amount per contractor bid and other
Cash		Amount needed for the cash register
Decorating		Estimate based on bid if appropriate
Deposits		Check with utility companies
Fixtures and equipment		Use actual bids
Insurance		Bid from insurance agent
Lease payments		Fee to be paid before opening
Licenses and permits		Check with city or state offices
Miscellaneous		All other
Professional fees		Include CPA, attorney, etc.
Remodeling		Use contractor bids
Rent		Fee to be paid before opening
Services		Cleaning, accounting, etc.
Signs		Use contractor bids
Supplies		Office, cleaning, etc. supplies
Unanticipated expenses		Include an amount for the unexpected
Other		
Other		
Other		
<b>Total Startup Costs</b>		<b>Amount of costs before opening</b>

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## COMMON SENSE WORKSHEET BREAK-EVEN (B/E) CALCULATIONS & SALES ANALYSIS

CALCULATE BREAK EVEN				
Line	SAMPLE COMPANY		YOUR COMPANY	
1	I. Sales Forecast	\$1,200,000	I. Sales Forecast	\$ _____
2	II. Variable Costs		II. Variable Costs	
3	Cost of Goods/Materials	420,000	Cost of Goods/Material	\$ _____
4	Direct Labor	168,000	Direct Labor	\$ _____
5	Payroll Taxes	20,160	Payroll Taxes	\$ _____
6	Factory Power	22,000	Factory Power	\$ _____
7	Freight-In	8,000	Freight-In	\$ _____
8	Freight-Out	11,000	Freight-Out	\$ _____
9	Truck Expense	7,200	Truck Expense	\$ _____
10	Equipment Maintenance	6,700	Other	\$ _____
11	Workman's Comp. Insurance	38,000	Other	\$ _____
12	Miscellaneous	19,200	Other	\$ _____
13	Total Variable Costs	\$ 720,260	Total Variable Costs	\$ _____
14	III. Gross Profit	\$ 479,740	III. Gross Profit	\$ _____
15	IV. Fixed Costs		IV. Fixed Costs	
16	Executive Salaries	\$ 88,000	Executive Salaries	\$ _____
17	Administrative Salaries	124,800	Administrative Salaries	\$ _____
18	Rent (Mortgage Interest)	67,000	Rent (Mortgage Interest)	\$ _____
19	Other Interest	8,000	Other Interest	\$ _____
20	Legal & Accounting	4,200	Legal & Accounting	\$ _____
21	Property Taxes	1,800	Property Taxes	\$ _____
22	General Office Expenses	13,000	General Office Expenses	\$ _____
23	General Insurance	87,000	General Insurance	\$ _____
24	Depreciation	14,700	Depreciation	\$ _____
25	Telephone	16,800	Other	\$ _____
26	Travel	13,000	Other	\$ _____
27	Miscellaneous	-	Miscellaneous	\$ _____
28	Total Fixed Costs	\$ 438,300	Total Fixed Costs	\$ _____
29	STEP 1:	Divide Gross Profit by Sales to show percentage relationship		
30		Gross Profit/Sales = Gross Margin as decimal % of Sales		
31	Gross Profit	\$ 479,740	Gross Profit (Line 14)	\$ _____
32	Sales	1,200,000	Sales (Line 1)	\$ _____
33	Gross Margin as a decimal %/Sales	0.40	Gross Margin (Line 31/Line 32)	\$ _____
34	STEP 2:	Divide Fixed Expenses by Gross Margin as decimal % of Sales of B/E Sales Level		
35		Fixed Expenses/Gross Margin = B/E Sales Level		
36	Fixed Expenses	\$ 438,300	Fixed Expenses (Line 28)	\$ _____
37	Gross Margin as decimal %/Sales	0.40	Gross Margin (Line 33)	\$ _____
38	Breakeven Sales Level	\$ 1,096,344	Breakeven (Line 36/Line 37)	\$ _____

CALCULATE SALES NEEDED TO COVER NEW EXPENSE				
39	I. New Expense		I. New Expense	
40	Computer System	\$ 13,200	_____	\$ _____
41	STEP 1:	Divide New Expense by Gross Margin as decimal % of Sales (as above) for additional sales		
42		needed to cover new expense		
43	New Expense	\$ 13,200	New Expense (Line 40)	\$ _____
44	Gross Margin as decimal %/Sales	0.40	Gross Margin (Line 33)	\$ _____
45	Additional Sales Needed	\$ 33,018	Additional Sales (Line 43/Line 44)	\$ _____
46	STEP 2:	Analysis - Add Additional Sales Needed to existing B/E Level to determine new B/E		
47	Present Breakeven Sales Level	\$ 1,096,344	Present Breakeven (Line 38)	\$ _____
48	Additional Sales Needed	\$ 33,018	Additional Sales Needed (Line 45)	\$ _____
49	New Breakeven Sales Level	\$ 1,129,362	New Breakeven (Line 47+Line 48)	\$ _____
50	Sales Forecast (Projected Sales)	\$ 1,200,000	Sales Forecast (Line 1)	\$ _____
	The new B/E is below the projected sales and so the company can afford to lease the new computers		Your Observations: _____	

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If you need any extra guidance with your business, do not hesitate to contact me, Martine Alphonse, Business Consultant. You can reach me at [martinealphonse@gmail.com](mailto:martinealphonse@gmail.com) or visit [martinealphonse.com](http://martinealphonse.com) for more information on what we have to offer.

If you've found this workbook helpful, please check out the other free resources in the Business Startup Kit, and help us spread the word.