Start-up costs



Our start-up costs calculator can help you decide whether your idea will make money before you invest time and capital to find out the hard way.

1. Initial costs

Equipment and assets Vehicles Office equipment (e.g. computers) Interior and exterior fittings

Other "one-off" costs

Professional service fees (e.g. accountant fees)
Franchise and other fees to be paid
Initial lease payments (e.g. new equipment)
Initial promotions (e.g. website and signs)
Initial stock
Insurance
Licence fees
Purchase cost of existing venture
Office supplies
Training costs and subscriptions

2. Working capital calculation

Monthly costs
Accounting
Bank fees
Communications
Freight and postage
Insurance
Interest
Loan repayments
Vehicle expenses
Power
Rent
Repairs and maintenance
Salaries and employee expenses
Stationery
Subscriptions
Tax payments
Website hosting, internet costs

Total monthly costs

Total initial costs

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

How many months do you think you'll need to cover your overhead?



Your start-up costs			
Total initial costs			
Total monthly costs			
Months to cover overhead	x	=	
Total start-up funds required			

Start-up costs calculator

Many businesses fail because they don't have sufficient cash to last until they become profitable – a mistake easily remedied with our simple start-up costs calculator.

What does the start-up costs calculator do?

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

This tool addresses two key financial needs that must be examined to make the smartest business decision:

- Initial costs
- Running costs

Tallying 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. Examples of running costs:

- 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 estimate the time you think it will take for your business to become profitable. This helps you 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 will present you with a summary estimating how much money you'll 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.

Why use the start-up costs calculator?

The start-up costs calculator can save you a great deal of money and heartache if you don't have sufficient reserves to survive the crucial start-up period. Wouldn't you rather work it out on paper than find out the hard way?

It will also help you make your case should you seek a small business loan or a relationship with private investors.



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