



Many people are keen to start their own business but require sufficient funds to get the ball rolling. We discuss how a good business plan and cash flow budget can help you plan ahead and obtain finance.

Also, what type of business owner are you? Read on to learn about your entrepreneurial personality.

Haven't completed your 2014 tax return yet? Final due date for tax returns is **15 May 2015**. Call us today on **9583 4316** to book your appointment.

Business Start Up Corner - Funding your New Business Venture

Raising money for your new business venture is often the biggest challenge for a start-up entrepreneur. The truth is, it's not that easy for an established business to gain funding either!

As a start-up business your chances of securing finance are improved if you have industry experience, good references and support from a great mentor. However, you also need to create and document the best business plan ever!



Business Plan & Cash Flow Budget

While the main reason most people prepare a business plan is to raise finance, your business

plan should also prove the viability of your business venture. Included in the business plan is a cash flow budget for the first year of trading and a positive cash flow is an absolute necessity if your business is to succeed. Positive cash flow doesn't just happen, it needs to be planned.

That's why we strongly recommend the preparation of a 12 month cash flow budget before you start your business. In fact, any business that fails to accurately forecast its cash flow in the first 12 months is on a collision course because without realistic cash flow projections, management is unable to identify future cash shortages.

The cash flow budget is based on a number of assumptions regarding the expected future performance of the business. The assumptions must be realistic and supported by research, available data plus known facts such as rentals or forward contracts. The information in your cash flow budget is designed to:



- Forecast your likely cash position at the end of each month;
- Identify any fluctuations that may lead to potential cash shortages;
- Plan for your taxation payments;
- Plan for any major capital expenditure; and
- Provide prospective lenders with key financial information.

Of course, positive cash flow alone is not enough. The business must be returning a profit and the long term trend for both must be positive.

To obtain funding within the banking system you should:

- Practice your presentation skills;
- Present credible references;
- Produce an outstanding business plan; and
- Keep your credit history clean.

Funding outside the bank system:

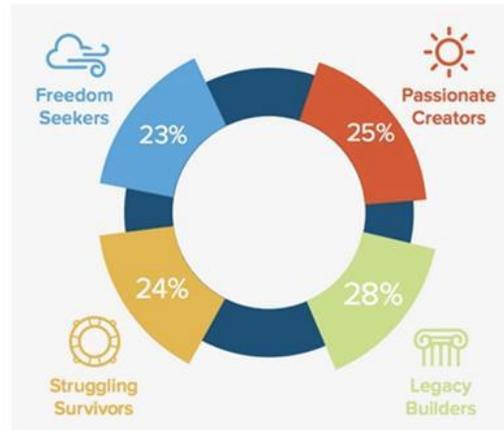
- Investigate Government or other Grants;
- Angel investors;
- Crowdfunding; or
- Seed funding (where an investor purchases part of a business).



Ensure your business plan contains all the different components including organisational, marketing, operational, financial and risk analysis. If you don't know where to start contact us today.

What type of business owner are you?

According to a recent study from [Infusionsoft](#) who produce sales and marketing software for small business owners, there are four distinct types of business owner. Their attitude, mindset and behaviour are all different and the research examined their feelings about their business including ownership, goals, challenges and resources. The business owners were categorised into four distinct groups that have been labelled;



Source: The 2014 Infusionsoft Small Business Market Survey

1. Freedom Seekers
2. Passionate Creators
3. Struggling Survivors and
4. Legacy Builders.

Which one describes you best?

1. Freedom Seekers

Freedom Seekers are people who primarily started their businesses to control their own fates, specifically regarding decisions, work environment, schedule and revenue. These respondents are much more likely than other segments to say "Reducing the amount of time I have to work" as a key goal. Correspondingly, they cite their biggest challenge as "Time to get everything done".

- 65% consider themselves entrepreneurs.
- 56% say they would "absolutely not" work for somebody else in the future.
- They are likely to use bookkeeping or accounting software (57%), email marketing automation (61%) and e-commerce order and payment processing (47%), CRM (46%), email autoresponder (44%) and contact management software (38%).
- Keywords - Autonomy, Flexibility, Control and Lifestyle.

2. Passionate Creators

Passionate Creators started their businesses because they care deeply about what they do. When asked about their goals, "Doing the work I love" was an overwhelmingly favoured answer for this group.

- 48% say they always knew they would run their own business.
- 73% consider themselves "definitely" entrepreneurs.
- 53% say that helping other business owners be successful is an extremely important goal.
- This segment is the most likely to have five or more employees (31%) and work in an office (43%). They are also most likely to say they will generate "much higher" revenue this year (30%).
- Passionate Creators are the most likely to use a wide range of business tools, from accounting software to CRM and automated marketing programs.
- Keywords - Optimism, Creativity, Altruism and Service.

3. Legacy Builders

Legacy Builders are most likely to have started their business with a family member (24%). They see small businesses as a practical economic choice.

- The least likely of the four groups to have earned a college or post-graduate degree.
- 52% consider themselves entrepreneurs.
- They are the most likely of the four profiles to run only one business (80%) and least likely to have considered closing (26%) or selling (24%) their business.
- Legacy Builders are the least likely group to have a website (45%). Even those that do have a site are less likely to use CRM, payment processing and other tools to run their business, or to use email, content marketing, SEO, PPC, or marketing automation to generate leads.
- Keywords - Practical, Ethical, Innovative and Legacy.

4. Struggling Survivors

Struggling Survivors have significant concerns about the value of owning a small business. Sixty per cent agree strongly that "You have to be a little crazy to start a business," and forty per cent agree that "Corporate jobs are more secure than starting your own business" - significantly more than other segments.

- 50% consider themselves entrepreneurs.
- 51% are the only employees in their business.
- Struggling Survivors are the most likely of the four groups to have considered closing

their business (53%).

- Only 16% say the financial security of their family is much better than it would be if they had a traditional job, and 38% say it's the same or worse.
- Keywords - Apprehensive, Challenged, Unappreciated and Concerned.

The results prove that people go into business for a range of different reasons with incredibly diverse attitudes. As a business owner where do you fit? The takeaway from this study might be it's time to grab some ideas from other types of business owners to improve your business and your financial outcomes.

How financially healthy is your business?

Find out in our **FREE 30-minute business and financial health check** where we will evaluate the health of your business through our 12-step checklist. Covering areas such as:

- Financial cashflow forecasts
- Access to financial data within your business
- The state of your debtors
- Increasing revenue and decreasing expenses



We can identify potential areas your business could improve. Our goal is to help you build a stronger, more profitable and valuable business.

Make your free 30-minute appointment by calling us on [9583 4316](tel:95834316) (please mention this offer when booking your appointment. Free 30-minute offer is exclusive to business and financial health check consultation only)

Now is a great time to establish your own super fund



We can show you how to take control of your retirement income through a self managed super fund. We specialise in SMSF establishment, accounting, compliance, tax and auditing. Call us today on **9583 4316** to book a FREE 30-minute appointment for more information.
(Please mention this offer when booking your appointment)

The greatest compliment we can receive is the referral of your family, friends and business colleagues. If you refer business to us, please let us know so that we can show our appreciation.

Make an appointment with us:

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Our mailing address is:

Bayside Business Accountants
92 Charman Road
MENTONE, Vic 3194
Australia