

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

Total initial costs

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

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

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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.

