Funding Plan

BUSINESS ONE-PAGE PLAN

This one-page funding plan is designed to provide you with a clear roadmap to help you when you are looking to secure the financial support your business needs to get started or grow.

In the following sections, we'll get into the essential components that strengthen your funding application — including understanding fixed asset capital, determining how much money you need, and showing you can self fund.

Here's what you need to consider:

1: Fixed asset capital

Create a list of all the fixed assets you need in the coming year, the cost, and how you intend to fund the purchase.

Fixed asset capital refers to the portion of your capital that is invested in long-term assets not easily converted into cash, such as buildings, land, machinery, and equipment. You need to know your fixed asset capital because it shows potential investors and lenders the tangible assets you have that form the foundation of your business.

2: Working capital

Total your monthly working capital expenses and multiply this by the number of months you want to have in reserve.

Your working capital is the money you require to cover overhead and monthly costs. This includes inventory, payroll, and other short-term obligations that you'll need to pay to ensure your business runs without interruption. How much working capital you need depends on when you believe you'll start making a profit and can cover those costs with your own revenue. A service business with low overhead costs and no employees might only need a few months of working capital, whereas a software developer who needs employees for a year before releasing their product might need a year of working capital.

3: Self-funding

Total the money you can contribute from your savings, your investments, and your own income and include it here. Give a short explanation of where that money is coming from.

Investors and lenders like to see that you've invested your own money in your business. It shows them you have a stake in success and lessens the amount they'll be asked to contribute.

4: Funding from others

Total the money you can find from family, friends, or investors (angels or venture capitalists) who are willing to loan you money or invest with you. Small business grants can also be included here. Include how much they're giving you.

5: Reduce your costs

Showing an ability to bootstrap lets funders know that you're resourceful and financially prudent.

In addition to putting in your own money, you may be able to 'bootstrap' your business by reducing the need for hard cash. For example, you might be able to reduce the cost of fixed equipment sales by leasing in the short-term. Maybe you can reduce the need for full-time employees by doing the work yourself or hiring contractors when you need them; save on office space by working from home; or ask suppliers to provide stock or inventory on consignment (only pay once you've used/sold it).

6: Identifying the gap

At this point, you need to determine if there's a gap between what you need and what you have. If you have more funding than you need, you're in a good position. If you have less than you need, you may have to either find a way to reduce your costs further or debt finance.

7: Accessing debt finance

Debt financing is when you borrow money from banks, credit unions, or private lenders to cover the costs of running your business, which eventually must be paid back.

Outline how much money you need to borrow and where you'll borrow it from. This can include banks, credit unions, or private lenders. Make sure you aren't asking for more than you can reasonably repay.

8: Business financial statement summary

Outline a summary of your financial statements for the last three years. Include your net profit, net assets, net liabilities and your overall balance sheet value.

9: Justification for funding

Show why you are eligible for funding and why your business is a safe bet for lenders. Include elements from your business plan, such as demonstrating the market for your goods or services, proving that you can earn a profit, showing that you have or will have the ability to repay the loan, and demonstrating that you have a solid credit history.

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1. Fixed asset capital

[Enter text – outline how much money you need for major capital costs for either starting up, or for on-going key costs. List what these items are.]

2. Working capital

[Enter text – outline how much working capital you think you need. This is the amount of money you need to cover overhead plus any costs on a monthly basis multiplied by the number of months you want in reserve.]

3. Self-funding

[Enter text – total all the money you can raise and explain where it is coming from.]

4. Funding from others

[Enter text – total all the money that you can raise from other people (friends, family, investors) and explain who it is coming from.]

5. Reduce your costs

[Enter text – outline what you've managed to do to reduce the amount of money you need by 'bootstrapping'. (i.e., using your own resources)]

6. Identifying the gap

[Enter text – enter the amount of money that you are either missing, or have in surplus (the difference between what you need and what you have).]

7. Accessing debt finance

[Enter text – after the gap analysis, if there is still a shortfall, then outline how much you need to borrow and where you hope to borrow it from.]

8. Business financial statement

[Enter text – from your business records, outline the profit your business is making and explain how.]

9. Justification for funding

[Enter text – outline the main reasons why you believe you are eligible for funding. Demonstrate to someone from outside your business why it's a safe bet.]