BUSINESS MENTOR

Understanding Start-up Costs

Build a realistic opening budget

One-off costs

- Registration, professional advice and any licences.
- Website, branding, equipment, tools and initial stock.
- Premises deposits, fit-out, insurance setup and launch marketing.

Monthly costs

- Rent, utilities, software, phone and insurance.
- Wages, contractors, stock replenishment and transport.
- Marketing, loan repayments and professional fees.

Simple calculation

- One-off setup costs + (monthly fixed costs × months before reliable income) + contingency = starting cash target.
- Example: £3,000 setup + (£1,200 × 4 months) + £1,200 contingency = £9,000 target.
- Allow for VAT where relevant and distinguish cash outflows from accounting expenses.

Avoid surprises

- Get quotes rather than relying on guesses.
- Separate essential spending from nice-to-have purchases.
- Update the budget whenever prices, sales assumptions or timing change.

FREE 60-MINUTE DISCOVERY CALL

Discuss your business goals with an experienced mentor. Visit yourbusinessmentor.co.uk to find out more.

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