Timeline for Financial Success

Are You Financially Ready to Start Your Business?

- Evaluate your personal "burn rate" minimum amount of personal cash flow needed to live
- Practice living on that amount, save the rest
- Consider what benefits you will need to replace being self employed
- Such as health, retirement, disability, life insurance
- Add to business expense projections

- Market test revenue streams
- Adjust as needed

- Select business structure
- Choose <u>funding</u> sources
- Open business bank accounts and credit accounts

- Market research
- Marketing materials
- Website
- Business cards
- Talk to LOTS of potential clients

12 Months Out

10 Months Out

8 Months Out

6 Months Out

4 Months Out

2 Months Out

Launch

- Evaluate

 business cost
 structure on
 a monthly
 and annual
 basis
- Use savings established by living on bare minimum amount to build up emergency fund--cover at least 12 months of business and personal expenses
 Market research!
- Plan for transition from day job
- Will you try and max out benefits for that calendar year?
- FSA, retirement, etc.

- Tax Planning > review how going from wage to self-employed will impact taxes
- Look at potential profit/loss scenarios
- Pick a bookkeeping system
- Set up systems for quarterly tax payments
- Create multi-year business and personal budget projections

 Quit day job with first client(s) or customer(s) on board!

