



Financing your Business

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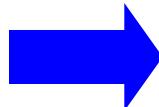


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SBDC Services and Results

- One-on-one confidential business counseling
- Small group training seminars
- Conferences, workshops, seminar series
- Resource referral to local, state, federal and private sources



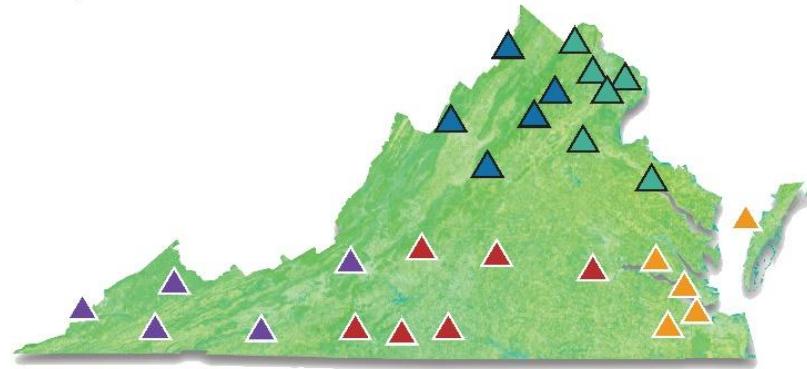
JOBS

SALES GROWTH

CAPITAL INVESTMENT

**NEW BUSINESS
STARTS**

Virginia Small Business Support



<https://www.virginiabdc.org/>

<https://www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc>

<https://americassbdc.org/>

Upcoming Workshops

Marketing 101 *Webinar (Live)* - PW

Wed 10/29/2025 - 10:00 AM to 12:00 PM

Building Your Value Proposition Design (VPD) - Webinar (Live) – PW

Tues 11/04/2025 - 10:00 AM to 12:00 PM

Building Your Business Performance Dashboard Metrics - Webinar (Live) – PW

Thur 11/13/2025 - 10:00 AM to 12:00 PM

Start a Business (Legal & Administrative Steps) - *Webinar (Live)

Wed 11/19/2025 - 10:00 AM to 12:00 PM

SEO and Social Selling - *Webinar (Live)* - PW County

Wed 12/03/2025 - 10:00 AM to 12:00 PM

Mapping the Entrepreneurial Road Ahead - *Webinar (Live)* - PW County

Thur 12/11/2025- 10:00 AM to 12:00 PM

<https://clients.virginiabdc.org/events.aspx>

Workshop Agenda

- Financing Options – Equity, Grants, Crowd Funding, Loans
- Preparing for Financing
- Business Valuations

Financing Your Business

- How much capital do you need and for what?
- Startup Expenses?
- Working Capital?
- Investment for new products/services?
- Acquire a business or franchise?
- Buy a building?
- Expansion/Growth?

Cash Needs – 2 Year Monthly Plan

- Startup Expenses
- Predicting incoming cash from Sales
- Predicting expenses supporting Sales
- Payroll and Benefits, operating expenses
- One Time or Annual Paid Expenses
- Capital purchases and Investments
- Debt Repayment
- Cash Reserves

Financing Your Business

- Typical Funding Sources
- **YOU** – Savings, Home Equity Line of Credit, Family, 401K/IRA Rollover (ROBS)
- Equity Funding
- Grants and Government Funding
- Crowd Funding
- Micro Loans
- Bank Financing

Financing Your Business

Raising Outside Money

- It is a **SALES** process
- Establishing Trust in You
- You are an **Expert** in your Market
- You have a Convincing Business Plan
- You are Creating a Relationship with your Banker/Investor/funder
- Understand their motivation

Equity Financing

Angel Investors and Venture Capital

- They're in it for the money – 10X return
- High Growth with an exit within 4 years
- Challenging Valuation Negotiation
- Expensive for the Founders
 - Legal Fees
 - Cost of your Equity
 - Things don't go According to Plan

Financing - Equity

Convertible Debt – Friends/Family or Angel Investors

- Valuation can't be established
- Promissory note – Converts to Equity at a later date
- Typical Conversion
 - 25% discount on the next round
 - Accrues interest 8%
 - No Payments for 2 years
 - May choose not to convert
- SAFE Note – Simple Agreement for Future Equity
 - Converts at a discount on the next round

Investor Pitch Events

Accelerate Breakfast Series



Photo credit: Carolin Harvey @ carolin.creations

The Accelerate Breakfast Series offers a dynamic venue where entrepreneurs, investors, and business leaders engage and hear compelling investment opportunities from rapidly expanding technology firms. At each gathering, five carefully chosen high-growth companies are featured, granting them a platform to showcase their investment potential to an audience of 100+ early-stage investors and industry professionals.

<https://acceleratedeals.org/accelerate-breakfast-series/>
<https://www.eventbrite.com/d/dc--washington/pitch/>

Financing - Equity

Friends and Family

- Common Stock Class
- Reasonable Valuation?
- Buy Back Clauses in Operating Agreement

Angel/VC Investors

Preferred Stock Class

- Decision Approvals
- Dilution of Founders
- Tranche the funds over time

Financing - Equity

Angel Investor Groups

- New Dominion Angels, 757 Angels
- Invest as a group or as Individuals

Angel/VC Investors

- Seed Stage
- Series A
- Mezzanine

Financing Your Business

Grant Funding

- Grants.gov – Grant listings for US Government
- SBIR.gov – Agency research grants
 - STTR – University Partnership
- Candid.org (formerly foundationcenter.org)
 - Non Profit and Foundation
- DC Foundation Center Library
- Your Public Library


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Opportunity Number	Opportunity Title	Agency	Opportunity Status	Posted Date	Close Date
DE-FOA-0003574	Request for Information (RFI): Accelerating Speed to Power/Winning the Artificial Intelligence Race: Federal Action to Rapidly Expand Grid Capacity and Enable Electricity Demand Growth	DOE-NETL	Posted	10/21/2025	11/21/2025
DHS-USCG-STATE-2026	State Recreational Boating Safety (RBS) Grant Program	DHS-USCG	Posted	10/17/2025	12/17/2025
CMS-202-26-001	Innovation in Behavioral Health (IBH)	HHS-CMS	Posted	10/16/2025	06/03/2026
CDC-RFA-JG-26-0176	Strengthening the HIV treatment and care program in Sierra Leone to accelerate progress to achieve epidemic control under the President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0177	Strengthening community engagement and quality improvement of HIV/AIDS services in Sierra Leone under the President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0170	Enhancing sustainable and integrated health, strategic information, and laboratory systems for quality comprehensive HIV services through technical assistance to the Republic of Rwanda under the President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0178	Strengthening Ghana Health Service laboratory systems activities under the President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0174	Implement and sustain a comprehensive response to HIV and technical assistance to strengthen the capacity of regional authorities in the United Republic of Tanzania under PEPFAR	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0188	Strengthening national laboratory and HIV epidemiologic monitoring capacities and systems to enhance an efficient, resilient and self-reliant response to HIV, TB and related public health threats in the Kingdom of Eswatini under PEPFAR	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0172	Sustaining HIV services in Ukraine through targeted testing, treatment, prevention, and differentiated services under the President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/16/2025	
CDC-RFA-JG-26-0179	Supporting life-saving HIV services and related health systems in Zambia on a pathway to self-reliance under the President's Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/16/2025	
RFA-OH-26-010	Promoting World Trade Center Health Program Youth Research Cohort Recruitment and Retention Using Principles of Community Engaged Research (CEnR) to Build Community Participation (U01)	HHS-CDC-HHS CDC CERA	Forecasted	10/15/2025	
RFA-OH-26-015	Exploratory/Developmental Grants Related to the World Trade Center Health Program (R21)	HHS-CDC-HHS CDC CERA	Forecasted	10/15/2025	
FR-CCD-23-012	FY26-23-CCD-New_Haven_Line_Improvements New Haven Line - Track Speed Improvement Phase 1	DOT-FRA	Posted	10/10/2025	10/30/2025
DE-FOA-0003607	Notice of Intent (NOI) DE-FOA-0003607, is to Issue Notice of Funding Opportunity (NOFO) No. DE-FOA-0003606, titled, "Improving Efficiency, Reliability, and Flexibility of Coal-Based Power Plants"	DOE-NETL	Posted	10/06/2025	10/31/2025
DE-FOA-0003605	Restoring Reliability: Coal Recommissioning and Modernization	DOE-GFO	Posted	10/03/2025	11/13/2025
CDC-RFA-JG-26-0167	Strategic support for human resources for health by the Ministry of Health and Social Services (MOHSS) to sustain HIV epidemic control in Namibia under the U.S. President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/02/2025	
CDC-RFA-JG-26-0169	Strengthening government capacity for implementation and management of public health systems for quality improvement, monitoring and evaluation, survey/surveillance and health information system for program sustainability in Nigeria under PEPFAR	HHS-CDC-GHC	Forecasted	10/02/2025	
CDC-RFA-JG-26-0155	Improving quality of care and health outcomes through innovative systems and technologies in Malawi under the President's Emergency Plan for AIDS Relief (PEPFAR)	HHS-CDC-GHC	Forecasted	10/02/2025	

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VIPC Startup Funding

Startup Funding Opportunities by Company Maturity

	 Launch Grant	 Launch Note	 VVP Pre-Seed Investment	 VVP Seed Investment
Amount	\$50,000	Up to \$150,000	Up to \$250,000	\$500,000 – \$1 million
Match	1:1	2:1	Variable / Round	Variable / Round
Company Stage	Pre-MVP	MVP	MVP – Early Traction	MVP – Growth
Round Size	N/A	\$300,000 – \$750,000	\$750,000 – \$2 million	\$2 – 10 million
Revenue	Pre-Revenue	0 – \$200,000	0 – \$500,000	0 – \$3 million

<https://vipc.org/funding/virginia-venture-partners/>

Private Grants

National Association for the Self-employed (NASE) Growth Grants: (www.nase.org) these grants are intended for members that want to grow their business, and they offer \$4,000 and the awarded funds can be used for a wide range of business activities

City of Manassas Cash Grants: 1) **Façade Improvement Grant** - cash grants can fund up to 33% of the cost of making exterior renovations and repairs. 2) **Landscape Improvement Grant** - cash grants can fund up to 33% of the cost of landscape design and construction. 3) **Economic Opportunity Fund** - cash grant to offset costs like site acquisition, construction or renovations, permitting fees or relocation costs. - <https://choosemanassas.org/locate-and-expand/grants-incentives/>

City of Fairfax Grants and Incentives: The Fairfax City Façade & Interior Improvement Grant FIIG provides financial assistance to new and existing businesses through reimbursing 50% of project costs, up to \$20,000 for both façade and interior improvements, with preference given to projects that include façade improvements. - <https://gofairfaxcity.com/wp-content/uploads/2025/07/FIIG-FY26-Application.pdf.pdf>.

Technology Zone (Business License Tax Abatement Program - Fairfax): This program offers special tax exemptions to Qualified Technology Businesses.

Private Grants

Lease Incentive for Fairfax Tenants: The Lease Incentives for Fairfax Tenants (LIFT) program has been created to attract businesses of all sizes to Fairfax City's priority office buildings and support existing business expansions. This grant may be used by the incoming tenant for programs, personnel costs, or any operational needs. Applications for the LIFT program will be accepted on a rolling basis. <https://gofairfaxcity.com/business-assistance/lift>

Amber grant: these range from \$4,000 - \$30,000 per award, and awards are made monthly. In addition, they offer "year-end" grants of \$25,000. Applicant businesses must be women-owned, and owners must be able to explain how the business will use the funds.

<https://ambergrantsforwomen.com/get-an-amber-grant/>

Pollination Project - Grants for non-profits. Annual budget for your group or organization must be less than \$50,000. The total cost for the immediate project for which you are requesting funding must be less than \$10,000. <https://thepollinationproject.org/apply/>

Private Grants

American Seed Fund: via the National Science Foundation, and targets early stage companies needing to prove their technology. Since 2012 there have been 3,400 grants awarded and during that time 153 exited the program that have received \$9.1 billion in private source funding (a “success” rate of .045%), and provide up to \$200 million annually - <https://seedfund.nsf.gov/> (Currently affected by funding lapses)

Patagonia Corporate Grant Program - Patagonia’s corporate grant program offers between \$10,000 and \$20,000 of funding to nonprofits with missions to protect and preserve the environment. (<https://www.patagonia.com/how-we-fund/>)

Etsy Emergency Relief Fund at CERF+: All Etsy sellers are eligible for a grant if they have experienced a federally declared natural disaster within the past year, have been an active seller on Etsy for at least one year, and their accounts with Etsy are in good standing.
<https://survey.alchemer.com/s3/7001185/Disaster-Relief-Grant-App>

Work Opportunity Tax Credit (Federal) is a federal tax credit that encourages companies to hire employees from groups who have historically [faced significant barriers](#) to gainful employment.
<https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit#targeted>

Private Grants

Virginia Tourism Corporation (VTC) funding and grants

The Virginia Tourism Corporation (VTC) offers several funding programs to assist the Virginia travel industry <https://www.vatc.org/grants/>

Youth and At-Risk Youth Grants: Grants for youth programs, out of school youth, disadvantaged youth, grants for youth sports, at-risk youth, youth leadership and youth shelters. See a collection of foundations and grants (<https://virginia.grantwatch.com/cat/41/youth-out-of-school-youth-grants.html>)

\$10,000 Breakthrough Grant - Honeycomb Credit is offering a [\\$10,000 Breakthrough Grant](https://www.honeycombcredit.com/breakthrough) to support small businesses in achieving their next big milestone, such as opening a new location, launching a food truck, or franchising. <https://www.honeycombcredit.com/breakthrough>

The Comcast Innovation Fund was created to support technology and public policy research that contributes to the betterment of the Internet, and the continued evolution of connectivity products and services. The fund provides grants to technologists, researchers, and academics to support Internet- and connectivity-focused projects within the fund's areas of interest, which are updated annually. <https://innovationfund.comcast.com/>

Private Grants

SPUR (Shared Purpose, Unlimited Reach) Pathways: Macy's, Inc. and Momentus will provide access to a range of capital options from microloans to growth capital to equity investments. This effort aims to galvanize the retail industry to invest in the next generation of entrepreneurs. S.P.U.R. Pathways is specifically designed to support underrepresented growth-stage businesses offering loans or investments \$20,000 and above; no grants are available.

<https://www.macysinc.com/purpose/diversity-equity-and-inclusion/spur-pathways/default.aspx>

Faire Small Business Grant - The [Faire Small Business Grant](#) provides \$5,000 grants to select new retail businesses to help them stock their stores and cover their inventory expenses. To be eligible, applicants must be U.S.-based and have opened their retail store in 2023-2024 or plan to open this year. Applications are due June 30, 2025 - <https://www.faire.com/small-business-grant>

Binc Foundation Emergency Financial Assistance - [provides emergency financial assistance](#) to bookstore owners, booksellers, and comic store employees and owners facing unforeseen financial needs. <https://bincfoundation.org/>

Private Grants

Start.Pivot.Grow. Micro Grant. The Start.Pivot.Grow. Micro Grant provides \$2,500 in non-dilutive funding to small businesses for essential expenses like rent, inventory, or marketing. Open to U.S.-based, for-profit companies with at least two years of operation, eligible applicants must generate \$50,000+ annually and have no more than two employees, including the owner. (<https://www.startpivotgrow.com/microgrant>)

DoorDash Local Business Disaster Relief Fund. funding available to help small businesses like restaurants, flower shops, liquor stores, convenience stores, pet stores, and local grocery stores recover and thrive. Selected small businesses will receive grants ranging from \$5,000 to \$15,000 to invest in rent, utilities, maintenance, supplies, payroll, and other essential expenses that strengthen business operations and fuel recovery. Applications January 6, 2026 at 6 PM ET – <https://helloalice.com/grants/doordash/>

Verizon's Digital Ready program is awarding 50 small businesses \$10,000 each. Enroll for free to apply and gain access to valuable resources, including workshops, personalized coaching, and networking opportunities. <https://digitalready.verizonwireless.com/>

Private Grants

Walmart Spark Good Local Grants. The Walmart Spark Good Local Grants program, provided by Walmart and Sam's Club, offers grants ranging from \$250 to \$5,000 for organizations that address the unique needs of local communities.

<https://www.walmart.org/how-we-give/program-guidelines/spark-good-local-grants-guidelines>

IFundWomen Universal Grant Application. Grants are a debt-free source of funding to help you launch and grow your business. At IFW by Honeycomb, our members have access to a variety of grants from our corporate partners like Poker Power, BOTOX® Cosmetic, Visa, Angel City Football Club, Caress, Johnnie Walker, adidas, American Express, and more. This is a resource for female entrepreneurs seeking grants -

<https://www.ifundwomen.com/grants/apply-for-grants>

Open Grants Today 8,541 | \$69.5B

Opened This Week 497 | \$10.1B

Closing This Week 144 | \$11.2B

See more market data →

Supporting over 1,000 organizations

Match. Apply. Win. Repeat.

The smarter way to secure more grant funding in less time.

Q Search

✗ Match

✍ Write

AI-Powered Opportunity Matching

Our algorithm evaluates 30+ factors on grants from 100,000+ sources to find grants you're most likely to win.

- ✓ AI evaluates your organization against each grant
- ✓ Personalized match scores based on 30+ factors

✗
30+

Match Factors

⌚
10X

Faster Discovery

⌚
1M+

Grants Scored

9

Safe Streets and Roads for All ↗

✗ AI-matched • 90% compatibility



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- Free searches within their databases
- AI enhanced searches based on your profile and body of work
- AI Grant writing support – eligibility, compliance and content
- Team of 28 grant writers under contract

Questions?

CrowdFunding

Donation Crowdfunding

Goal is to support a cause (Sick Individual, Non-profit) – no expectation of return.

GoFundME, CrowdRise

Regulation Crowdfunding

Allows entrepreneurs to raise up to \$4 million/year in exchange of equity from non-accredited investors. Average raise is 200K/company.

CrowdFunder, Start Engine

Reward Crowdfunding

Product pre-selling or rewards (e.g. t-shirt, discounts) in exchange of capital. No equity involved. Average raise is 30K/company.

KickStarter, Indiegogo, Bonfire

Lending Crowdfunding

Focused on loans that the borrower will pay back to the lender (pre-determined timeframe and interest rate).

Lending Club

Financing Programs

Micro Loan Programs

- Virginia Small Business Financing Authority
 - \$10-150K
 - Credit Score – 650, Personal Guarantee
 - In Business for 2 years
- Latino Economic Development Center
 - Loans to \$250K – 2 years in Business
 - Loans to \$20K – over 1 year in business
 - Loans to \$5K for Startups under 1 year in Business
 - Interest rates 6.5%

Alternative Lenders

- Claims to fund you when banks will not.
- Short Term loans – Daily Payback
- Factoring companies – Advance on your receivables
- Funds are created from Equity Investments
 - Need a high rate of return so high interest rates
- Can you generate enough profit to cover interest?

Alternative Lenders – Non Recourse



- Utilizes Client's Good Credit (the Government)
- Purchases Invoices to those clients (Government, Large Prime Contractors).
- 90% advance, Remaining 10% less fee on receivable collection
- 30 Net Averages a 12% annual Interest Rate
- No company or personal financial Review
- Non-Recourse – No company guarantee

Bank Financing

- Term Loans and Line of Credit.
- Cheap Money – Good Interest Rates, You are in Control
- Understand their Motivations and Processes
 - Sensitivity to Risk
 - Do you Fall inside their BOX?

5 C's of Business Credit

1. Capacity
2. Character
3. Collateral
4. Capital
5. Conditions

Financing Your Business

- Loan Underwriting Process – a Risk Assessment
 - Ability to Service the Debt
 - Personal Credit Review and Situation
 - Collateral Position
 - Collection and Review of Documentation
 - Personal Financial Statement, Tax Returns, Business Plan and supporting Documentation

Financing Your Business

- Banks Supporting Small Business
 - Big Banks
 - Medium Banks
 - Community Banks

Financing Your Business

- Community Banks
 - \$100K to \$2M Loan Target
 - SBA Preferred Lenders
 - Loan Officers work with Underwriters and have Direct Access to the Loan Committee
 - Act as Business Advisors
 - Collateral Still is Important

Financing Your Business

- SBA Backed Loans (SBA 7a)
 - Loan Guarantee Program – Reduces Risk to the Lending bank.
 - The Bank Still Underwrites the Loan
 - Does NOT Reduce your Collateral or Exposure
 - Can Result in Higher Fees, More Paperwork
 - If you Default, The Bank Collects from You Before Turning to the Guarantee.

Financing Your Business

SBA 504 Loan

- Commercial Building Purchase
- Funding Sources
 - Commercial Bank – 50%
 - SBA – 40%
 - Business 10%
- 51% Occupancy Requirement
- Prepayment Penalty for 10 Years

Financing Your Business

Strategies for your Bank Presentation

- Which Bank to Target First – Referrals are good.
- Remember this is a SALES Presentation
- Compelling Business Brief (in PowerPoint)
- Meet at a Neutral Site
- Have the Paperwork Ready to Go
- Respond to Additional Information Requests

Bank Presentation Prep

- Review your Credit Score and History
 - Personal Credit Score – 700 or higher
 - Business Credit – Dunn & Bradstreet
 - 20% Business Owners required to participate
 - NAV.com/sbdc – Free Credit review

— Take the shortcut to business financing

Finally, one place to see the essential data lenders want so you can get approved.

[Get Started](#)

It's free and won't hurt your credit scores



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Financial Projections

- Predicting Cash and Profit by month for the next 2 years
- Compare future predictions against prior years
- Create in the same P&L Format
 - Sales (cash income)
 - Cost of Sales – Labor, Materials Subcontractors, ODCs
 - Fringe Expenses
 - Sales & Marketing Expenses
 - Overhead Expenses
 - G&A Expenses

Sales Projections

- All businesses should have a **sales** driver that is in their control
- Think critically about how to project different items
 - Backlog of Exist Contracts
 - Capacity to deliver
 - Quality of Pipeline
 - Average Renewals
 - Inventory Acquisition
 - Similar Business Comparison

What's Your
Sales Driver?

Be careful not to “over-model”

Projections (Cont'd)

- Labor Costs – **Bottoms Up Staff Plan**
 - Salaries and Wages calculated each for each employee starting in the month of hire.
- Other Costs associated with Headcount
 - Fringe Expenses - Medical, Taxes, Retirement
 - Communications, Tools, Equipment
 - Bonus, Raises
- Categorize at the Cost Center Level

Projections (Cont'd)

- Non-Labor Overhead/G&A Expenses
 - Normal Monthly Spending
 - Annual One Time Expenses (i.e. Liability Insurance)
- Growth Spending
 - Recruiting
 - Facilities
 - New Hire one time costs

Summary Financial Plan

Software Platform License, LLC
Summary P&L (000s)

	2019 Actuals	2022 Budget	2023 Plan	2024 Plan	2025 Plan
Revenue					
Platform Sales					
SaaS License Platform	3,298	13,054	21,281	30,672	38,766
Reseller Sales	-	-	-	-	-
Professional Services	-	-	-	-	-
Total Revenue	3,298	13,054	21,281	30,672	38,766
Direct Expenses					
Customer Support Costs	113	234	322	381	381
Consulting Costs	421	1,115	1,735	1,758	1,758
Hosting/Platform Costs	77	77	77	77	77
Total Direct Expense	612	1,426	2,135	2,216	2,216
Gross Profit	2,686	11,628	19,147	28,455	36,549
Margin %	81%	89%	90%	93%	94%
Sales & Marketing	669	2,378	3,718	5,035	6,092
General & Administrative	418	726	1,001	1,258	1,281
Research & Development	251	514	557	658	658
Total Operating Expenses	1,338	3,618	5,276	6,951	8,031
Net Operating Margin	1,348	8,010	13,871	21,505	28,518
Depreciation & Amortization	5	16	26	30	30
Profit Before Taxes & Interest	1,343	7,993	13,845	21,475	28,488
Net margin %	41%	61%	65%	70%	73%

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Simple One Year Forecast

Cash Flow Projection - Year 1 for: SAMPLE Business CY 2021														
After reviewing these samples, begin with your new Start-up Sheet. Hover the mouse across cells with red triangles for tips about that cell. Work with your SBDC Business Advisor to edit the rows to fit your specific business and test your assumptions.														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	% of sales
Beginning Cash Balance	6,200	5,104	3,883	2,337	425	(421)	(817)	(2,029)	(2,075)	(2,921)	(4,533)	(5,229)	6,200	
CASH RECEIPTS														
Sales	5,000	5,000	5,000	6,000	6,000	6,000	7,000	7,000	7,000	6,000	6,000	72,000	100%	
Other	-											-		
-	-											-	0%	
Total Cash Receipts	5,000	4,250	4,500	6,000	5,500	5,500	5,500	6,000	5,500	5,000	5,000	5,000	72,000	100%
CASH DISBURSEMENTS														
Cost of Goods Sold	1,500	1,275	1,350	1,800	1,650	1,650	1,650	1,800	1,650	1,500	1,500	1,500	18,825	26%
Gross Wages	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	31,476	44%
Payroll Expenses	-			866			866			866			2,598	4%
Supplies (Office & Operating)	100	100	100	100	200	100	100	100	200	100	100	100	1,400	2%
Repairs and Maintenance	-			50		50		50		50		50	250	0%
Marketing	500	100	100	100	500	100	100	100	500	100	100	100	2,400	3%
Travel	-												-	0%
Accounting and Legal	-			1,000									1,000	1%
Rent	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	17%
Telephone	30	30	30	30	30	30	30	30	30	30	30	30	360	1%
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200	2%
Insurance	-												-	0%
Taxes (Real estate, personal prop)	-			500									500	1%
Total Cash Disbursements	5,853	5,228	5,803	7,669	6,103	5,653	6,469	5,803	6,103	6,369	5,453	5,503	72,009	100%
Net Cash Flow	(853)	(978)	(1,303)	(1,669)	(603)	(153)	(969)	197	(603)	(1,369)	(453)	(503)	(9)	
Adjustments to Net Cash Flow														
(+) New Owner Investment	-													0%
(+) Other Investments	-													0%
(-) Debt-Loan Paymts	243	243	243	243	243	243	243	243	243	243	243	243	2,916	4%
(-) Owner Withdrawals	-	-	-	-	-	-	-	-	-	-	-	-		0%
Adjusted Net Cash Flow	(1,096)	(1,221)	(1,546)	(1,912)	(846)	(396)	(1,212)	(46)	(846)	(1,612)	(696)	(746)	(2,925)	
Ending Cash Balance	5,104	3,883	2,337	425	(421)	(817)	(2,029)	(2,075)	(2,921)	(4,533)	(5,229)	(5,975)	3,275	
for loan calculator: use https://www.bankrate.com/calculators/business/business-calculator.aspx														
Loan Amount * Loan Term in Years * Interest Rate = Monthly payment														
Entering our Loan amount of \$8,000 for 3 years at 6%, we end w/ a monthly payment (principle & Interest) of \$243.38														

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Presentation Outline

- Storyboard – Telling your Story
- About “You”
- Your Customer
- Your Offer
- Typical Sale
- Competition
- Marketing Plan
- Summary Financial Plan and History
- Your Ask

Financing Your Business

- Term Loans – Usually to Buy Something
 - Banks Don't Finance 100% of need
 - The Term is Based on Asset Life
 - Interest rates are typically fixed over the term.
 - Cash Flow Critical to Servicing the Debt

Financing Your Business

- Working Line of Credit
 - Accounts Receivable Based (75% of your 90-day A/R Balance) – Borrowing base
 - Interest Rates are variable – tied to the Prime Rate
 - Requires Regular Financial Reporting
 - Annual Renewal Fees
 - Could be Combined with a Term Loan

Financing Your Business

- What is Collateral?
 - Lien on Real Estate – 2nd Position to your Mortgage Company.
 - Business Assets
 - Cash in the form of Certificates of Deposit
 - Everything else establishes Net Worth but not as Collateral – Retirement Accounts, Securities held by your Broker, Vehicles, Jewelry, etc.
 - A Personal Guarantee is Required in ALL cases

Avoiding Personal Collateral

- Establishing a Formal Board of Directors with financial oversight
- Audited Financials
- History of profitability
- Industry Metrics
 - Current Ratio
 - Gross Margin %
 - Net Income %
 - Average A/R Days

The following financial benchmark data is based on annual financial statements submitted by member institutions of the Risk Management Association from Q2 of the first year listed through Q1 of the following year.

Financial Ratios (Electrical Contractors, Industry-wide)

MEASURE	2020-21	2021-22	2022-23
Current Ratio ?	1.76	1.80	1.62
Quick Ratio ?	1.42	1.37	1.2
Days Inventory ?	5.0	7.0	8.96
Days Receivables ?	69	66	74
Days Payables ?	28.0	33.0	34.93
Pre-tax Return on Revenue ?	6.75%	7.13%	4.66%

Financing Your Business

Why Banks may say NO

- Two Mortgages on your house – bank in a 3rd Position
- Low Credit Score, Credit Report Issues
- Personal Debt
- Business Experience
- Perceived Risk of the Market – i.e. Startup Restaurants, Untested Markets

Questions?

Business Valuation

Market Value of your Business

- Why value your business?
- Future Sale of the company
- Buyout a partner
- Estate or Divorce
- Equity Investment
- Stock Options for Employees
- Succession Planning

Methods of Valuation

- Real value is what someone else is willing to pay to buy it.
- Public Company Market Cap – Stock Price X Issued Shares
- Looking for a low or high valuation?
- Hire a certified business appraiser?

Methods of Valuation

- Back of the envelop valuation
 - .25 to 1 X of Annual Sales
 - 4 to 7 X of Net Income
 - 2.7 X Owner's Discretionary Income
- Formal Cash Discount Model
 - Cash Profit over X years
 - Discounted each year for Inflation (Net Present Value)
 - Book Value

Vertical IQ

Business Valuation

This data on business valuations is supplied by DealStats, an online database with the most complete financial details on nearly 36,000 acquired companies. These companies are mostly small and medium-sized private firms.

Summary Valuation Data for Car Washes

	MEDIAN	MEAN	# TRANSACTIONS	DATES
Price to Net Sales	0.88	1.48	134	02/05/1992–05/07/2021
Price to Gross Profits	1.11	2.01	124	02/05/1992–05/07/2021
Price to EBITDA	3.16	7.54	91	02/05/1992–05/07/2021
Price to EBIT	3.9	13.02	115	02/05/1992 –05/07/2021

Compare Businesses for Sale

[Buy a Business](#)[Buy a Franchise](#)[Sell a Business](#)[Tools & Advice](#)[Business Brokers](#)[Businesses For Sale](#) > [Building and Construction](#) > 1500+ results

Building and Construction Businesses For Sale

[Established Businesses](#)[Franchises](#)[Asset Sales](#)[Start-Up Businesses](#)[Real Estate](#)[Classifieds](#)[▼ Modify Your Search](#)[▼ Sort](#)[★ Save This Search](#)[✉ Get BizAlert](#)

Well Established Licensed Construction Company-29971

Well Established Licensed Construction Company-29971
Suffolk County, NY

Specializing in construction, drainage, asphalt, masonry and more. State, city, town and private work for major contractors. Heavy equipment included. Scalable business. This is a minority owned and operated business. For further information on this...

\$2,300,000

Cash Flow: \$700,000

[Contact Seller](#)

C&D Landfill, Waste Management & Demolition Op w/\$800K Net!

100yr old C&D Landfill/Waste Disposal&Demo.Biz 3yr \$800KSDE. !!!
Joplin, MO

Regional Commercial Waste Disposal and C&D Landfill & Industrial Demolition Op for sale with \$5M sales(3yr avg) \$800K net cashflow(3yr avg) This 100 year old company provides turnkey commercial waste disposal services and solutions. Business has a...

\$4,950,000

Cash Flow: \$800,000

Seller Financing

[Contact Seller](#)

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Next Steps

- Build a forward looking forecast
- Consider Contract Backlog and Pipeline
- New investment opportunity/New Offer
- Intangibles
 - Brand/Reputation/Certifications
 - People and Processes

Questions?

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