

THREE IMPORTANT FIRST STEPS TO

Starting a Business!



At
Peace
With
Money

SAVE UP

Establish a savings cushion

KNOW YOUR WHY

Have a purpose and a plan for your income

BANK IT

Research banking offers and open a separate account

Save Up

- **Establish a savings cushion.** Start with enough savings to sustain you and your business for 3-6 months. The time period you prepare for is dependent on your comfort levels.
- **Even if you're starting a side hustle,** saving can enable you to work fewer hours at your current job. It can also get you some startup cash to get the ball rolling.

- **Keep your business expenses low.** The lower you keep your business expenses, the closer you get to creating a supportive and financially sustainable business.
- **You don't have to spend money to make money.** You don't need a lot of money to start testing out your business idea now, and you can always scale up later.

Know Your Why



- **Have a plan for your profit.** Identify the actual financial needs or goals that your business will fill, down to the cent. Resist the urge to simply inflate your lifestyle.
- **Set your income and revenue goals** based on your needs. Take the time to go through your monthly expenses, figure out how much you need to make, and set that as your target. Your goals will be more motivating and much more tangible.
- **Celebrate your income.** Quarterly profit distributions help reward you for running your business

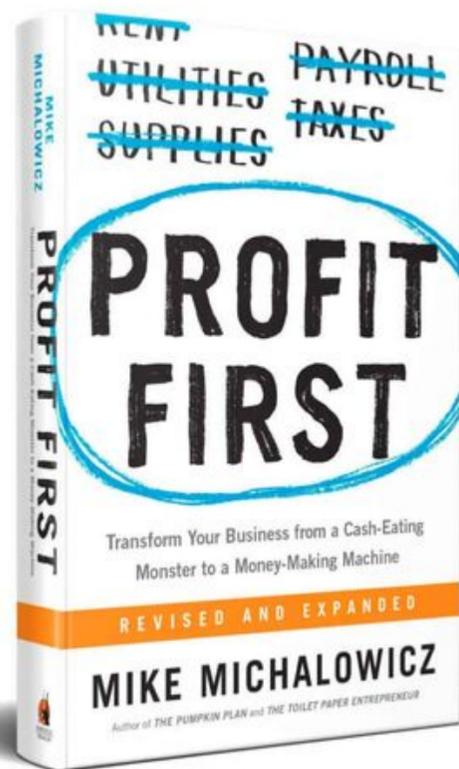
Bank It

- **Research banking options.** For some small businesses, sticking with a personal account is best, and gets you a better offer. Business checking accounts, however, do provide certain legal protections.

Do some research to see what's best for your business needs. Compare offers based on their fees, APY rates, rewards, and other important features.

- **Separate your accounts.** Opening a separate account for your business funds and expenses simplifies your record keeping and streamlines your processing at tax time.

- **Set up a money system.** Your system should help you be aware of your expenses and earnings, prep for tax time, and ensure that you're paying yourself for your work. I recommend Profit First.



Profit First

- **Profit First Formula is opposite to the GAAP (Generally Accepted Accounting Principles) formula.** GAAP determines a business's profit is $\text{Sales} - \text{Expenses} = \text{Profit}$. In the GAAP formula profit is a left over, a final consideration.

- **Profit First flips the formula to $\text{Sales} - \text{Profit} = \text{Expenses}$.** Logically the math is the same, but the entrepreneur's behavior is radically different. With Profit First, you take a predetermined percentage of profit from every sale first, and only the remainder is available for expenses.



Your Next Steps

SAVE UP

Figure out your monthly expenses and those for your business. Make a plan to save 3-6 month's worth of money.

KNOW YOUR WHY

Identify goals or needs your business income will support. Analyze your expenses as the basis of your income targets.

BANK IT

Assess your banking needs, research offers, and open a separate account. Implement a record-keeping/money management system.

Resources

BOOKS, ARTICLES, ETCETERA!

Profit First by Mike Michalowicz

Download the first 5 chapters *on my site!*

2019's Best Bank Accounts for Small Businesses

This resource can help you compare *banking offers.*

RELEVANT ARTICLES

- *Three Money Myths to Avoid When Starting a Small Business*
- *How to Set Informed Income Goals*
- *How to Start a Goals-Based Business*

REACH OUT!

I'm always happy to chat about this stuff. Book a call with me by [clicking here](#) or email me at angela@atpeacewithmoney.com!

