

MAKE HEADWAY

Keeping You Ahead Of Your Goals



Feature Articles in This Issue:

Great Talent = Great
Companies!

Are You Prepared For
Your Next Funding
Series?

Great Talent = Great Company!

Empower your team to thrive!

Every founder who has ever had an idea about inventing or innovating has required great people to execute the vision. People are your business no matter what product or service you provide to any vertical and industry. Your internal customer is the key to your success to the external customer. Great talent can make, expand and continuously grow your company. Finding the talent to succeed on your vision is important and just like you, these talented employees are also seeking a great company

Here are some key things to remember if you are seeking to appeal to larger vast and diverse talent base:

1. Employees want competitive pay, benefits and perks
2. A great working environment is essential and add to quality of life
3. Continued professional development and continuing education
4. They want to know that their employer cares about their growth and set them up for success from day one
5. The ability to continue to grow and thrive as the company grows

Are You Prepared For Your Next Funding Series?

Best Time To Plan To Be Ready: The Beginning

You have an amazing idea or product that has the potential to help society, and be a successful. You have a small team and things are really look good and you are meeting product or service deliverables and building a nice customer base. At this pace, your team can be twice the size by next year.

Have you planned for your next round? You should have started to scale this when you first received your seed money to ensure your investors are pleased. It's important to know what happens if you have not planned properly.

Based on our experience we have developed five keys to business budgeting to set you up for success.

1. Grass Roots Approach: You hired your employees for their expertise. So use it. A grassroots approach helps build a strong company culture and it provides insight from various perspectives that you may not have even considered. We find employees are more engaged and eager to accomplish goals that they participate in setting. In addition, your employees may have connections that can assist in locating better pricing.

2. Create Benchmarks based on Industry Standards: Business varies by industry. So it is important to do your research. Plus this will provide a foundation for developing your performance indicators. Other valuable resources include the IRS website, Thomson Reuters and NAICS. We also recommend talking to fellow small business owners in your community to help provide a more practical understanding of your local business ecosystem. It is important to set a standard for your business from the top down. You must lead by example and create clear expectations with benchmarks and then develop plans and a process to ensure everything remains on track.

3. Build a Financial Model: The best way to explore the highs, lows, and plateaus of your business is to develop a financial model. Excel is the best tool we have found for financial modeling. Then all you have to do is input certain key figures and Excel does all the hard work for you. The benchmarks you researched above will serve as your historical financial data in the first financial model. As your business grows you can import your actual financials into the model to improve accuracy. Standard financial models include historical financial data, assumptions, and forecasts from the income statement, capital assets, financial activity, balance sheet, and cash flow statement. Later on, this will be very important for business projections especially if you plan to solicit investors.

4. Include a Reserve: You are excited at the potential of your new business and sometimes that optimism is different than reality. It is important to be somewhat conservative as you build your budget and continuously build and maintain a cash reserve. To prepare for the lows you need enough cash to cover expenses such as utilities, payroll, and benefits. If you have to reduce payroll to cut expenses that turnover can be costly. So plan ahead and have a cash reserve. Hopefully, you will never have to use it.

5. Solicit Feedback: Sometimes we think we have a great idea, but after we discuss it with someone it does not seem as good as we originally thought. It is also difficult to see your own mistakes. In finance, it is important to check, double-check and check again to ensure the numbers are accurate. You do not want to start a business and then realize your financial model had an error. Plus input from other perspectives will help ensure you have accounted for most everything.

As always, it is beneficial to have trusted partners to assist you. Headway, LLC is here as an extension of your team to provide valuable insight based on our years of experience. Why incur the cost of staffing an entire finance department when you can pay a flat fee for experts to monitor and maintain your finances? Contact us today for your free evaluation



"Sheila and her team are lifesavers! My business was at a critical juncture..we are certainly making headway since our affiliation with this very strong firm!"

- Stacey Eames, Founder & President, Highland Bakery & Kitchen, LLC