Preparing Your Business For Recovery

Webinar Content:

Preparing for Long Term Financing

Working with your Financial Institution

A program of:

Our Presenter:

Lucy Waldhuetter
Lucy.waldhuetter@business.wisconsin.edu
The Wisconsin SBDC is a nationally accredited member of America’s SBDC, the most comprehensive small business assistance network in the United States.

We are one of five programs at the Institute for Business & Entrepreneurship.

- Center for Technology Commercialization
- Food Finance Institute
- Business Dynamics Research Consortium
- Center for Business Intelligence
Get financing for your new or growing business
Finding people who believe in your idea as much as you do can be difficult, especially when it comes to funding. We can help secure initial funding or aid in expansion.

Launch a new business
Time to launch your business! But you’re not sure where to start. Let the Entrepreneurial Training Program and other resources guide you.

Grow your existing business
An established business’ next steps are maintenance and often growth. Take advantage of our cybersecurity and business management programs.

Determine if your business idea is feasible
Do you have a business idea and want to find out if it’s worth your investment? SBDC can help you determine if that idea can become a business and how to get started.
No one person can do it all, so the SBDC is an amazing free resource.

**Sophia Barry**
Wisdom Wellness | Soentsory Bath and Body Boutique | Elevate Business Consulting, LLC

When I have questions, Kevin replies quickly. His expansive network of connections is always able to help provide answers.

**Jim Nohr**
NOHR, LLC

It’s great to have objective, experienced advisors during our critical first years.

**Courtney Janson**
Clink!, LLC
Pandemic Business Assistance
SBA & Lender Partnership

- Customer Count (Distinct): 2,294
- Contact and Prep Hours Sum: 2,070.18
Business Recovery Assistance

- Waukesha Works Economic Recovery grant launched on 5/4
- GROW fund for gap financing
- Other potential small grants from local municipalities
How can we help?

We collaborate closely with SBA, bank and non-bank lenders, WEDC, WEDA, WWBIC and local level economic developers and municipalities.

Understand resources, loans, programs or grants they each have to offer to our small businesses!

• No cost consulting
• Navigate through available resources
• Assist with financing decisions
• Assist with strategic decisions
• Technical assistance during application process to fulfill requirements
Tools and Assistance when applying for loans

- Cash Flow Analysis
- Projected Financial Statements
- Strategy & Business Plan Assistance
- Market Research Assistance
## Financials with loan layering

### Financing & Terms

<table>
<thead>
<tr>
<th>Debt</th>
<th>Interest Rate</th>
<th>Repayment Months</th>
<th>SBA Loan?</th>
<th>Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA 7A</td>
<td>6.00%</td>
<td>60</td>
<td>yes</td>
<td>$250,000</td>
</tr>
<tr>
<td>SBA 504</td>
<td>4.50%</td>
<td>240</td>
<td>yes</td>
<td>$500,000</td>
</tr>
<tr>
<td>PPP</td>
<td>1.00%</td>
<td>24</td>
<td>yes</td>
<td>$75,000</td>
</tr>
<tr>
<td>EIDL</td>
<td>3.75%</td>
<td>360</td>
<td>yes</td>
<td>$0</td>
</tr>
<tr>
<td>Loan #5</td>
<td>5.00%</td>
<td>120</td>
<td>No</td>
<td>$0</td>
</tr>
<tr>
<td>Loan #6</td>
<td>5.00%</td>
<td>120</td>
<td>No</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$875,000</strong></td>
</tr>
<tr>
<td>Line of Credit</td>
<td>5.00%</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$875,000</strong></td>
</tr>
</tbody>
</table>

### Principal Amounts

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SBA 7A</strong></td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>SBA 504</strong></td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>PPP</strong></td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>EIDL</strong></td>
<td>$75,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Payment Amount</strong></td>
<td><strong>$4,833.20</strong></td>
</tr>
<tr>
<td><strong>Monthly Payment Amount</strong></td>
<td><strong>$3,163.25</strong></td>
</tr>
<tr>
<td><strong>Monthly Payment Amount</strong></td>
<td><strong>$2,105.10</strong></td>
</tr>
<tr>
<td><strong>Monthly Payment Amount</strong></td>
<td><strong>$347.34</strong></td>
</tr>
</tbody>
</table>
# Employees

## Operating Expense Employee Tables

### Year 1

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Pay Rate</th>
<th>Hrs/week</th>
<th>Annual Hrs</th>
<th>Annual Pay</th>
<th>Payroll Taxes</th>
<th>Benefits</th>
<th>Total Cost of Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee 1</td>
<td>$15.00</td>
<td>40.00</td>
<td>2,080.00</td>
<td>$31,200.00</td>
<td>$2,386.80</td>
<td>$624.00</td>
<td>$34,210.80</td>
</tr>
<tr>
<td>Employee 2</td>
<td>$15.00</td>
<td>40.00</td>
<td>2,080.00</td>
<td>$31,200.00</td>
<td>$2,386.80</td>
<td>$624.00</td>
<td>$34,210.80</td>
</tr>
<tr>
<td>Employee 3</td>
<td>$15.00</td>
<td>40.00</td>
<td>2,080.00</td>
<td>$31,200.00</td>
<td>$2,386.80</td>
<td>$624.00</td>
<td>$34,210.80</td>
</tr>
<tr>
<td>Employee 4</td>
<td>$15.00</td>
<td>40.00</td>
<td>2,080.00</td>
<td>$31,200.00</td>
<td>$2,386.80</td>
<td>$624.00</td>
<td>$34,210.80</td>
</tr>
</tbody>
</table>

### Method 1 & 2 Totals

<table>
<thead>
<tr>
<th>Method 1 &amp; 2 Totals</th>
<th>Total Pay</th>
<th>Total Payroll Taxes</th>
<th>Total Benefits</th>
<th>Total Cost of Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80.00</td>
<td>$4,474.80</td>
<td>$1,248.00</td>
<td>$62,400.00</td>
<td>$68,422</td>
</tr>
</tbody>
</table>
## Pro Forma Income Statement

### Financial Statement:

#### Pro Forma Income Statement

| Date Prepared | 4/30/2020 |

<table>
<thead>
<tr>
<th>Year 2019-2020</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>Totals</th>
</tr>
</thead>
</table>

#### Revenue

- **Revenue 1**: $10,000
- **Revenue 2**: $10,000
- **Total Revenue**: $20,000

#### Cost of Goods Sold

- **Revenue 1**: $3,000
- **Revenue 2**: $3,000
- **Total Cost of Goods Sold**: $6,000

#### Gross Profit

- **Gross Profit**: $7,000

#### Gross Margin (% of Sales)

- **Gross Margin**: 70.0%

#### Expenses

- **Owner’s Salary**: $7,000
- **Employee Wages**: $3,000
- **Employee Payroll Taxes**: $200
- **Employee Benefits**: $1,000
- **Office Supplies**: $50
- **Supplies**: $200
- **Office Supplies**: $50
- **Professional Services**: $200
- **Credit Card Fees**: $300
- **Depreciation**: $3,000
- **Amortization**: $0.00

#### Total Expenses

- **Total Expenses**: $15,000

#### Net Profit Before Tax

- **Net Profit Before Tax**: $5,000

#### Net Income

- **Net Income**: $5,000

## Debt Coverage Ratio

- **Debt Coverage Ratio**: (1.43)
## Pro Forma Cash Flow

**Financial Statement:** Pro Forma Cash Flow  
**Date Prepared:** 4/10/2020  
**The Small Business Development Center has prepared these financial projections from information communicated by the client; we are not licensed by the State of Wisconsin to practice Public Accounting and cannot therefore give an opinion or assurance on these statements.**

### Cash Flows

<table>
<thead>
<tr>
<th>Month</th>
<th>Year 2019-20</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Inflow</strong></td>
<td></td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Cash Outflow</strong></td>
<td></td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
<td>$5,200</td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
<td></td>
<td>$4,800</td>
<td>$4,800</td>
<td>$4,800</td>
<td>$4,800</td>
<td>$4,800</td>
<td>$4,800</td>
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<td>$4,800</td>
<td>$4,800</td>
<td>$4,800</td>
<td>$4,800</td>
</tr>
</tbody>
</table>

### Pro Forma Cash Flow

<table>
<thead>
<tr>
<th>Month</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$(166,806)</td>
<td>$(166,806)</td>
<td>$(166,806)</td>
<td>$(166,806)</td>
<td>$(166,806)</td>
<td>$(166,806)</td>
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<td>$(166,806)</td>
<td>$(166,806)</td>
<td>$(166,806)</td>
</tr>
</tbody>
</table>

### Other Cash Flows

- **Franchise Royalties:**
- **Credit Card Fees:**
- **Professional Services:**
- **Office Supplies:**
- **Marketing:**
- **Phone/Internet:**
- **POS/IT:**
- **Insurance:**
- **Utilities:**
- **Lease:**
- **Other:**

### Notes
- Pro Forma Cash Flow projections provided by the Small Business Development Center based on client information.
- Financial statements not licensed for Public Accounting by the State of Wisconsin.
SBDC & Resource Partners

Our goal is to collaborate more closely with our Resource Partners to help our businesses and communities, together!
SBDC
Wisconsin Small Business Development Center

https://wisconsinsbdc.org/centers/

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