Chapter 9

**Activity 9-2 Start-Up Costs**

**Directions:** Start-up costs can take a chunk out of your funding. Estimate what you think your costs will be.

1. Go through this list and check all the items you think you will need to start the business. This list is a working document. Not all categories will apply to your business. Add any categories that you think are missing.

 **Equipment (Asset)**

\_\_\_Desk

\_\_\_Chair(s)

\_\_\_Lighting

\_\_\_Phone

\_\_\_Fax

\_\_\_Filing cabinet

\_\_\_Coffeemaker

\_\_\_Book shelves

\_\_\_Computer

\_\_\_Printer

\_\_\_Wiring

\_\_\_Fax

\_\_\_Phone

\_\_\_Other, please list

**Transportation vehicles (Asset)**

\_\_\_Vehicle

\_\_\_Delivery vehicle

\_\_\_Other, please list

**Loans (Liabilities)**

\_\_\_Vehicles

\_\_\_Furniture and/or equipment

**Advertising/Promotion (Expense)**

\_\_\_Advertising

\_\_\_Marketing materials, such as brochures or coupons

\_\_\_Signage

**Insurance (Expense)**

\_\_\_Liability

\_\_\_Building

\_\_\_Auto

\_\_\_Life

\_\_\_Business

\_\_\_Workmen’s compensation

**Office supplies (Expense)**

\_\_\_Office supplies (including paper, staplers, tape dispensers, pens, pencils, paper clips, etc.)

**Professional services (Expense)**

\_\_\_Accountant

\_\_\_Lawyer

\_\_\_Patent attorney

**Rent (Expense)**

\_\_\_ Monthly fee

\_\_\_Renovations

\_\_\_Other, please list

**Utilities (Expense)**

\_\_\_Gas and electric

\_\_\_Phone and/or cable

**If operating a *retail business* (Assets)**

\_\_\_Opening inventory

\_\_\_Mannequins

\_\_\_Fixtures

\_\_\_Hangers

\_\_\_Pricing supplies

\_\_\_Cash register

\_\_\_Cash register counter

\_\_\_Phone

\_\_\_Fax

\_\_\_Security system

\_\_\_Storage racks

\_\_\_Carts

\_\_\_Other, please list

**If operating a *wholesale business* (Assets)**

\_\_\_Opening inventory

\_\_\_Storage racks

\_\_\_Forklift

\_\_\_Carts

\_\_\_Pallet racking

\_\_\_Pallets

\_\_\_Furniture

\_\_\_Equipment (be specific)

\_\_\_Fixtures

\_\_\_Other, please list

**If operating a *manufacturing business* (Assets)**

\_\_\_Opening inventory

\_\_\_Storage racks

\_\_\_Forklift

\_\_\_Carts

\_\_\_Pallet racking

\_\_\_Pallets

\_\_\_Furniture

\_\_\_Equipment (be specific)

\_\_\_Fixtures

\_\_\_Machinery

\_\_\_Other, please list

2. Using the same list, attach a dollar amount for each item you checked. Use the Internet to find approximate costs for these items.

 **Equipment (Asset)**

\_\_\_Desk

\_\_\_Chair(s)

\_\_\_Lighting

\_\_\_Phone

\_\_\_Fax

\_\_\_Filing cabinet

\_\_\_Coffeemaker

\_\_\_Book shelves

\_\_\_Computer

\_\_\_Printer

\_\_\_Wiring

\_\_\_Fax

\_\_\_Phone

\_\_\_Other, please list

**Transportation vehicles (Asset)**

\_\_\_Vehicle

\_\_\_Delivery vehicle

\_\_\_Other, please list

**Loans (Liabilities)**

\_\_\_Vehicles

\_\_\_Furniture and/or equipment

**Advertising/Promotion (Expense)**

\_\_\_Advertising

\_\_\_Marketing materials, such as brochures or coupons

\_\_\_Signage

**Insurance (Expense)**

\_\_\_Liability

\_\_\_Building

\_\_\_Auto

\_\_\_Life

\_\_\_Business

\_\_\_Workmen’s compensation

**Office supplies (Expense)**

\_\_\_Office supplies (including paper, staplers, tape dispensers, pens, pencils, paper clips, etc.)

**Professional services (Expense)**

\_\_\_Accountant

\_\_\_Lawyer

\_\_\_Patent attorney

**Rent (Expense)**

\_\_\_ Monthly fee

\_\_\_Renovations

\_\_\_Other, please list

**Utilities (Expense)**

\_\_\_Gas and electric

\_\_\_Phone and/or cable

**If operating a *retail business* (Assets)**

\_\_\_Opening inventory

\_\_\_Mannequins

\_\_\_Fixtures

\_\_\_Hangers

\_\_\_Pricing supplies

\_\_\_Cash register

\_\_\_Cash register counter

\_\_\_Phone

\_\_\_Fax

\_\_\_Security system

\_\_\_Storage racks

\_\_\_Carts

\_\_\_Other, please list

**If operating a *wholesale business* (Assets)**

\_\_\_Opening inventory

\_\_\_Storage racks

\_\_\_Forklift

\_\_\_Carts

\_\_\_Pallet racking

\_\_\_Pallets

\_\_\_Furniture

\_\_\_Equipment (be specific)

\_\_\_Fixtures

\_\_\_Other, please list

**If operating a *manufacturing business* (Assets)**

\_\_\_Opening inventory

\_\_\_Storage racks

\_\_\_Forklift

\_\_\_Carts

\_\_\_Pallet racking

\_\_\_Pallets

\_\_\_Furniture

\_\_\_Equipment (be specific)

\_\_\_Fixtures

\_\_\_Machinery

\_\_\_Other, please list

3. Find a *start-up cost calculator* on the Internet and calculate the start-up costs for your business. What is an estimate for your type of business? How did your manual estimate compare with the start-up calculator estimate?

<<Place Answer Here>>

4. Ask your instructor where to save your documents. This could be on the school’s network or a flash drive of your own. Name your Word document *FirstnameLastname*\_Activity9-1.docx (i.e., JohnSmith\_Activity9-1.docx).