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Intel® Easy Steps

Create a Startup Cost

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Understanding Startup Costs

One of the many tasks you have to do when you plan to start any business is to calculate the initial costs involved in starting and operating your business.

Almost every business has to spend some money to set up the business before it can start to make money. These expenses, which are incurred either before the business starts or during its initial stages, are called start-up expenses. For small businesses these expenses may not be high, but they still need to be calculated. However if you need to hire a place to operate, your startup costs may include costs for renting a place, purchasing furniture, equipment and raw material, paying salaries to employees etc.

People sometimes underestimate start-up costs and start their business leading to lack of funds later on. It is good to get an accurate estimate of these costs in the form of a budget sheet, as it will be one of the factors which will help you take informed decisions.

Preparing a budget sheet

Let us look at a situation where you may want to start a small handicrafts manufacturing business. Technology can be used for various activities to help you, particularly in getting an estimate of the financial commitments you will have to make. The spreadsheet software will help you in calculating you startup costs and making your budget.

To start with, make a list of the onetime costs which would be your initial investments and your recurring costs which you will spend on a periodic basis.

	A	B	C	D	E	F
1		**Sona Handicraft, Bikaner**				
2		**Startup Costs**				
3		**Particulars**	**No of Months**	**Amount**	**Total**	
4		**Capital Investment**				
5		Equipment	1	Rs. 50,000	Rs. 50,000	
6		Initial Deposit for Rent	1	Rs. 20,000	Rs. 20,000	
7						
8						
9		**Item Head**	**No of Months**	**Amount**	**Total**	
10		Salaries	12	Rs. 30,000	Rs. 3,60,000	
11		Rent & maintenance	12	Rs. 3,000	Rs. 36,000	
12		Electricity	12	Rs. 300	Rs. 3,600	
13		Telephone and Internet	12	Rs. 500	Rs. 6,000	
14		Website Creation	1	Rs. 10,000	Rs. 10,000	
15		Advertising and Publicity	12	Rs. 500	Rs. 6,000	
16		Raw material	12	Rs. 2,000	Rs. 24,000	
17		Packgaging Material	12	Rs. 500	Rs. 6,000	
18		Travel and Shipping	12	Rs. 2,000	Rs. 24,000	
19		Loan Repayment	12	Rs. 5,000	Rs. 60,000	
20		Misc	12	Rs. 1,500	Rs. 18,000	
21		**Total Budget**			**Rs. 5,53,600.00**	
22						

Sample Startup Cost sheet

Before you begin using the computer to create your startup cost, take a moment to get familiar with the **Intel°** **Education Help Guide.** The Help Guide provides handy step-by-step instructions for common applications right as you work.

Please refer the card **- How to Use the Help Guide.**

Steps on how to create a Startup Cost Sheet

A.   Start the Spreadsheet software, enter the information and save your worksheet

1. Start the Spreadsheet software, and open a new, blank spreadsheet. (See Help Guide, Spreadsheet Skill 1.1: To start Spreadsheet software).
2. Type the words for the title and column headings in cells. Just click on the cell and   type away. (See Help Guide, Spreadsheet Skill 4.1: To put words (text) and numbers into a worksheet cell).

    Make the Entries as follows:

    - The Title in cell B1 and the subtitles in cell B2.
    - The column headings –"Particulars" in cell B3, "No of months" in cell C3, "Amount" in cell D3, "Total" in cell E3,"Capital Investment" in cell B4.
    - Similarly for the row headings, type the appropriate text in the cells B5 & B6.
    - The column headings –"Item Head" in cell B9, "No of Months" in cell C9, "Amount" in cell D9, "Total" in cell E9.
    - Similarly for the row headings, type the appropriate text in the cells B10 to B21.

3. If you want to change information you have already typed in a cell, click the cell and make the changes. (See Help Guide, Spreadsheet Skill 4.2: To change or fix information that is already in a cell).
4. Merge the cells B1 to E1 for the title and the cells B2 to E2 for the subtitle. (See Help Guide, Spreadsheet Skill 5.10: To combine or merge cells).
5. Similarly merge cells from C8 to E8. (See Help Guide, Spreadsheet Skill 5.10: To combine or merge cells).
6. Change the column widths as required. (See Help Guide, Spreadsheet Skill 5.6: To change column width).
7. Type the Numbers (Values) in the cells, in those cases where the values are fixed.
    - From cell C5 to C20, under the column heading "No of Months" type the numbers in the empty cells. (See Help Guide, Spreadsheet Skill 4.1: To put words and numbers into a worksheet cell).
    - Similarly type the numbers from Cell D5 to D20, under the column heading "Amount"**.**

    Please note the values need not be typed into the cells under "Total Budget" because they are dependent on the values of the preceding cells and would result from calculations using formulas.

8. Save your work now. You must save your work frequently after doing few steps to avoid losing your work. (See Help Guide, Spreadsheet Skill 1.8: To save a spreadsheet).

B. Insert Formulas

It is now time to insert formulas in the various cells to arrive at the correct values based on the results of calculation using the concerned cells.

Calculate the Total Budget

1. To calculate the "Total" in cell E5 insert a formula to multiply the numbers in two cells preceding it. In cell E5, under column heading "Total" the value can be obtained by multiplying the cells C5 & D5. In cell E5 type the formula = **C5*D5** and press the Enter key. (See Help Guide, Spreadsheet Skill 7.5: To multiply numbers by writing your own math's sentence or formula).
2. Copy the formula of cell E5 in the cell E6. (See Help Guide, Spreadsheet Skill 7.10: To copy and paste a math's sentence or Formula, 7.11: To reuse a formula in many cells in the same row or column).
3. Similarly to calculate the Total in cell E10 insert a formula to multiply the numbers in two cells preceding it. In cell E10, under column heading "Total" the value can be obtained by multiplying the cells C10 & D10. In

cell E10 type the formula =**C10*D10** and press the Enter key. (See Help Guide, Spreadsheet Skill 7.5: To multiply numbers by writing your own math's sentence or formula).

4. Copy the formula of cell E10 in the cells E11 to E20. (See Help Guide, Spreadsheet Skill 7.10: To copy and paste a math's sentence or Formula, 7.11: To reuse a formula in many cells in the same row or column).

5. To calculate the "Total Budget" in cell E21 type the formula **=Sum (E10:E20)** and press enter key. The entire total has been taken into account here. (See Help Guide, Spreadsheet Skill 7.1: To sum or add the numbers in a row or Column).

6. Show numbers as currency (Rs.) in cells E5 to E20. (See Help Guide, Spreadsheet Skill 4.9: To show numbers as decimals, currency and percentages).

7. Merge the cells C8 to E8. (See Help Guide, Spreadsheet Skill 5.10: To combine or merge cells).

8. Save your work.

C. Format the Worksheet

1. You need to select the cell or cells whose appearance you might want to change. (See Help Guide, Spreadsheet Skill 2.1: To select a single box or cell, 2.2: To select several boxes or cells next to each other).

2. To alter the size of the headings. (See Help Guide, Spreadsheet Skill 5.2: To make words and numbers bigger or smaller).

3. To change the appearance of the words and text. (See Help Guide, Spreadsheet Skill 5.1: To change the letter design, or font, of words and numbers, 5.3: To change the style of words and numbers, 5.4: To change the color of words and numbers).

4. To change the position of the words with respect to the cells. (See Help Guide, Spreadsheet Skill 5.7: To change alignment of information within a cell or cells).

5. Save your work.

D. Change the look of your worksheet

You may change the way the information is displayed to suit your sense of aesthetics. You might want to add borders, colors and shading to the information.

6. Select the required cells and make the changes. (See Help Guide, Spreadsheet skill 5.8: To add borders to cells, rows, columns, and worksheets).

7. To change background color or shading to cells. (See Help Guide, Spreadsheet skill 5.9: To add background color or shading to cells, rows, or columns).

8. To change the appearance of the words or text. (See Help Guide, Spreadsheet Skill 5.1: To change the letter design, or font, of words and numbers, 5.3: To change the style of words and numbers, 5.4: To change the color of words and numbers.

9. To remove or hide the cell gridlines. (See Help Guide, Spreadsheet Skill 6.9: To hide cell gridlines).

10. Save your work.

E. Review your budget worksheet
1. Review the worksheet by checking
    - The Title and Headings for each item.
    - Reused formulas.
    - Alignment and overall layout.
2. Close your worksheet.

F. Review your budget

You have now created a dynamic budget sheet and you can play around with the numbers and see the automatic recalculation when values are changed.