

The Right Foot Startup Workshop

Yashwant Meghare
Providence Center Director

RI Small Business Development Center

January 2024

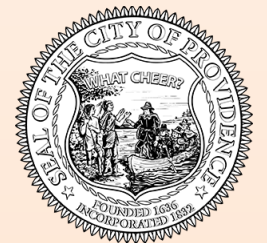


Guest Speakers:

GABRIELA BANON,
*Business Information Center
Program Manager
Secretary of State's Office*



JESSIE ERNSTER,
*Small Business Coordinator,
City of Providence*



MICHAEL NINA
One Neighborhood Builders



Agenda

- Determine your preparedness to start a business/Regulatory requirements
- Business and Financial Planning
- Tracking and Measuring performance

**Do you have an idea to start a
business?**

IDEA

- Responsibilities of an entrepreneur
- Business planning
- Identify new opportunities
- Stay ahead of the competition
- Local Market Research



Planning

Developing a Business Plan

- Introduction/Description WHAT is your business
- Management Team WHO is running the business
- Operations/UX HOW are you operating/VALUE PROPOSITION
- Marketplace COMPETITORS, TARGET MARKET, PRICING
- Revenue How much will you make?
- The Ask \$ How much will you need?

Secretary Of State's Office, Rhode Island



RI Business Services Division:

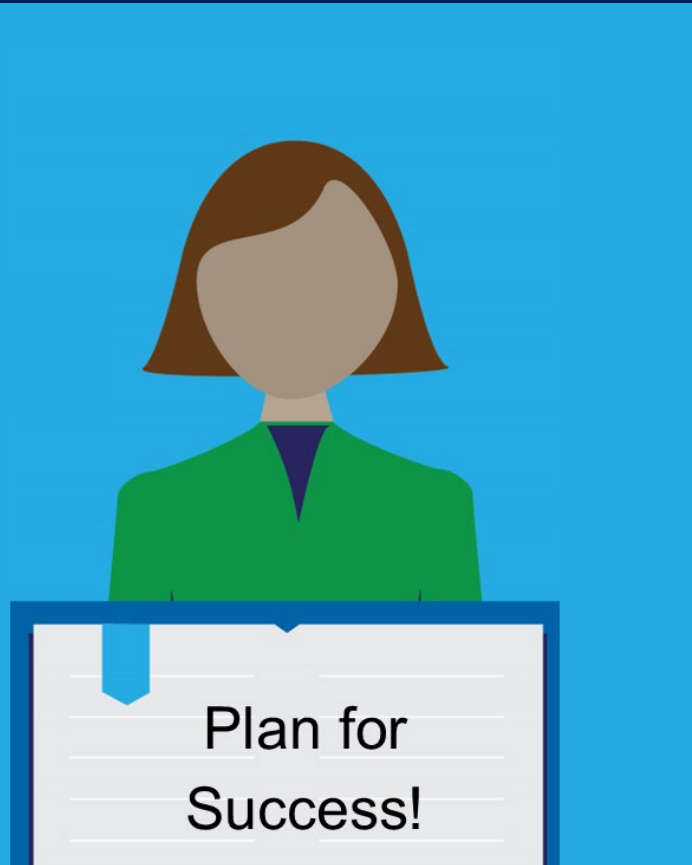
Rhode Island's Business
Registry
& Business Education
Hub

Gaby Bannon
gbannon@sos.ri.gov

2/30/2024



Gregg M. Amore
Secretary of State



Rhode Island
Department of State

Business Services

Research before starting a business

1. How to register your business
2. State licenses and taxes
3. Municipal licenses and taxes
4. Federal license and taxes

<https://www.sos.ri.gov/divisions/business-services>



Developing a Financial Plan

- Start Up Costs, *one time expense*



- Monthly Operating Costs (*fixed/indirect + variable/direct expenses/COGS*)



- Financial projections including revenue projections



- Financing Options

Financing: 5 C's of Credit

Cash Flow

Debt capacity (Debt Coverage ratio)

Capital

Downpayment

Collateral

Property ownership

Conditions

Market conditions

Character

Your background, experience, existing debts, etc.

City of Providence





MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

CITY OF PROVIDENCE BUSINESS RESOURCES





MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

REGISTERING WITH THE CITY CLERK



Registering with the City Clerk

Eligibility

- Located in Providence
 - Register in whatever City your business is located in
- Sole Proprietorship, General Partnership
- Unique Trade Name
 - Search tool available online

Application Materials

- Registration fee - \$10
- Certified Copy of Certificate - \$2
- Application form
- Valid ID

Process

1. Navigate to City Clerk website
2. Click Trade Names
3. Confirm unique trade name
4. Download application
5. Attach Application Materials
6. Bring to City Clerk's office, City Hall room 311



MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

PROVIDENCE BUSINESS LOAN FUND



Providence Business Loan Fund

Uses

- Real estate acquisition, equipment purchase, inventory and other working capital purposes.
- Cannot be used to refinance existing debt.

Requirements

- Applicants must have been in business for at least 3 years.
- Applicants must meet HUD's Community Development Block Grant national objectives
- 1 job created for every \$35,000 loaned

Up to \$500,000

Rates

- Maximum interest is 5%
- Repayment terms vary with the use of funds

Providence Business Loan Fund - Microenterprise

Uses

- Working capital, inventory, and equipment.

Requirements

- Retain at least one full-time employee or who's owner meets HUD low/moderate income guidelines.
- Be located and registered in Providence for 2 years.
- Have 5 or fewer employees, including the owner(s).

\$10,000 - \$35,000

Rates

- Interest is 3% - 5%
- 5-10 year repayment

PBLF Application Process

1. Visit Providencebusinessloanfund.com
2. Download the application
3. Fill out and send to Tom Hoagland (thoagland@providenceri.gov)
4. If application is accepted, send additional documents
5. The PBLF Board meets the second Thursday of every month and will vote on new loan applications



MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

BIDDING WITH THE CITY OF PROVIDENCE



The City Offers Many Types of Opportunities to Bid

- Construction
- Consultants
- Good and Services



- Electric Power Distribution
- Fabricated Pipe and Pipe Fitting Manufacturing
- Stationery and office supplies wholesaler
- Motion Picture and Video Production
- Computer Training
- Food Service Contractors
- General Automotive Repair
- Hazardous Waste Collection

Providenceri.gov



Purchasing Department



Vendor Center



How to Submit a Bid

Minority and Women-owned Business Enterprise Program

Active Bids

BID PROCESS

1. Visit City of Providence Bid Opportunities
2. Browse open bids*
3. Download the Request For Proposal
4. Fill out proposal and appropriate forms
5. Deliver bid to City Clerk's office, Room 311 located at City Hall

*Register for free to receive alerts when you match with new bid opportunities

Questions relating to bid process to Chevell Burgess
(401) 680-5264
cburgess@providenceri.gov

Questions relating to the MBE/WBE forms to Grace Diaz
(401) 680-5766
gdiaz@providenceri.gov

Assemble Your Package

All Bidders

- **Proposal**
- **Bidder's Blank**
- **Certification of Bidder**
- **Certificate Regarding Public Records**
- **Affidavit of City Vendor**
- **MBE/WBE Participation Affidavit:** indication whether or not the company is a certified MBE/WBE and acknowledging the City's participation goals.

Case Dependent

- **Bidders who will be subcontracting**
 - **Subcontractor Disclosure Form:** All subcontractors, regardless of MBE/WBE status, must be listed on this form. Awarded bidders are required to submit Subcontractor Utilization and Payment Reports with each invoice.
- **Prime contractor is not a MWBE AND the percentage of the total amount of the bid being awarded to MBE or WBE vendors is less than 20%**
 - **MBE/WBE Waiver Request Form:** Waivers will be considered on a case by case basis. No waiver will be granted unless the waiver request includes documentation that demonstrates that the Bidder has made good faith efforts to achieve the City's stated participation goals.
- **Bid-specific Supplemental Materials**

Bid Delivery

Deliver or mail 2 copies in sealed envelopes to the City Clerk's Office

Labeled:

- The RFP name
- The related city department

Addressed to:

- Board of Contract and Supply

Deliver before or the due date **by 2:15 pm at the latest**

Next Steps

All bids will be opened at the Board of Contract and Supply meeting

Bids will be sent to the related departments for review and selection

Department Directors will share bid recommendation with the BOCS

The earliest that you may hear back is **two weeks** after you dropped the bid

Bid Awards will be made within **60 days** of bid opening



MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

WORKFORCE SOLUTIONS



Employer Services

On-the-job training

- Companies interested in taking on an apprentice who needs to upskill may be eligible to receive funding in the form of on-the-job training (OJT).
- OJT programs can last anywhere from 4 weeks to 6 months.
- Eligible employers can receive reimbursement of up to 50%-90% of wages for this time.

Personalized training

- Customized training curriculum that addresses a company's specific occupational and soft skills requirements.
- The employer contribution towards the cost of training will range from 10% to 50% of the cost of training depending on the size of the company.

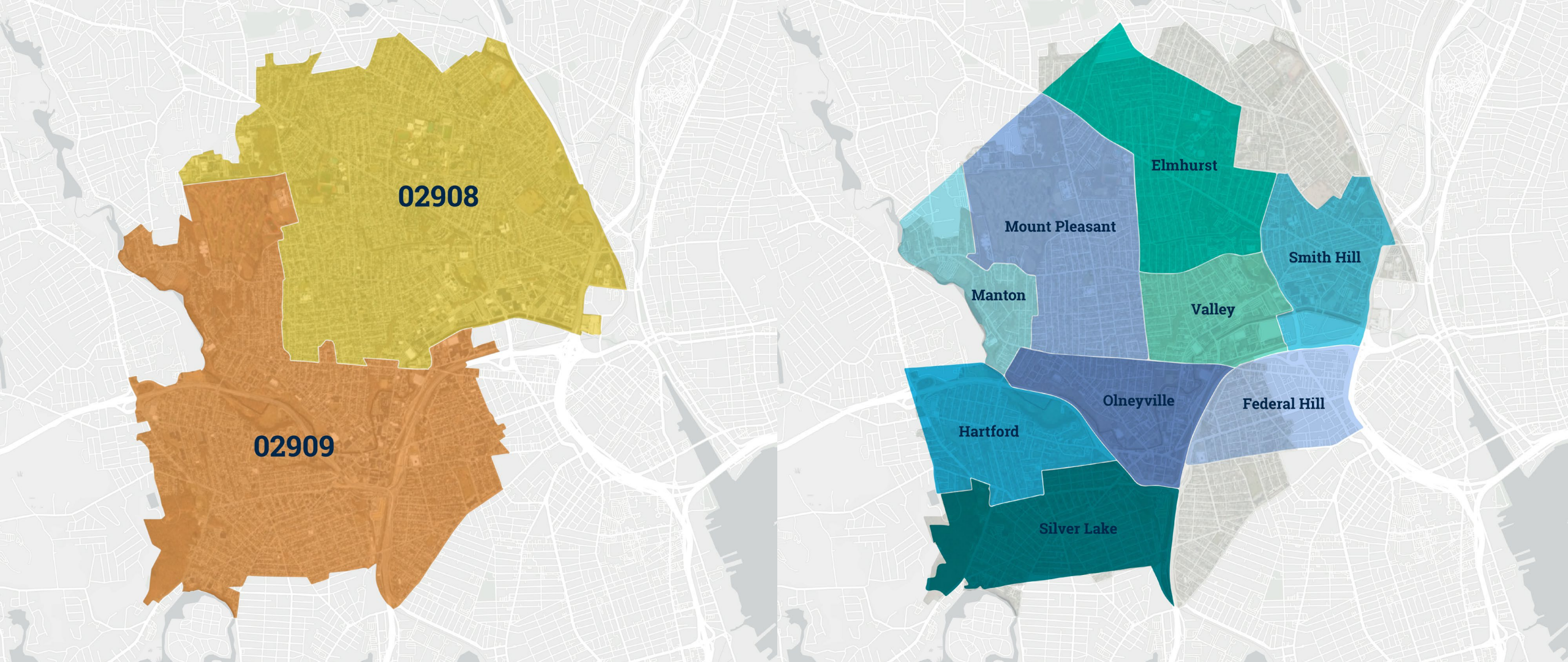
Job Seeker Services

- Services offered include:

- Information about training opportunities
- Job search assistance
- Resume Assistance
- Career planning
- Employer Recruitment Events
- Veterans Services
- GED Preparation Classes
- Math/Reading Assistance
- Computer literacy classes

Central Providence Community Loan Fund

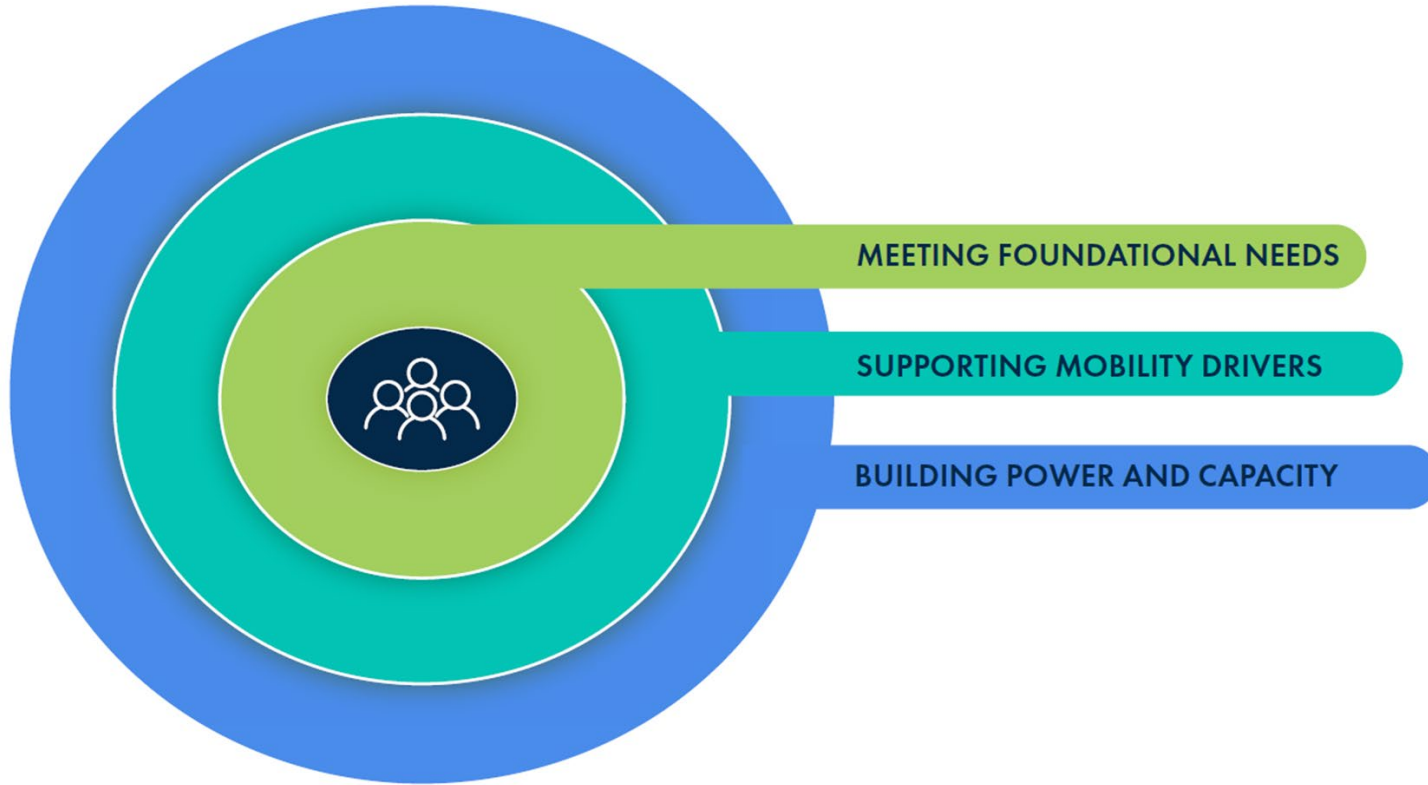




ONE CENTRAL PROVIDENCE

OUR VISION

Our vision is that all residents of Central Providence will live healthy, stable lives and be empowered to impact the conditions in their community.



Theory of Change

If 1CP-HEZ invests operational, financial, and political capital into efforts that meet residents' **foundational needs**, increases access to **drivers of mobility**, and **builds local power and capacity**, then the conditions that drive health and economic disparities will improve.



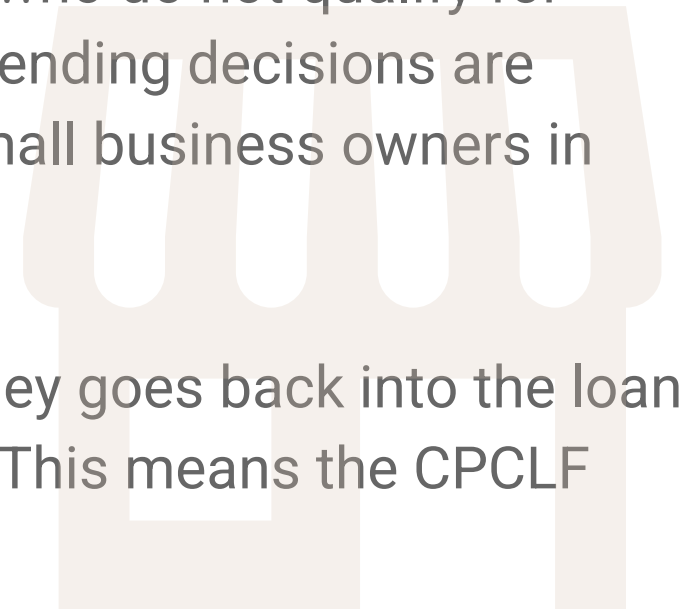
Central Providence Community Loan Fund



The Central Providence Community Loan Fund (CPCLF) is a community-led fund that provides low-interest loans for people who live or operate a small business or nonprofit in Central Providence (zip codes 02908/02909).

The fund provides low-interest, flexible capital, focusing on those who do not qualify for traditional loans. It is by the community, and for the community. Lending decisions are made by a committee with most members being residents and small business owners in Central Providence.

As businesses and nonprofits pay back their loans over time, money goes back into the loan fund and can be used to lend to more businesses and nonprofits. This means the CPCLF can support businesses and nonprofits for years to come.



THANK YOU! Any questions?

Contact:

Michael Nina

Nina@onenb.org

(401) 578-6491

For more information or to apply for a community loan, please visit our website... <https://oneneighborhoodbuilders.org/>



Tracking and Measuring the performance

How?

- A. Industry report
- B. Your financial statement
- C. The financial pro forma

Why?

- Make informed decision.
- Selling a business? Or Buying?

A. Industry Report

A.

Income Statement (Coffee Shops & Snack Bars, Industry-wide)

ITEM	2019-20	2020-21	2021-22
Revenue	100.0%	100.0%	100.0%
Cost of Sales	36.86%	36.93%	37.34%
Gross Margin	63.14%	63.07%	62.66%
Officers Compensation	2.32%	2.43%	1.74%
Salaries-Wages	19.84%	19.05%	18.33%
Rent	7.17%	6.33%	6.17%
Taxes Paid	3.99%	4.27%	4.06%
Advertising	2.07%	2.04%	1.96%
Benefits-Pensions	1.13%	1.26%	1.22%
Repairs	1.69%	1.72%	1.64%
Bad Debt	0.05%	0.08%	0.08%
Other SG&A Expenses	13.23%	16.76%	16.68%
EBITDA	11.65%	9.13%	10.78%
Amortization-Depreciation	3.99%	3.28%	2.85%
Operating Expenses	55.48%	57.22%	54.73%
Operating Income	7.66%	5.85%	7.93%
Interest Expense	1.73%	1.15%	1.14%
Other Income	-0.23%	-2.42%	-2.39%
Pre-tax Net Profit	6.16%	7.12%	9.18%
Income Tax	0.24%	0.09%	-0.62%
After Tax Net Profit	5.92%	7.03%	9.8%
Number of Firms Analyzed	131	67	80

B. Financial Statements

B 1. Balance Sheet

B 2. Income
Statement
(Profit & Loss)

B 3. Cash Flow
Statement

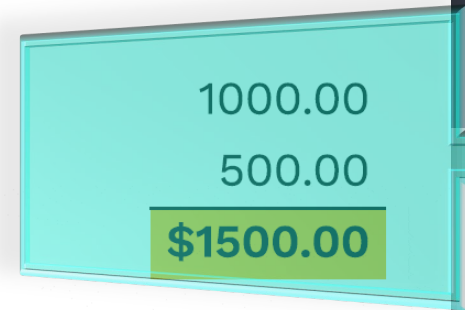
B. Financial Statements

B 1. Balance Sheet

Simple Balance Sheet

Assets

Cash
Accounts Receivable
Total Assets



OWNS

Liabilities & Owner's Equity

Liabilities

Bank Loan
Accounts Payable
Total Liabilities



OWES

Owner's Equity

Acme Photo, Capital
Total Owner's Equity

500.00
\$500.00

Total Liabilities & Owner's Equity **\$1500.00**

B. Financial Statements

B 2. Income Statement (Profit & Loss)

INCOME STATEMENT

For the Years Ending December 31, 2017

REVENUES:

Sales Revenue	\$500,000
Other Revenue	\$0
(Less Sales Returns & Allowances)	0
TOTAL REVENUES	\$500,000

Cost of Goods Sold	150,000
GROSS PROFIT	\$350,000

EXPENSES:

Accounting	\$2,500
Advertising	25,000
Amortization	0
Bad Debt	1,000
Depreciation	50,000
Employee Payroll Tax	15,000
Employee Wages	100,000
Entertainment	0
Insurance	2,000
Interest Expense	12,000
Miscellaneous	5,000
Rent	24,000
Software	0
Telephone	2,500
Utilities	7,000
Web Hosting	500
Vehicle Expense	12,000
-	0
-	0
-	0
-	0

TOTAL EXPENSES	\$258,500
-----------------------	------------------

NET INCOME BEFORE TAXES	\$91,500
--------------------------------	-----------------

Less Income Tax Expense	0
-------------------------	---

NET INCOME	\$91,500
-------------------	-----------------

B. Financial Statements

B 3. Cash Flow Statement

Cash flow statement for XYZ business for the year ended 31 st of December 2010	
	\$
CASH FLOW FROM OPERATING ACTIVITIES	
Cash receipts from customers	83,000
Cash paid to suppliers and employees	<u>(56,000)</u>
Cash generated from operations	27,000
Dividends received *	250
Interest received	500
Interest paid	(500)
Tax paid	<u>(2,450)</u>
Net cash flow from operating activities	<u>24,800</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Additions to equipment	(2,500)
Replacement of equipment	(7,000)
Proceeds** from sale of equipment	<u>500</u>
Net cash flow from investing activities	<u>(9,000)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from capital contributed	3,400
Proceeds from loan	16,000
Payment of loan	<u>(5,400)</u>
Net cash flow from financing activities	<u>13,000</u>
NET INCREASE/DECREASE IN CASH	
Cash at the beginning of the period	<u>2,430</u>
Cash at the end of the period	<u>31,230</u>

C. Pro forma

Revenue Projections

Year 1		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTALS	
			0.0%	9.1%	18.2%	27.3%	36.4%	45.5%	54.5%	63.6%	72.7%	81.8%	90.9%	100.0%	50.0%
			8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	100.00%
Product 1	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 2	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 3	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 4	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 5	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 6	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Year 2		Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	TOTALS	
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	100.00%
Product 1	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 2	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 3	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 4	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 5	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 6	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Year 3		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	TOTALS	
			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	100.00%
Product 1	100.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 2	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Product 3	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Pro forma

	Year 1	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTALS
REVENUE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COST OF GOODS SOLD		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GROSS PROFIT		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXPENSES:														
Owner's Salary		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner Payroll Taxes	15.30%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Employee Wages		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Payroll Taxes	10.35%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable Employee Wages	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Variable Payroll Taxes	10.35%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Workers Comp	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bad Debts	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outside Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ad/Promotion		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Car/Travel		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct & Legal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Lease		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Agenda

- Determine your preparedness to start a business/Regulatory requirements
- Business and Financial Planning
- Tracking and Measuring performance

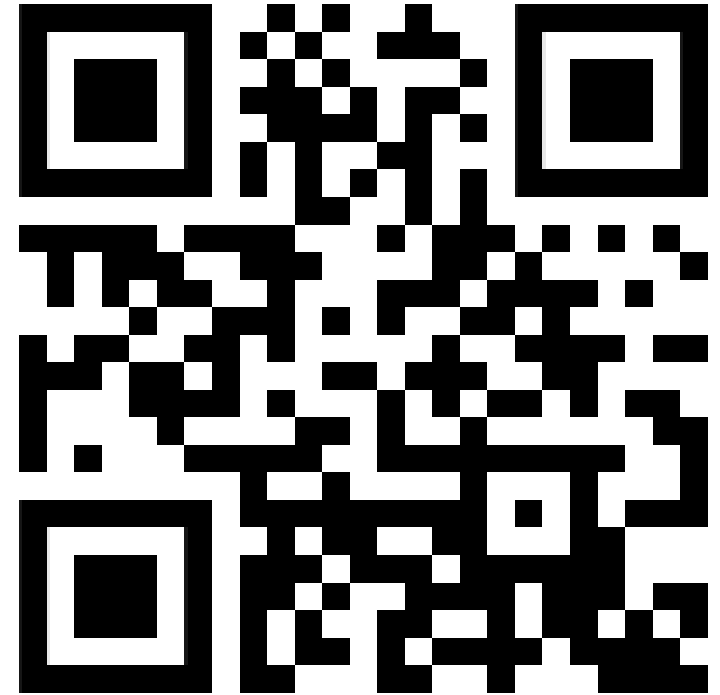
Summing up

- Diligent planning, DON'T RUSH!
- Don't over look professional services
- Need capital? You must convince the lender! They make money by lending money!
- Develop performance metrics that help your business grow.
 - Checklists!
 - Understand your advisor's role!

Thank you for
joining!
Questions?

We invite you to
take Mayor
Smiley's **Business
Satisfaction Survey**

Closes Feb 2nd



Scan barcode or visit
providenceri.gov/survey