

# Business Planning Guide for Entrepreneurs

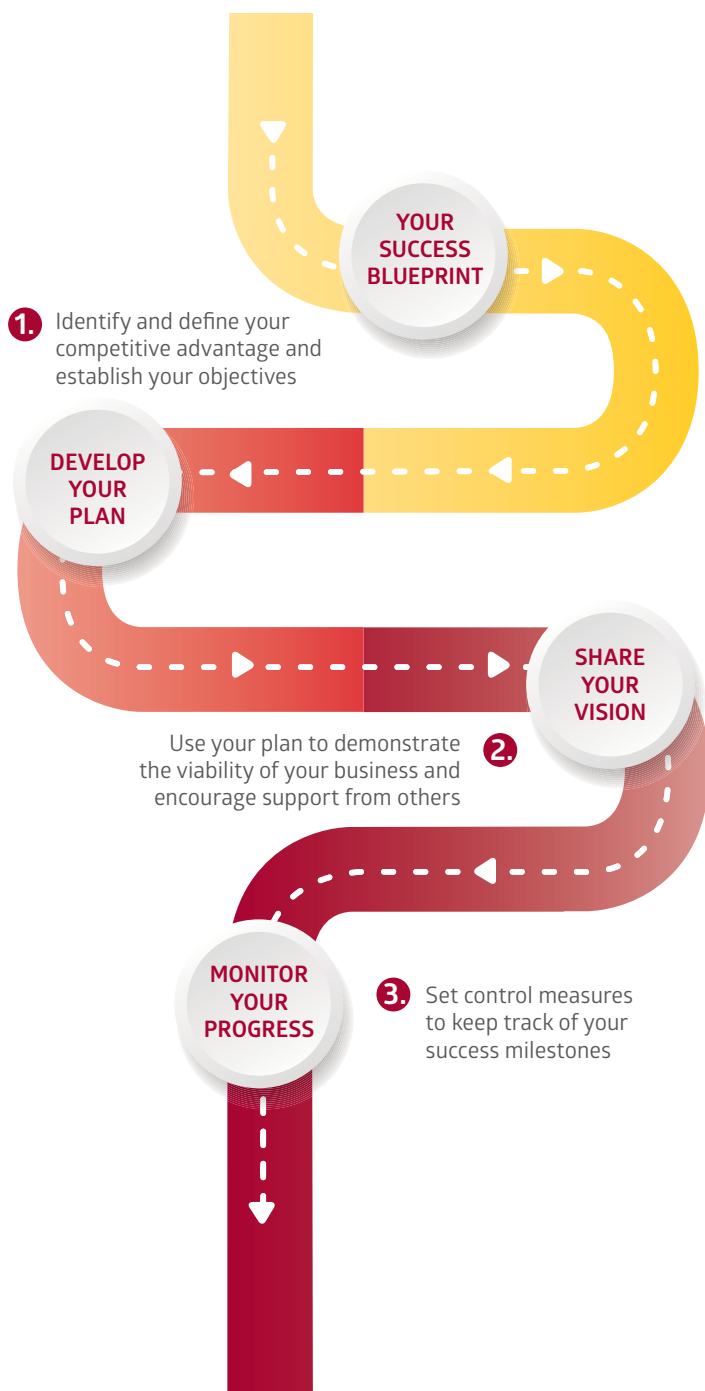


Concepts, insights and practical planning tools to help ensure the successful launch of your business



**FirstCaribbean**  
International Bank

# R o a d m a p



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# Know how to be successful

Whether you are starting a new business or running an established one, a good business plan helps to set you on the road to financial success. By mapping out your goals and strategies, you'll get a clearer picture of what your business really needs. In addition, an effective business plan is essential if you want to attract investors. CIBC FirstCaribbean Business Banking is committed to helping entrepreneurs like you transform great ideas into viable businesses.

## Your guide to business

Whatever the size of your venture, whether you're just contemplating starting your own business or have recently launched a new company, CIBC FirstCaribbean Business Banking has the financial services to help you get off to a strong start.

Take advantage of the resources and featured services of your CIBC FirstCaribbean Business

Planning Guide for Entrepreneurs, providing information and guidance to help get you up and running with confidence.

Count on our CIBC FirstCaribbean Business Banking Managers to understand your goals and help you meet your individual banking needs.

# Getting Started

## Create your roadmap for small business success

We at CIBC FirstCaribbean understand how important it is for you as a small business owner to always be in control of your finances and maximise the use of your time.

As a committed financial partner, we are pleased to provide you with Account Management Guidelines and tips to help you manage your business account(s) effectively.



- 1. Develop your plans.** Define your competitive advantage and set your objectives
- 2. Share your vision.** Use your plan to show others the viability of your business to help earn their support
- 3. Monitor your progress.** Know how to measure your milestones to track your success

Use this guide which provides you with valuable information to help you enhance the quality of service delivery for your business and enjoy the advantages of maintaining a well-managed account.

### Meet with an advisor

For more information on the CIBC FirstCaribbean Business Planning Guide for Entrepreneurs, please visit your nearest branch, speak with one of our CIBC FirstCaribbean Business Banking Managers, or visit [cibcfib.com](http://cibcfib.com)

# Stay solo or incorporate? Pick a business structure that fits

Before you open for business, you have to decide on a business structure. Consider these three choices and what you need to know about them and consult with a professional tax or legal advisor who can help you determine which one suits you best:

## Sole proprietorship

This type of business can be up and running quickly – in fact, if you’ve already started doing business, you likely already operate as a sole proprietorship by default. There’s no need to incorporate and no legal distinction between yourself and your business. You’ll account for your business in your personal tax return.

## Partnership

If you go into business with someone else, you can form a partnership without having to incorporate.

You would combine your financial resources into the business and establish the terms of your arrangement through a partnership agreement. As partners, you share in the profits, or losses, exactly as stated in your partnership agreement.

## Corporation

An incorporated business is a legal entity, separate from that of the owners or shareholders. You can form a corporation by yourself, as the sole shareholder, or you can form a multi-shareholder corporation, which would be governed by an agreement on mutual rights and obligations.

### Keep in mind

If you are not incorporated and use a business name other than your own, most countries require you to register it.

	Sole proprietorship	Partnership	Corporation
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Easy way to establish a business</li> <li>• Least amount of tax or legal paperwork required</li> <li>• There can be tax advantages</li> </ul>	<ul style="list-style-type: none"> <li>• New business costs can be shared</li> <li>• Opportunity to partner with someone with complementary knowledge or strengths for the business</li> </ul>	<ul style="list-style-type: none"> <li>• Your personal financial liability is limited</li> <li>• Ownership is transferable, if you want to sell later on</li> <li>• Separate legal entity</li> <li>• Tax rate could be lower for an incorporated business</li> </ul>
<b>What else to know</b>	<ul style="list-style-type: none"> <li>• You have personal liability for any business debts and obligations</li> <li>• You’re the sole decision maker</li> </ul>	<ul style="list-style-type: none"> <li>• As with sole proprietorships, there is no legal difference between you and your business</li> <li>• You will still have personal liability over any business debts</li> <li>• Consider how compatible you are for a working relationship</li> <li>• You will be financially responsible for a partner’s actions</li> <li>• Worth seeking legal advice on issues like profit sharing, breaking up the partnership, and more</li> </ul>	<ul style="list-style-type: none"> <li>• Corporations are closely regulated</li> <li>• Extensive records have to be kept</li> </ul>

## Build your team of advisors and mentors

### As your own boss, it pays to know the value of advice

Every business needs a good lawyer, accountant and banker, and a trusted mentor who can share personal insights or experience that can help steer you in the right direction.

By surrounding yourself with a circle of advisors early on and being open to what they suggest, you can benefit from their guidance in refining your business plan.



## Associations & Resources

### Core advisors:

Help you create structure, manage risk, monitor financial health

- ✓ Accountant
- ✓ Lawyer
- ✓ CIBC FirstCaribbean Business Banking Manager
- ✓ Industry veteran
- ✓ Insurance agent or broker

### Consultants:

Support operational plans and help prepare for future growth and expansion

- ✓ Business coach
- ✓ HR specialist
- ✓ Management consultant
- ✓ IT specialist

### Market advisors:

Help you research and test the market and develop your marketing plan

- ✓ Top clients
- ✓ Friendly prospects
- ✓ Marketing specialist
- ✓ Market researcher
- ✓ Creative & advertising

### Use government services

Call or visit an office of your local business association for help and information about mentorship and management advice.

### Look for an incubator

Business incubators, such as your local Small Business Association, can offer a great way for new entrepreneurs to get mentorship and management advice.

# Know your home/office advantage

## Take advantage of eligible deductions, but know the limits

For many self-employed professionals, one of the greatest things about going solo is enjoying the flexibility of working from a home office.

Some tax authorities may allow certain income tax deductions for the business use of work space in your home, which can include a portion of the mortgage interest or rent you pay. To qualify, your home must be your principal place of business or is a space where you regularly meet clients.

For guidance talk to your accountant professional, or contact the government inland revenue office for a list of allowable 'business use of home' expenses.

## Start with the right setup

A business advisor can offer guidance on how to enable your business with the right financial solutions.

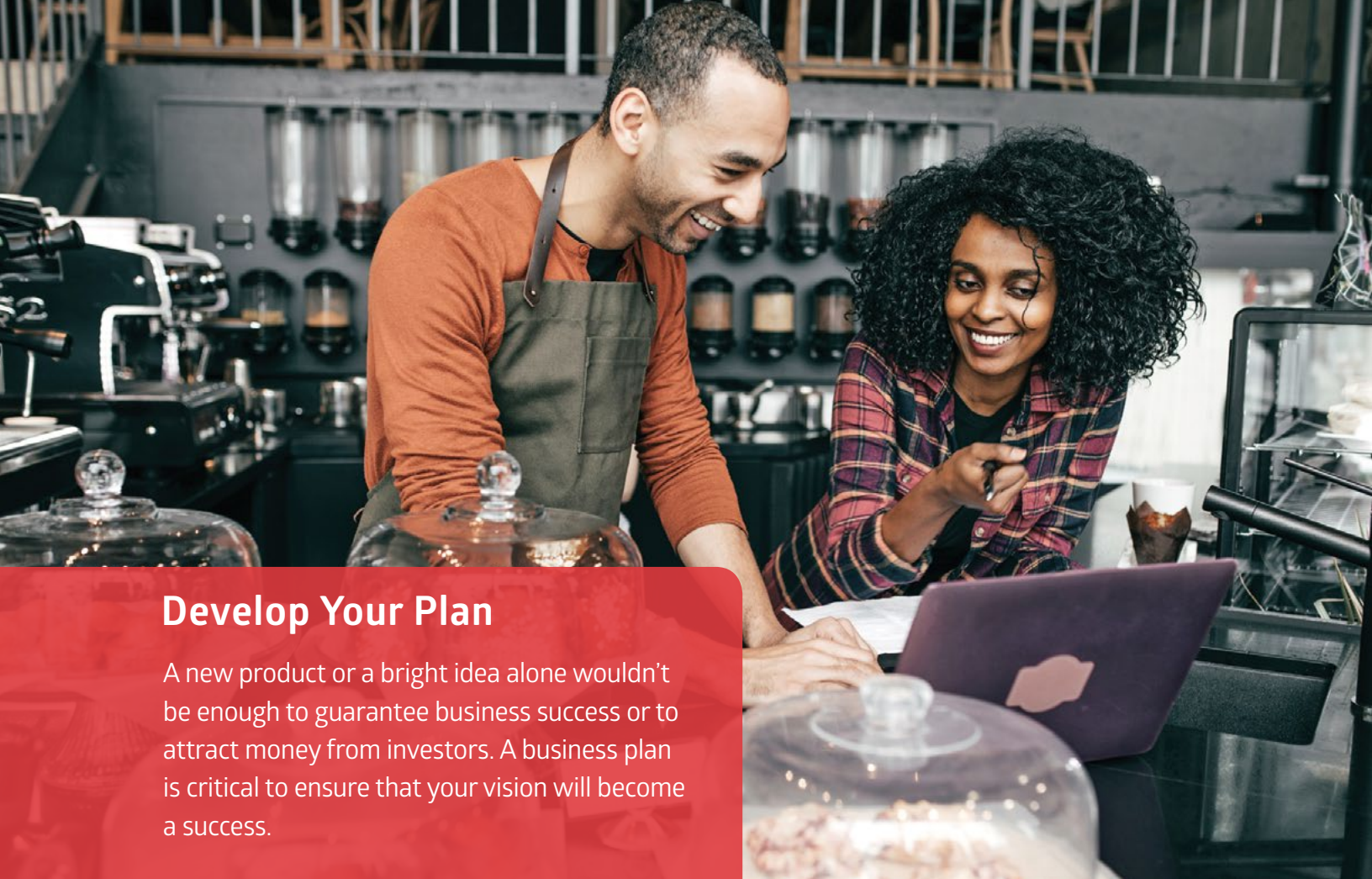
## Keep your eye on costs

It's important for small businesses to continually assess costs and keep tight control of spending. Consider whether expenditures are justified to generate business results.

## Review your plan

Be prepared to rework the financial assumptions and forecasts in your business plan to reflect any external developments in your marketplace, new business or internal changes in your operations.





## Develop Your Plan

A new product or a bright idea alone wouldn't be enough to guarantee business success or to attract money from investors. A business plan is critical to ensure that your vision will become a success.

## 8 critical factors that can drive success

Along with your idea, one of the most important pieces of information in your business plan is the knowledge you gather about the market you're in, and how well you can demonstrate the financial viability of your idea.

Listed below are the top eight critical factors driving entrepreneurial success, as identified from research by the non-profit Canadian Innovation Centre and other small business resources. Ask yourself the following questions to put your business model to the test:

- 1. Performance advantage.** Is your product or service distinct from what's already in the marketplace, and how?
- 2. Market readiness.** How close are you to getting your product or service into the market?
- 3. Uniqueness.** Do you have an advantage that could keep potential competitors from copying what you do?
- 4. First customer.** Do you already have customers who can vouch for your business, or who are prepared to do business with you when you start up?



## 8 critical factors that can drive success *cont...*

- 5. Distribution.** Do you have a plan or method to reach new customers?
- 6. Market size.** Is the market big enough to generate sufficient revenue and leave room for growth?
- 7. Personal qualities.** Do you have the experience and industry knowledge to see this through, or are you affiliated with expert advisors?
- 8. The financial plan.** Can your forecasts stand up to the test of reality?

### Be informed

Stay focused on industry trends, consumer buying patterns or economic forecasts that can be game changers. A good business plan should be able to evolve to take advantage of opportunities as they present themselves.

### Use market research for these seven P's

Market research can equip you with information you need to make more informed decisions about your business. Consider these seven P's that a business plan documents or substantiates through research:

- People:** Who are your customers?
- Product:** How is yours unique and what do people think about it?
- Place:** Where will you do business and what channels are available?
- Price:** How are competitive offerings priced, and what's the rationale for your pricing?
- Promotion:** What avenues are available to get the attention of your target customer?
- Process:** The process of service delivery is crucial, what are the processes involved in delivering your products and services to the customer?
- Physical Evidence:** What are all the physical areas viewed by your customers, from your reception area through to your delivery vehicles and drivers?

### Protect what's yours

Seek counsel on how to legally protect your invention, trade name, or copyright. For more on patents, trademarks and licences, contact your local Corporate Affairs and Intellectual Property Office.

# Your business profile

Essential details to include in your business plan. Keep a copy of your business profile or use it to provide background reference when you meet with financial advisors, investors or business advisors.

Your name: \_\_\_\_\_

Company name: \_\_\_\_\_

Trade name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

Website URL: \_\_\_\_\_

Describe the product or service your business provides.

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Industry sector *(Tick one)*

- Retail
- Manufacturing
- Service
- Franchise
- Other \_\_\_\_\_

How is your business structured? *(Tick one)*

- Sole proprietorship
- Partnership
- Corporation

# Business ownership and management

## Owners and key personnel/principals

Name	Title/Responsibilities	% of business held
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

### Describe your management team. What are your/their qualifications, strengths and weaknesses?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Professional Advisors

Accounting firm:	Location:	Name of Accountant:
_____	_____	_____
Law firm:	Location:	Name of Lawyer:
_____	_____	_____
Bank: CIBC FirstCaribbean	Location:	Name of Business Banking Manager:
_____	_____	_____

### Related companies or joint ventures

List any other companies your business is associated with and provide a description of the relationship.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Elements of your business plan

The process of researching and writing your business plan can be the perfect time to refine and further develop your ideas while consulting with your team of experts and advisors as you plan each area.

This checklist and planning map may help you to keep track as you research and gather the essential categories of information generally included in a business plan.



	In progress	Complete
<b>Your business opportunity</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Analysis of the industry</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Analysis of competitors</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Marketing plan</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Team bios</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Management</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Key employees</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Human resources plan</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Policies and procedures</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Operations plan</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Equipment/technology/R&amp;D /environmental aspects</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Business location requirements</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial forecasts</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Financial performances, historical and projected</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Sales, cost of goods sold, expenses, income statement, balance sheet, cash flow budget, financing requirements and personal financial statement</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Target dates and action plans</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Executive summary</b>	<input type="checkbox"/>	<input type="checkbox"/>

# Market and competitive analysis

A successful business plan accounts for the environment you will operate in: your customers, market forces facing your business, availability of suppliers, competition and market trends.

What business sector/industry are you in?

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How many years have you been in this industry and what experience do you have in it?

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What geographical areas do/will your business service?

Local                       Regional                       International

International – Specify key markets: \_\_\_\_\_

Regional – Specify key markets: \_\_\_\_\_

### Target customers

Briefly identify your primary customers in the marketplace (age, income level, social or cultural characteristics, etc.) and describe their need/want for your product or service.

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### Top three customers

List your top three current customers or prospects, and how much you expect them to spend.

	Annual sales \$
1. _____	
2. _____	
3. _____	

### Market research

Have you done market research on the needs of customers? If so, describe how the results have influenced your plans.

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# Your competitive setting

## Your competitive setting

List your three largest competitors and estimate their share of the market

Name of competitor	% of market
1. _____	_____
2. _____	_____
3. _____	_____

## Social factors/trends

What major social issues or trends may affect or influence the direction of your business?

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## Pricing

What is the current price of your range of products or services in the industry? \_\_\_\_\_

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What is your competition charging? \_\_\_\_\_

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What is the total cost of producing your product or delivering your service? \_\_\_\_\_

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What is the minimum profit you need to generate? \_\_\_\_\_

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## Regulations and licensing

Do you need permits or licences to operate? Yes  No

What government policies and regulations directly impact your business?

Policy	Regulation
_____	_____
_____	_____
_____	_____

# Your competitive setting *cont...*

## Suppliers

Who are (or will be) your major suppliers, and what do they supply? Where are they located and how long have they been in business?

Supplier	Product/Service	Location	Years in business
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## Facilities

Describe your plans, offices, warehouses and other facilities where you conduct or plan to conduct business.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



# Define key plans and objectives

Setting objectives provides a way to measure how well your business is doing over time, and get better at forecasting. Your objectives should be simple, factual statements that are measurable and accountable.

## Objectives can include:

1. Market share targets
2. Number of new customers
3. Sales targets
4. Profitability
5. Production goals
6. Other business milestones

<b>List your 3 most important short-term objectives</b>	<b>Target date – 1 to 3 years</b>
1. _____	_____
2. _____	_____
3. _____	_____
<b>List your 3 most important medium-term objectives</b>	<b>Target date – 3 to 5 years</b>
1. _____	_____
2. _____	_____
3. _____	_____
<b>List your 3 most important long-term objectives</b>	<b>Target date – 5-plus years</b>
1. _____	_____
2. _____	_____
3. _____	_____

## Financial objectives: Three-year projected financial forecast

	Year 1	Year 2	Year 3
Sales	_____	_____	_____
Net earnings	_____	_____	_____
Total assets	_____	_____	_____
Outside debt	_____	_____	_____
Owner's equity	_____	_____	_____



# Your income forecasts

An income statement can help you measure the success of your business, and report sales and net profit. It can also help you quickly highlight if expenses have jumped or if sales have altered from your projections.

With a realistic picture of these financial elements, you'll know how profitable you can expect your business to be.

Estimate your quarterly revenues and expenses for the year, and come back to these estimates to track your progress.

	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
<b>Total revenue/sales:</b>					
Minus:					
Cost of goods and services sold					
<b>= GROSS PROFIT</b>					
Minus:					
Sales costs					
Payroll expenses and deductions					
Office expenses					
Interest expenses					
General expenses					
<b>= OPERATING PROFIT</b>					
Minus:					
Business taxes payable					
Owner(s) drawings					
<b>= NET INCOME</b>					

# Personal financial statement

A personal financial statement, also called a statement of net worth, is a balance sheet showing your personal capital: What you own and what you owe.

What it can tell people: It demonstrates your ability to meet financial obligations, both in your business and personal life. Shows the resources of collateral you're able to bring into your business.

Assets	\$	Liabilities	\$
Deposits & investments		Loans and mortgages	
Chequing		First mortgage	
Savings		Second mortgage	
Term deposits		Loans	
RRSPs		Other	
Mutual funds, stocks		<b>Credit accounts</b>	
Other		Credit cards	
		Department store cards	
<b>Real estate</b>		Line of credit	
Home		Other	
Other		<b>Other liabilities</b>	
<b>Other assets</b>		Guarantees	
Cars		Family/friends	
Boat/recreational vehicles		Other	
Business holdings			
<b>TOTAL ASSETS</b>		<b>TOTAL LIABILITIES</b>	

## Annual income and expenses

Monthly income	\$	Monthly expenses	\$
Employment income		Home, utilities, etc.	
Spouse's income*		Loan repayment	
Investment income		Credit accounts	
Pensions, annuities		Transportation	
Other		Recreation, hobbies	
		Insurance, medical	
		Education, child care	
		Other	
<b>TOTAL INCOME</b>		<b>TOTAL EXPENSES</b>	

\*You will need your spouse's consent before you disclose his/her income to any third party

# Share Your Vision

In words and numbers, your business plan can both captivate people with your idea and make a solid case for its financial viability. When you plan each detail with the help of business advisors, you'll gain more confidence to talk about your business, get your message out and win over new clients, staff or investors. Make sure your plan has a business overview, sales and marketing plans and financial requirements and projections.

## Tips for talking about your business plans

### **Discuss your resume.**

When discussing your new business, make sure to highlight your own business experience and any success stories

### **Be organised.**

Be able to sell the concept of your business and keep your plan easy to read

### **Be prepared.**

In addition to your business plan, when sharing your vision, make sure you have copies of your tax return, notice of assessments, personal net worth statements and copies of any contracts

### **Avoid jargon.**

Your industry's latest buzzwords may mean nothing to a potential client or investor

### **Be yourself.**

Let them see the person they're doing business with

### **Show proof.**

Back up statements with well-researched facts and examples from reputable sources

### **Present it professionally.**

Be polished in your presentations, and avoid the excessive use of graphics and colours.

### **State your proposal.**

If you're asking for something, say so

### **Be objective.**

Know your strengths and weaknesses



# SWOT analysis

In business planning, it's important to realistically evaluate your strengths and weaknesses, as well as those of your competitors, in order to identify opportunities or areas you can improve in.

Start with this classic analysis by listing your strengths, weaknesses, opportunities and threats (SWOT analysis) to help you assess your business prospects.



<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>

# Monitor Your Progress

## Set good financial habits

When you don't have administrative help, it can be a challenge to stay on top of paperwork once business picks up. Staying organised and keeping your accounting up-to-date can help you plan better, measure your progress, make more accurate forecasts and use your cash wisely.

## Establish a system

Have a process or system ready and in place even before your business lands its first client or contract. Professional accounting advice can help you establish good bookkeeping processes and capture all your eligible business tax credits, while online banking can open a real-time window on your balance sheet.



# Create financial statements

**Having up-to-date financial statements will help you determine how your company will need to be structured financially in order to achieve your business objectives.**

## **Balance sheet**

A Balance Sheet is a financial “snapshot” of your business at a given point in time. It outlines assets, liabilities, and the amount of shareholders’ equity invested in the business. Using your Balance Sheet information, you and your business advisor can apply certain yardsticks to measure the financial health of your business.

## **Income statement**

To ensure the success of your business, you need to know how your revenues stack up against your business expenses. With a realistic picture of these financial elements, you’ll know how profitable you can expect your business to be.

## **Cash Flow Forecast**

A Cash Flow Forecast is one of the most important elements of your business planning. It allows you to estimate the flow of your revenues and expenditures and adjust your business strategies to fit those patterns. However, this forecast can also be one of the more difficult documents to prepare, so you may want to ask your accountant for help. When you prepare your Cash Flow Forecast, make sure it’s realistic. Estimate your cash receipts and cash disbursements as accurately as possible.

## 5 to-do's for good financial management

- 1. Invest in accounting software.** By automating your paperwork and bookkeeping as much as possible, you'll keep a better view on your financial health. Your accountant can recommend a system that allows you to generate and track invoices and receivables.
- 2. Keep business accounts separate from personal.** Combining personal and business funds can create accounting and tax problems and make it difficult to assess how well a business is really doing, even for sole proprietors. An advantage of working with a business advisor is that he or she has a clear view of both your personal and business accounts. Plus, business banking services may offer added features and access to advisors.
- 3. Manage your cash flow effectively.** Managing payables and receivables effectively is one of the best ways for a business to take advantage of available cash flow. Find out whether preferred payment terms could help you get discounts from suppliers. Or, if it's worth offering incentives to customers who pay in advance, putting cash in your accounts. You can use cash management solutions to your advantage to view real-time cash holdings online and monitor expenses. Ask your CIBC FirstCaribbean Business Banking Manager for a demonstration.
- 4. Document everything.** Keep paper or electronic records of sales receipts, invoices and expenses incurred. Running expenses through a business credit or debit card account can be an easy way to consolidate some of this reporting. For tax purposes, you're expected to keep documents on file for six years after filing a return.
- 5. Keep records complete.** Good bookkeeping has lots of advantages besides tidy paperwork. It can help provide you with information on the past and present financial positions of your business to make informed decisions, and can help you demonstrate to lenders or investors your track record for managing finances.

# Is your business protected?

## 5 insurance needs to consider

Thinking about risks and liability isn't about doom and gloom: it's a healthy business practice to protect people, business and assets. Consider these five common areas of potential insurance need for your type of business:

### 1. Insurance for owners, partners and key employees

Life, health and disability insurance can protect a small business from the loss or illness of a partner or key employee. This kind of coverage may be especially important to protect dependants of a sole proprietor, whose estate would have to cover any business debts.

### 2. Insurance for property and assets

This could include property insurance, contents insurance on rental space and car insurance. If you have to shut down due to a fire or emergency, business interruption insurance can cover loss of earnings until you are back up and running.

### 3. Liability insurance

This kind of coverage protects against mistakes that could harm or injure customers, employees, or others connected to your business. This can include professional liability insurance or protections against errors, omissions or negligence.

### 4. Accounts receivable or credit insurance

This protects against risk of non-payment of goods.

### 5. Employee health insurance benefits

Group plans are available to provide supplemental health and dental insurance coverage for employees, while you may have to contribute to a workplace health and safety programme. Consult with an insurance professional or contact your industry association for guidance on best practices for your type of business.

If you run a business out of your home, it's a good idea to consult with your insurance advisor to see if you need separate insurance coverage against loss of business assets or earnings.



# Notes and questions to ask your business advisors

## Notes

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## To do/questions about my next steps:

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## Key dates/appointments:

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Take your next strong step. For more information on the CIBC FirstCaribbean Business Planning Guide for Entrepreneurs, please visit your nearest branch to speak with a CIBC FirstCaribbean Business Banking Manager, **or call us toll free at 1-866-743-2257.**



# Glossary of common business terms

## A few words to know from the business world

### Balance sheet

A financial statement showing a company's assets, liabilities and shareholders' equity on a given date. It shows what the company owns and the debts it owes.

### Business plan

An overview, in words and numbers, of the history of a business and its owners, aims and objectives of the business, and the strategies and tactics planned to achieve these goals.

### Capital investments

Money used to purchase permanent fixed assets such as machinery, land or buildings.

### Capital equity contribution

The money that you have invested in your business.

### Cash flow forecast

An estimate of when (and how much) money will be received and paid out of a business.

### Depreciation

A charge to write off the cost of an asset over its useful life.

### General and administrative expenses

The day to day costs of doing business, such as rent, utilities, advertising, insurance, and other regular expenses.

### Goodwill

An amount representing the excess paid for a company or its shares (or other assets) over its net asset value.

### Gross profit margin

The difference between revenue and the costs of goods and services sold.

### Net income

Profit after all business expenses are deducted.

### Operating loan

Also called a line of credit, this is a short-term, flexible loan to assist with your working capital needs. i.e. inventory or accounts receivable.

### Cash flow

A company's net income for a stated period plus any deductions that are not paid out in actual cash, such as depreciation, amortisation, deferred income taxes and minority interest. Cash flow can provide a broader picture of a company's earning power than net earnings alone. Healthy cash flow shows a company's ability to pay dividends and finance expansion.

### Cash receipts

Cash your business receives from selling goods or services.

### Cost of goods/services sold

The direct costs involved to your business in making your products or offering your services.

### Current assets

Cash, receivables, inventory or any other asset which may convert to cash within one year.

### Current liabilities

Amounts owing such as payables, bank loans and other debt which may be paid within one year.

### Operating profit

The profit level before the owners take their draw and business income taxes.

### Payables

Money that your business owes to suppliers.

### Receivables

Money that is owed to your business by your customers.

### Retained earnings

Profits that are retained in your business rather than paid out as dividends.

### Revenues (sales)

The dollars your business receives for the product or service produced or provided.

### Shareholders' equity

The net assets which belong to the owner(s) of the business.

### Term loan

A longer-term loan for equipment, land or other fixed asset purchases. Payment is normally a fixed monthly amount.

For more information  
contact your Business Banking Manager today  
or call us toll free at **1 866 743-2257**.



**FirstCaribbean**  
International Bank

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