**Investment Requirement Analysis Template**

**Step 1: Calculate your capital requirement**

In this section, we work out how much money will need to be invested in your social business to get it not only launched but to the point at which it becomes profitable and self-sustaining (the break-even point).

Calculate your **capital investment requirement** by identifying and costing the large items you will need to purchase:

|  |  |
| --- | --- |
| Item | Cost |
|  | £££ |
| Total | £ |

Calculate your **working capital requirement** – the amount of cash you will need to inject into the business to ensure that you can pay all the bills as they fall due. You can roughly calculate your working capital requirement as follows:

|  |  |
| --- | --- |
| Maximum amount tied up in stock at any one time | £ |
| Add maximum amount tied up in work in progress at any one time | £ |
| Add maximum amount that debtors will owe you at any one time | £ |
| Subtract the minimum amount that you will owe to suppliers and subcontractors at any one time | £ |
| Add a margin for contingency | £ |
| Sum = working capital requirement | £ |

Add your capital investment requirement to your working capital requirement to give your **total** **start up capital requirement**:

|  |  |
| --- | --- |
| Start up capital requirement | £ |

**Step 2: Identify sources of income**

Having calculated or estimated how much capital investment is required to get your social business to the break even point, the readers of your feasibility study will want to know where it's all going to come from.

List your **potential sources of income** here. Copy and paste this table as required:

|  |  |
| --- | --- |
| Name of financier |  |
| How much? | £ |
| Type of finance (loan/donation/grant/shares purchase etc.) |  |
| What for? |  |
| Have you approached them yet? | yes/no |
| If so, what has been agreed or discussed? |  |

|  |  |
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Subtract the amount that you are confident of raising, as detailed above, from your total capital requirement to calculate the **funding gap**:

|  |  |
| --- | --- |
| Funding gap | £ |

Say how you think the funding gap will be filled:

|  |
| --- |
|  |

**Step 3: Other investment**

All start up enterprises rely to a certain extent on **sweat equity** – time given freely by activists and supporters. Use the table below to say who will be putting sweat equity into your social business, including yourself, and describe the nature of that input:

|  |  |
| --- | --- |
| Name | Unpaid input |
|  |  |
|  |  |
|  |  |

You may also be relying on **other** types of **donation and support** to get your social business off the ground, for example free computer equipment, mentoring, consultancy or specialist services. Describe those here:

|  |  |
| --- | --- |
| Donor or supporter | What will they provide? |
|  |  |
|  |  |
|  |  |