



Practical Guide: Key Points for Financial Planning and Access to Funding

Sound financial planning and smart access to funding are fundamental pillars for business sustainability and growth. This guide outlines the critical steps and considerations to develop a strong financial foundation and secure funding from public or private sources.

1. Set Clear Financial Objectives

- - Define short, medium, and long-term financial goals (e.g., break-even, profitability, expansion).
- - Align financial goals with your business strategy and growth stage.
- - Determine capital requirements for each phase (startup, scaling, R&D, market entry).

2. Build a Solid Financial Model

- - Create detailed revenue forecasts based on market assumptions.
- - Map fixed and variable costs, break-even point, and cash flow projections.
- - Include scenarios: best case, realistic, and worst case.

3. Maintain Accurate Financial Records

- - Use accounting software to track income, expenses, and balance sheets.
- - Prepare monthly reports: profit & loss, cash flow, and financial ratios.
- - Work with a certified accountant or financial advisor to ensure compliance.

4. Understand Funding Options

- - Equity: Angel investors, venture capital, crowdfunding, strategic partners.
- - Debt: Bank loans, credit lines, SBA loans, equipment financing.
- - Grants: Non-repayable funds from government, NGOs, and innovation programs.

5. Develop a Funding Strategy

- - Choose funding types that match your business model and control preferences.
- - Define timing and amounts needed per stage.
- - Combine sources to diversify risk and increase resilience.

6. Prepare a Compelling Investor or Loan Package

- - Business plan with financial projections and market analysis.
- - Pitch deck with vision, traction, and capital use plan.
- - Due diligence folder with legal, operational, and financial documents.

7. Build Relationships and Stay Investor-Ready

- - Attend networking events, accelerators, and pitch competitions.
- - Keep stakeholders informed with regular updates and financial reports.
- - Cultivate transparency, credibility, and responsiveness.

8. BONUS TRACK For Small Businesses:

- - Focus on cash flow stability before aggressive growth.
- - Track breakeven point monthly to manage seasonal variations.
- - Use micro-goals for capital budgeting (e.g., new equipment, hiring first employee).
- - Keep the model simple using spreadsheets or templates from the SBA.
- - Forecast cash flow weekly for the first year.
- - Account for variable income and unexpected expenses in your buffer.
- - Use affordable tools like QuickBooks, Wave, or FreshBooks.
- - Reconcile accounts monthly to avoid tax-time surprises.
- - Outsource bookkeeping if you lack internal expertise.
- - Explore local microloan programs and community development financial institutions (CDFIs).
- - Look for minority, women, or veteran-owned business programs.
- - Join local chambers or small business alliances for grant alerts.
- - Start with low-risk sources like family, friends, or revenue-based financing.
- - Avoid over-leveraging—calculate debt service capacity cautiously.
- - Have a backup plan if funding delays affect operations.
- - Use templates from SBA or SCORE for business plans and projections.
- - Tailor each package to the specific funder's requirements.
- - Include personal financial statements if applying for personal guarantees.
- - Build a relationship with a community banker early—even before you need a loan.
- - Attend free funding readiness workshops from SBDCs or SCORE.
- - Update your pitch materials every quarter, even if you're not actively fundraising.

How to Use This Guide?

- Download and share it with your team.
- Apply the steps one by one or customize them based on your context.
- Connect with **K-OS INNOVATION** if you want strategic support.

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