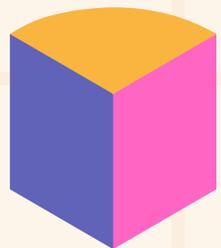


FINANCE ESSENTIAL FOR STARTUPS

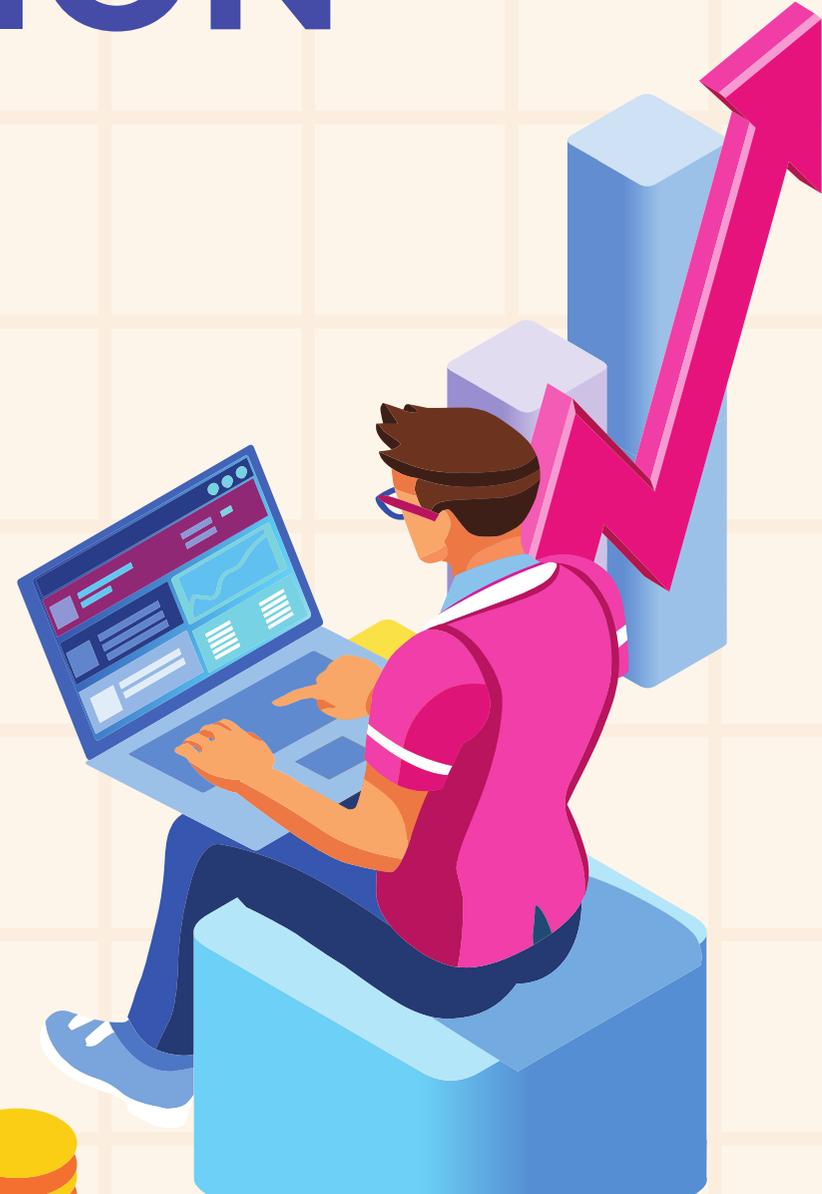


INTRODUCTION

Finance is the backbone of any startup; poor financial planning leads to failure.

Key aspects covered:

1. Understanding the Break-even Point
2. Sources of Funding and Investment
3. Types of Costs & Revenue Streams
4. How to Build a Sustainable Financial Plan



WHAT IS BREAK-EVEN POINT?

Definition: *The point where total revenue equals total costs.
No profit, no loss.*

Formula:

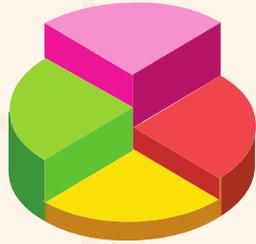
Break-even Point (Units) = Fixed Costs / (Selling Price per Unit - Variable Cost per Unit)

Example: *A Startup selling eco-friendly bags*

- Fixed costs: ₹50,000*
- Variable cost per bag: ₹20*
- Selling price per bag: ₹500*

Break-even point = 167 bags

SOURCES OF FUNDING



Bootstrapping (Self-Funding): Full ownership, financial risk.



Debt Financing: Loans, structured repayments, interest burden.



Equity Financing: Angel Investors, VCs, equity dilution.



Crowdfunding: Market validation, uncertain success.



Grants & Competitions: No repayment, credibility boost.



Angel Investors:
Early-stage, high returns, mentorship.



Venture Capitalists (VCs): High-growth, scalability, equity-based



Banks & NBFCs:
Loan-based, repayment required.



Government & Institutional Investors:
Grants, startup schemes.

TYPES OF INVESTORS AND WHAT THEY LOOK FOR



COST STRUCTURE OF A STARTUP



Fixed Costs:

Rent, salaries, software

Variable Costs:

Raw materials, logistics

Example:

Cloud Kitchen Startup –
Fixed: ₹1,00,000/month,
Variable: ₹50 per meal



REVENUE SOURCES



Freemium Model:
Free + premium
services



**Direct Product
Sales:**
D2C, e-commerce



Subscription Model:
SaaS, OTT platform

BUSINESS MODELS



Licensing &
Royalties



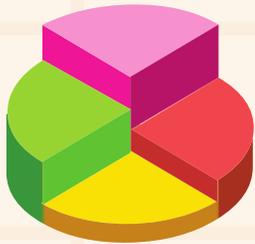
Advertising &
Sponsorships



Commission-based
Revenue: Aggregator
models



FINANCIAL PLANNING FOR A STARTUP



Cash Flow Management: Avoid exceeding expenses



Profitability Analysis: Pricing strategy.



Cost Optimization: Cut unnecessary costs



Fund Utilization Plan: Effective investment usage

KEY TAKEAWAYS

- *Break-even analysis helps plan profitability.*
- *Different funding sources suit different business stages.*
- *Managing costs ensures long-term sustainability.*
- *Understanding revenue models builds financial stability.*

THANK YOU

