

# NORTHLAND


## SMALL BUSINESS DEVELOPMENT CENTER

**Powerful Cash-Basis Projections for Complex Financing Needs**

**Vicki Hagberg, Regional Director**




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### NORTHLAND SBDC SNAPSHOT



- Population: 325,000
- Geographic Size: Same as West Virginia
- Largest Population Center: Duluth
- Advisor Model: 3 Employee Consultants, 16 Part-time Contractors
- Highest Rates of Poverty in MN

**2024 Impacts:**

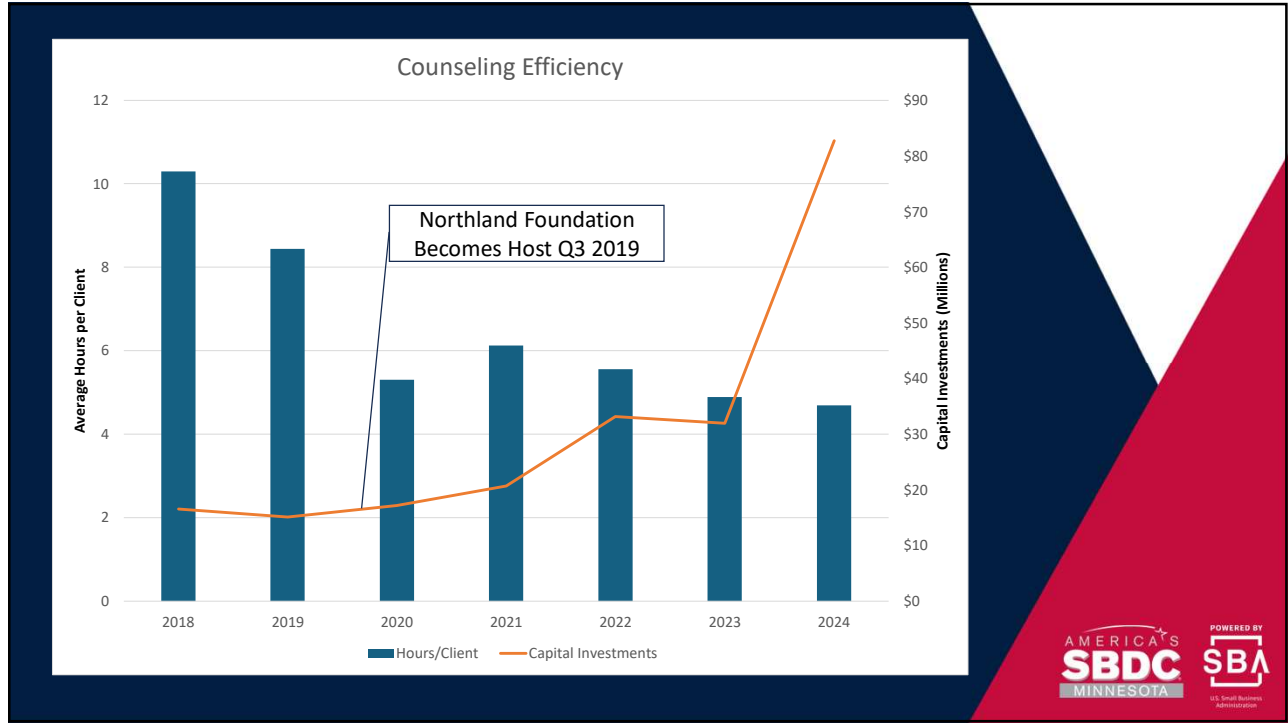
- ✓ 958 Clients Served
- ✓ \$82 Million Capital Raised
- ✓ 79 New Businesses
- ✓ 4.7 Hours per Client

**Pre-venture: 33% of hours, 39% of clients served**

**In-business: 67% of hours, 61% of clients served**

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## Cash-Basis Projection Tool Target Scenarios

- Startup or Business Expansion or Purchase
- Traditional Financing (Banks/Gap/Grants)
- Up to ~\$1MM in Financing

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## Tools by Advisors for Advisors (...and Banks and Clients)

	Cash	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
1 Super Cool Business														
2 <b>Cash Flow 2021</b>	<b>Cash</b>													
3 Cash (beginning of Year)		\$ -	\$ 208	\$ 176	\$ (73)	\$ 97	\$ 88	\$ (100)	\$ (107)	\$ (158)	\$ (324)	\$ (179)	\$ (308)	
4 <b>Cash Income:</b>														
5 Sales Before Tax		276	125	304	255	147	125	78	104	135	230	81	182	\$ 2,200
6 Sales Tax		16	7	16	15	9	7	5	6	8	14	5	11	\$ 110
7 <b>Total Cash Available</b>		293	332	481	182	244	213	-22	-2	-23	-94	-97	-126	\$ 2,310
8 <b>Cash Paid Out</b>														
9 Advertising		0	0	276	0	0	35	0	0	35	0	0	35	\$ 381
10 Accounting		15	15	18	15	15	15	15	15	18	15	15	18	\$ 165
19 Donations		0	0	0	0	0	0	0	0	0	0	0	200	\$ 200
21 Education		18	0	0	18	0	0	18	0	0	18	0	0	\$ 54
28 Internet		22	63	24	22	63	24	22	63	24	22	63	24	\$ 480
31 Outside Services		0	0	55	0	0	55	0	0	55	0	0	55	\$ 165
43 Sales Tax Payments		0	0	31	0	0	31	0	0	19	0	0	29	\$ 100
51 Utilities		0	38	0	0	38	0	0	38	0	0	0	38	\$ 150
52 <b>Subtotal</b>		\$ 55	\$ 116	\$ 404	\$ 55	\$ 116	\$ 163	\$ 55	\$ 116	\$ 151	\$ 55	\$ 171	\$ 306	\$ 1,385
53 Inventory/Cost of Goods		30	40	72	30	40	72	30	40	72	30	40	72	\$ 504

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## Practical Differences in Cash vs. Accrual Projections

### Accrual Basis:

- Live Connections between Balance Sheet, Income Statement, and Cash Flow
- Understand the Impact of Days Receivables and Payables
- Plan Complex Deployment of Financing and Uses over Development Period

### Cash Basis:

- Not Those Things ↑
- Simpler, Customizable Spreadsheet
- Faster Scenario Modeling/Stress Testing



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# Spreadsheet Overview

## Live Demo!

```
graph TD; A[Instructions] --> B[Sources and Uses]; B --> C[Loans]; C --> D[Products/Services - Entry and Summary Tabs]; D --> E[Cash Flow Projections Years 1-3 Tabs]; E --> F[Summary Table]; F --> G[Balance Sheet]
```

Case Study and Spreadsheet Link:

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# Value-Add Approaches

- Digital Collaboration through Google Sheets
- What If? Stress Testing Projections
- Facilitated Discussions – Income Goals

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**Download Toolkit:**  
[www.northlandsbdc.org/asbdc-2025](http://www.northlandsbdc.org/asbdc-2025)



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**THANK YOU!**



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