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## **WESST Offers Global Program to Home-Grown Entrepreneurs**

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WESST brings a global business initiative to New Mexico in a five-part series of workshops designed to empower small-business owners to make sound financial decisions.

HP Learning Initiative for Entrepreneurs — or HP Life — is a global program sponsored by Hewlett Packard that trains the owners of microenterprises to apply information technology and business skills to establish and expand a job-creating venture.

WESST sponsors the workshops at its Albuquerque Enterprise Center. Sessions cover the basics of finance, financial planning, invoicing, expense tracking and cash flow management. While the workshops empower participants with information about critical business tools, business owners should always verify accounting practices with an accountant who's familiar with their business.

**Fundamentals of finance:** Break-even analysis is the most basic of financial basics. Without doing this analysis, a business owner can't know when the amount of money she's bringing in is equal to her costs. Determining this break-even point requires a list of variable costs associated with making the product and a list of fixed costs, such as rent or loan payments that need to be paid no matter how many products are made. By knowing this point, an entrepreneur will understand the minimum business activity that needs to occur in order to avoid losses.

**A plan with many parts:** A financial plan is vital to any business venture. It includes an income — or profit and loss — statement, a balance sheet and a cash flow analysis. The income statement discloses a business's revenue and expenses over a specific period and shows whether it's making a profit or not. The balance sheet shows the assets, liabilities and net worth of a business at a given moment. And the cash flow statement shows how cash enters and exits a business; it lets an entrepreneur see whether the business generates more cash than it spends and helps the owner determine his long-term cash needs to cover all of the company's expenses and debt payments.

**Invoice essentials:** An invoice does more than help a business owner collect payment from clients and customers. It records a sale, documents a salesperson's work, summarizes transactions for tax purposes and protects a business from claims that a product or service wasn't

delivered. A spreadsheet program or accounting software can help a small-business owner save time and reduce errors in invoicing.

**Stalking expenses:** Keeping detailed track of expenses helps businesses meet legal and tax requirements, monitor spending and manage profitability.

**Cash flow management:** Effectively managing cash flow allows a business to have revenue on hand when bills come due. Managing incoming and outgoing cash can include creating a pro forma — or projected — cash flow statement so a business owner can determine long-term cash needs and develop strategies for healthier cash balances.

HP Life workshops are offered several times a year. For more information about WESST or workshop schedules, visit <http://wesst.org/>.

*Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org). Sponsored by:*

