Volume Issue • July 2020

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Why You Need to Update Your Business Plan

Keep your business plan updated as your business grows

When you drafted your business plan, you outlined your goals and the path you'd take to achieve them. Now that your company is up and running, your business plan might not be an accurate representation of your new goals, the state of the market, and your enterprise's worth. Your business is a living, breathing entity that is constantly changing. Just as your company evolves, so should your plan.

New goals

Your overarching goal of being a profitable business will never change, but there are many new goals you'll want to spell out in your business plan. Are you trying to reach a new demographic? Do you want to become a regional, national or global brand? Do you plan to outgrow your physical space, and if so, what is the timeline? With every goal you reach, you should update your business plan to keep it current.

"A well-thought-out business plan helps you to step back and think objectively about the key elements of your business and informs your decision making as you move forward," explains Allen Gutierrez, Associate Administrator of the Office of Entrepreneurial Development in the U.S. Small Business Administration.

Product line or services expansion

You may have started off small, with one or two products or services, but now that roster has grown. Your business plan should reflect everything your business has to offer. If you are offering a new technology, skill, service or product to your customers, it's time to update your plan, according to the staff of Entrepreneur Media, Inc.

Investor interest

You need capital to grow and investors will be much more willing to support you when you present them with a business plan. "Having one in place will help investors feel confident that they will see a return on their investment," according to Gutierrez.

An updated plan is an invaluable tool when you're applying for a loan, too. "Investors and financiers are always looking at the risk of default, and word of mouth is no substitute for written facts and figures in a properly prepared business plan," says The Balance writer Susan Ward.

Financial milestones

If your home-based business is now bursting at the seams and moving into a true office space or your staff of one has multiplied 100-fold, it's time to update your plan, notes the staff at Entrepreneur. Even if it's not growing employees but instead exceeding your original financial expectations, your business plan also needs an update, they add.

Every milestone, especially those related to profit or major growth, is worth recording in your business plan. Not only does it force you to take a moment to relish in your hard work and business' success, it also helps you envision a different future.

Fast-paced industry

A business plan update can be set to follow the fiscal or calendar year, or as a quarterly or even monthly to-do. The Entrepreneur Staff recommends updating your plan often if the industry you serve is constantly changing.

Keeping your business plan up to date is important to your current and future success. When it accurately represents your business, it serves as an important tool to you, your staff and potential investors.

Perks of a Good Credit Score

Discover the empowerment of having a solid credit score

Achieving and maintaining a good credit score will enable you to fund the major purchases that you've been dreaming about. Here are just some of the doors that having a positive credit history will open for you.

More confidence in obtaining a loan

Granted, financial institutions take more than just your credit score into account when you apply for a loan. For instance, they consider your debts and income. But a good credit score will increase the likelihood that you'll get approved for the loan you need, as The Balance's Latoya Irby confirms.

Lower interest rates on loans

Per CNBC's Megan DeMatteo, a good credit score will enable you to secure lower interest rates on a personal loan, regardless of what type of loan it is. She gives the example of taking out a 30-year mortgage on a $300,000 house. A good credit score could save you 1 percent or higher on interest, which could translate to paying at least $200 less per month over the life of the loan.

A higher limit on the amount of the loan

According to Irby, a good credit score often correlates with how much money a financial institution will allow you to borrow. They view a high score as proof that you promptly pay back the money that you've borrowed, so they'll be more likely to let you borrow more money than someone with a poor credit score.

Lower rates for car and homeowners insurance

Most states allow credit-based scoring, which means that insurance carriers assess your risk based on your credit score, as DeMatteo shares. Nationwide, for instance, claims that it lowers premiums for about 50 percent of its customers based on their credit scores.

Better credit card rates

Per Irby, a high credit score will also make it simpler to obtain a lower interest rate on any credit cards you open. This will help you pay off any credit card balances faster and free up more of your cash for other expenses that arise.

An easier time securing a rental

Credit scores are one of the key factors a landlord considers when screening potential renters, as Irby states. For example, a bad credit score caused by an outstanding rental balance or past eviction is a huge red flag for landlords. But a high credit score will improve the chance that you'll be approved to rent the house or apartment that you want.

Avoid utilities-related security deposits

If you're relocating, one of the expenses you might have is paying a security deposit if you need to establish utility service for your new residence or transfer your current service to another location. Many utility companies will waive this fee if you have a good credit score, which can save you in the range of $100-200, as Irby confirms.

A good credit score will enable you to secure low rates on major purchases, so you can have the financing you need to enjoy these investments. Contact your financial institution to speak with a financial expert on how you can improve your current credit score, if you need to. You can also speak to them about current deals on financing a car or home that you're thinking of buying.

My Savings Has Been Wiped Clean; How Can I Replenish it?

Q: The last few months have been rough on my finances and I've used my savings to get by. My emergency fund and savings accounts have dropped to zero. With my financial situation improving, though, I'd like to start building these up again. Where do I begin?

A: Using emergency funds to survive prolonged unemployment, an unexpected large expense or a medical emergency is the best way to make it through a financial hardship. If your savings are depleted, though, it's best to start rebuilding as soon as possible.

Here's how:

Set a goal

Before getting started on saving up money, establish a tangible goal. You can try to recover the value of the savings lost, or start smaller, with a more attainable goal. Bear in mind that experts recommend having funds to cover three to six months' worth of living expenses set aside in an emergency fund or savings account.

Trim your spending

A good place to start finding extra dollars for saving is by reviewing your spending for ways to cut back. Look for expenses that can make a difference in a monthly budget without dramatically affecting quality of life.

Find a side hustle

A great way to land extra funds is to find a side job that doesn't require a major investment of time. Some options include taking surveys on sites like Swagbucks and doing gig work for companies like Uber and Rover.

Sell your old treasures

Turn forgotten treasures into moneymakers by selling them online. You can sell old clothing on ThredUp, unwanted jewelry on Worthy.com and unused sports equipment on Swap Me Sports. Use the cash earned from these sales to jumpstart your new nest egg.

Make a plan

Once you have a goal in place and you've maximized monthly contributions toward savings, it's time to create a plan. Map out a timeline of how long it'll take to reach your goal when putting away as much as possible each month. Remember: The more aggressively you save now, the sooner you'll reach your goal.

Start saving

The best way to ensure that putting money into savings each month actually happens is to make it automatic. You can set up an automatic monthly transfer from your Education First FCU Checking Account to your Education First FCU Savings Account on a designated day of the month. You can schedule reoccurring transfers easily through online banking. Click here to get started.

Put unexpected windfalls in savings

To speed up the process of rebuilding depleted savings, you may want to resolve to put unexpected windfalls into an emergency fund or savings account. This can include tax refunds, a work bonus and gift money.

Rebuilding depleted savings isn't easy, but the security of having a safety cushion to get you through a financial setback will make it well worth the effort.