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# 6 Budgeting Tips For This Year

I found this great article published on Kochie's Business Builders and thought you might find the perspective interesting...

A budget lays out a plan for the future and tracks the incomings and outgoings over a set period; it allows you to have a clear vision and highlights anything that may hinder you. Here are a few tips to get it right.

## **1. Cover all parts of the business:**

A budget needs to cover all aspects of your business, so you have an idea of how all departments are performing. An example of implementing control through the budget is staffing.

If you can anticipate future growth and know what periods of the year will be busier than others, you can plan for staff levels to be adjusted based on what the budget tells you. You'll be able to save on costs, as you're not paying for underperforming staff or full wages when there aren't enough tasks to be completed.

## **2. Monitor progress towards your goals:**

A major concern with day-to-day tasks is fatigue, where you end up going through the motions and vision is forgotten in the mire of routine tasks. With a routine of reviewing the budget on a monthly basis (at least), you're more likely to be motivated towards achieving the goals set out in the budget.



## **3. Focus your thoughts and actions on your goals:**

Having a copy of the budget in a place where it will be regularly seen and read will serve to keep your eyes on the prize. Keeping your budget in the centre of all business decisions will lead to better decision-making on a regular basis and will train your thoughts to become aligned with the businesses goals.

## **4. Motivate employees:**

Business budgets should be available to all staff. Having staff play a role in setting the budget for the year can motivate them to see budget met.

## **5. Promote periodic internal reviews**

Having a budget promotes and encourages the small business owner to conduct regular reviews of the business. This can cover staff appraisal reviews, regular meetings with key suppliers to discuss pricing and meeting with current customers to see where you can add value.

As well as this , it allows you to make sure all departments are on track to meet budget goals, and if they aren't, make fluid changes as needed to keep everyone on track.

## 6. Cash flow:

Often small business owners fail to budget for large one off expenses or simply regular annual bills that only crop up once every twelve months. By factoring one off issues into your annual budget and business accounting, you are sure to have necessary cash flow to cover events without putting unnecessary strain on businesses resources.

Whilst putting together such a comprehensive business budget can drain your businesses resources in the short term, the long-term benefits will far outweigh any frustration!

For business owners who are not well versed or experienced in preparing budgets, all we can do is recommend that you don't try and fly blind on this one! Speak to your small business accountant for advice. They'll assist you in preparing the actual budget and it will create a great talking point for regular business reviews.

Always remember that a budget is a fluid document and making changes to the budget is fine as long as you still end up where you want to be. Remember, don't fail to plan, otherwise you are almost certainly destined to plan to fail!

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I hope you've had a great time reading the article. If you'd like more information, please don't hesitate to call us on 07 3367 1994.

Kind Regards,  
JudsonKoman



JudsonKoman | ABN 31 637 735 849

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**HQ** 20 Mayneview Street MILTON Q 4064

**PO** PO Box 329 TOOWONG DC Q 4066 | **P** +61 7 3367 1994