# Creating a Business Budget

This playbook provides a structured approach to create a business budget. It guides you through each stage from assessing your financial situation to adjusting your budget according to your business needs and financial goals.

### Step 1: Assess Revenue

Collect and review your business's income sources to determine your total expected revenue.

### Step 2: List Expenses

Identify and categorize all business expenses, including fixed, variable, and unexpected costs.

### Step 3: Predict Cash Flow

Analyze the timing of income and expenditures to forecast when cash will be entering and leaving your business.

### Step 4: Determine Profit

Subtract total expenses from total revenue to calculate your expected profit.

### Step 5: Create Categories

Organize revenue and expenses into categories such as sales, marketing, operations, and salaries.

### Step 6: Allocate Funds

Decide how to distribute resources across the various categories based on business priorities and goals.

### Step 7: Adjustment

Monitor the budget regularly and make adjustments to align with financial performance and changing business objectives.

## General Notes

### Continuous Monitoring

Creating a budget isn't a one-time event; it requires ongoing attention and updates to stay relevant.

### Performance Review

Periodically evaluate your budget's performance by comparing actual results with the budgeted amounts to identify any variances and their causes.

### Tools and Software

Consider using budgeting software to simplify tracking and reporting of income and expenses.