

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.

