

Revamp your budget

If you've had a tough year, this worksheet can help you rethink your finances and get your business back on track.

ANALYZE YOUR PAST YEAR

You may know your trouble areas intuitively but take a minute to think through how each area of your business performed. Compare how reality measured up to your projections, if you made any.

Revenue:

Payroll:

Margins:

Material cost:

Overhead:

Cash flow:

This exercise should help you spot your problem areas.

What parts of those problem areas were factors you could control?

Brainstorm ideas for how you can prepare for factors outside your control:

THINK ABOUT THE YEAR AHEAD

Based on your past year, think through some best- and worst-case scenarios. Also, note any ideas to help you achieve your best-case outlook.

	<i>Best case:</i>	<i>Worst case:</i>	<i>Notes:</i>
Revenue			
Material cost			
Payroll			
Overhead			
Margins			
Cash flow			

Use the numbers from the previous chart to come up with some rough projections:

What is your sales goal for the next year?	What are your maximum operating costs?	What is your break-even point?

If these numbers aren't adding up, you may want to analyze certain areas of your business. Wells Fargo has articles to help you think through your [pricing strategy](#), [supply chain disruption](#), and [cash flow issues](#).

 **DRAFT A BUDGET**

The type of budget you draft is likely to depend on your business — the budget for a service business needs to be different than the budget for a manufacturer. There are different budgeting templates online that can help you focus on any problem areas you've identified, such as expense-focused budgets or outlooks that focus on cash flow.

- Wells Fargo's [Business Plan Guide](#) can help you with an outline.
- SCORE offers more than a dozen [financial templates](#).
- Microsoft Office has a number of [templates that work via Excel](#).

 **PLAN FOR ADJUSTMENTS**

Once you have a template in mind, think about how you will analyze your performance.

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| <ul style="list-style-type: none">• Weekly
Allows you to make real-time adjustments but may not give you big-picture perspective. | <ul style="list-style-type: none">• Monthly
Reviewing your books at the end of each month can help you assess both day-to-day operations and longer-term trends. | <ul style="list-style-type: none">• Quarterly
Analyzing your business quarterly can help with estimated tax payments, and is a good baseline for check-ins. | <ul style="list-style-type: none">• Yearly
Many small business owners ignore their books until tax time. This creates missed opportunities to adjust in real time. |
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Do you have the capabilities in place to make adjustments if you need to? More specifically, do you have:

An emergency fund	Yes	No	Ideas to cut variable costs	Yes	No
A strategy for hiring/firing	Yes	No	Ideas to cut fixed costs	Yes	No
Ideas to boost sales	Yes	No	Ideas to adjust pricing	Yes	No

Budgeting for your business is highly personal, especially if you're coming off a challenging year. But organizing your thoughts can help you put a plan in place, so you can get back on track and prepare for what's next.

For more actionable tips and advice to help you manage your money, build your network, and run your businesses, visit our [small business resources page](#).

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