

how budgets can save small businesses

The new financial year is a great time to turn a fresh page and build a budget to help you track your business. Simon Allsop, Managing Director of my accounts says that although “budget” may not be the most exciting word, a good budget can have exciting consequences for business.

“Many business owners put off learning to use budgets as a work tool because it feels like too much trouble,” said Simon. “They seem to think that just hoping the numbers will work out will be more effective. But as the saying goes, if you aim at nothing, you tend to hit your target with amazing accuracy.”

Every business should have a budget - even businesses that can't predict their income can track their expenses and set a break-even number to aim for each month. Budgeting is also the best way to get consistent about meeting profit goals and avoid costly surprises. It helps you keep track of transactions and have a regular process for checking that income and costs are on track, and take corrective action if margins are slipping.

“Having a budget is a fundamental of business planning and gets easier and more effective with practice,” said Simon. “That’s why it is one of the basic requirements for lending and backing.”

Preparing a budget also gives you the opportunity to save money. For instance, you may identify that paying less on rent, phones or staff can make the difference between your business’s success or failure. It lets you plan your operations better and give your people a better understanding of how their actions impact on the business.

A budget is not something that can be put together in a weekend. It may require some time and thought. **myaccounts** offers a budget building session that can help you get your budget up and running right the first time.

“The session involves a little preparatory work to reflect the last twelve months,” said Simon. “Then a simple question and answer session to get a proper handle on the opportunities and challenges in the twelve months to come.”

The short term pain of creating a budget will quickly disappear when you reap the benefits of better profit margins and lower stress levels.

For help with your business, call **myaccounts** on 1300 784 122 or visit www.myaccounts.biz

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