

Budgeting and forecasting is very important for the small business owner. Knowing how much money can be spent and on what is the most important thing for a small business to stay afloat.

A budget will be required before any financing is offered because lenders want to see where money is spent and overall where money is being made. When you create a budget sit down with last months' bills to include them in the expense area of your report.

In your budget you will also want to include expectations, or a forecast of your business' growth. Align your forecasts to the marketing and sales plan and speak to the person in your business who knows the information you are looking for such as sales and production people.

When creating your budget decide if you will be creating a monthly budget or even a yearly budget. Budgeting software will make this really easy for you as long as you have all the necessary information to plug in.

When your budget and forecasts are completed you can have a good look at the situation your business is in and if things go as planned how the business will be situated in the forecasted time period.

Useful tips:

- › Budget at the appropriate level of detail.
- › Monitoring your actual sales and costs against the budget on a regular basis makes it much easier to forecast the year-end balance and budget the following years.

All businesses benefit from a marketing plan.

Marketing plan:

A marketing plan should answer these questions:

- › What is unique about my product / service?
- › Who are my customers?
- › What do my customers want or need?
- › What need will my product / service fulfil?
- › Why will customers buy from me and not my competitors?

To develop your marketing plan, cover:

- › Market research.
- › Marketing strategies and goals.
- › Marketing tactics.
- › Monitoring and controlling the plan.

Small business marketing tips:

1. Review and adjust marketing strategies to meet changing situations.
2. Focus on needs and expectations of existing and potential customers.
3. Find a niche – small businesses succeed by offering something different.
4. Look for promotional opportunities that fit business strategies.
5. Build networks to promote the business and its reputation.

The sales plan:

A sales plan helps to focus a company on reaching its revenue goals.

A sales plan should contain:

- › Broadly defined sales goals (either expressed as a percentage of growth, a revenue figure or both).
- › Specific sales targets.
- › How sales will be made.
- › To whom sales will be made.
- › Timeframes.
- › Who will be responsible for making the sales.

A sales plan should be very action orientated and specifically define who is going to do what, when.

While longer term goals can be stated, sales plans are generally more short term in nature so they can be easily monitored and updated.

The sales plan should be linked to the marketing plan to ensure a flow-on from one to the other.

Remember, it is more expensive to gain a new client than retain an old one. Therefore make sure your sales plan is not just targeted at new prospects, but takes into account retaining past and current clients. This can include customer loyalty programs, special discounts, client visits or additional service.

More Information:

- › Australian Marketing Institute:
www.ami.org.au
- › Australian Direct Marketing Association:
www.adma.com.au
- › Small Business Website:
www.smallbiz.nsw.gov.au
- › The Australian Government Principal Business Resource:
www.business.gov.au/BusinessTopics/Insurance/Pages/default.aspx

www.bathurstregion.com.au/building-bathurst/