

# Pocket of Money Small Business End of the Year Checklist

## Checklist Actions

- Compare cash flow projections vs. actual.
- Analyze your budget.
- Review revenue goals.
- Review development goals.
- Complete a lifestyle analysis.

## Action Explanations

### Small Business

Let's discuss on what you should be checking and analyzing in your business or side hustle before the end of the year.

Tax benefits can expire and unless you have your pulse on it you won't know which benefits are expiring. If you have a business talk to a tax professional so that you make sure you take advantage of all the tax benefits for which you're eligible.

#### **1) Compare cash flow projections vs. actual.**

Near the end of the previous fiscal year you created cash flow projections, what you expected the cash flow in your business to be the following year. Pull out the estimated revenue and expenses for each month and start comparing to the actual. How far off were the projections? Did you exceed the estimated amount in revenue and/or expenses?

If you went over the estimated amount for expenses, then determine if you still have the cash on hand to cover current liabilities (bills and debt). If you do not, then consider what you can adjust to decrease the current and future expenses. Determine what caused the projection of expenses to be off and how you can mitigate this in the future.

If you went over the estimated amount of revenue, first off congratulations, that's awesome. Now analyze what happened. Determine what caused the unexpected increase in revenue and if it can be duplicated in the future for that revenue stream and other revenue streams.

When you're done you should have specific actions or tweaks that you can implement for the rest of the year and next year to increase revenue.

#### **2) Analyze your budget.**

You analyzed the cash flow and determined new actions that need to be taken. Now revise the budget to incorporate any new projected expenses and or revenue. Go category by category through the budget and determine what exactly needs to be adjusted. Here is where you can determine what

expenses need to be decreased. Also determine which has been the highest grossing revenue stream and which brought in the least revenue.

Think about how this affects the profit margin. Calculate the gross profit margin for your business as a whole. Analyze all the revenue streams and calculate the profit margin on each. Is each revenue stream still profitable? If a revenue stream is not profitable determine if it should be kept and fixed or shut down.

### **3) Review revenue goals.**

Then take an in-depth look at your revenue goals for this quarter and the following year, at least the next quarter. From what you learned during the cash flow analysis and the budget analysis, decide if the revenue goals need to be adjusted. Think about how to change the strategy to reach those revenue goals. Aim high, but also be realistic and work off of your numbers (revenue, profit margin, current audience size, strategies to grow your audience, number of touch points with audience, rate of current sales).

Think about each part of the process to create your products and services through to distribution to the customer. Identify any bottlenecks and possible solutions. Identify what can be and needs to be scaled up or down.

Ask yourself, what can be changed to increase sales in the highest grossing revenue stream. Determine any issues or bottlenecks in the lowest grossing revenue stream and incorporate the fixes into your overall strategy and budget.

### **4) Review development goals.**

Assess how well you're doing with business development goals. These are goals such as optimizing your systems, increasing capacity building, and increasing education. You should be working on stabilizing then optimizing operations and revenue streams. Determine how on track you are with these goals, what still has to be done, and what new areas have been identified. Make sure money is set aside in the budget to work on these goals.

### **5) Complete a lifestyle analysis.**

The point in starting a business is not to create another job for yourself. Your business should complement the life you want to live.

Assess how your business is meeting your goals for your desired lifestyle. When you started your business, you had goals as to what type of activity you wanted to be able to do throughout the day; your work environment; the number of hours you wanted to work; the number of hours spent with loved ones etc. Are you still building a business that will allow you to fulfill those goals? If not what needs to change for you to be able to achieve those goals?

