



GTC FINANCIAL
Total Financial Care

2019 – 2020 Budget Preparation Ideas List

This not meant to be a detailed list of the items you need to include in your 2019 – 2020 financial year budget. Instead it is a list of ideas to help make the process easier for you.

1. **Sales**

(a) Product Volumes - What volume of each major product do you think you can sell over the next year. If possible link this to your promotions or marketing activities.

(b) New Products - Are there any new products or services you can introduce. If so make sure you factor in stock levels and other costs elsewhere in your budget.

(c) Pricing - Do your prices need to go up? If so by how much and when?

2. **Cost of Sales/Gross Profit Margin**

If you are not achieving the profit margins that industry benchmarks suggest the following are a few areas you might focus on.

(a) Buying price of product, look for alternative suppliers, ask for volume discounts or even alternative products.

(b) Shrinkage, are you losing stock to theft, wastage or volumes. If you believe this is an issue put measures in place to tighten up stock management.

3. **Business Expenses/Overheads**

Preparing a budget at the start of a financial year is a great time to run a ruler over your expenses to find ways of saving money. Identifying areas of waste and eliminating them or simply finding more efficient ways of doing business.

Some key areas you can focus on are:

(a) Advertising & Promotion - is your advertising working for you. Is it generating the additional revenue you were hoping for?

Remember what you measure you can manage, use the information you collect to negotiate a better deal or revamp your advertising.

(b) Bank Charges/Merchant Fees - Get some alternative pricing to ensure you are not paying too much. Can you pass on some or all of the EFTPOS charge to the customers?

(c) Electricity – Get quotes form alternative suppliers. Maybe it is the time to install solar power, we have almost eliminated our electricity costs and are getting a 30% return on our solar investment.

(d) Insurances – Find out what you are actually insured for. Check with your insurance broker that you are not doubling up or not over insured.

(e) Interest – If you have debt or finance preparing your budget presents you with an opportunity to review your overall debt structure.

If you don't use a finance broker maybe now's the time to.