

ESTIMATION OF BUSINESS EXPENSES

1. Introduction:

"Estimation of Business Expenses" is a critical component of financial planning for any company. It involves forecasting the costs associated with running and growth a business.

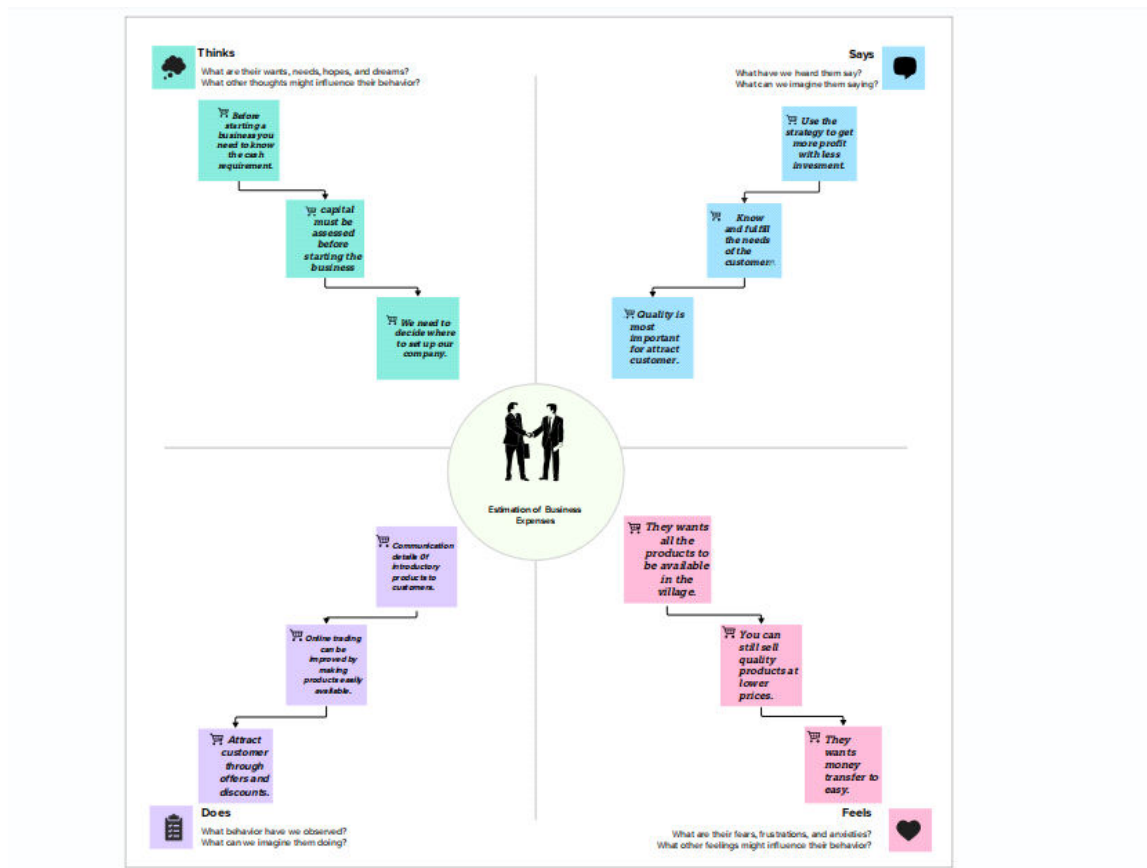
"Precision in Every Penny:

Estimating Your Business Success"

In this conversation, we can delve deeper into the specific aspects of estimating business expenses and explore strategies for accurate and efficient forecasting.

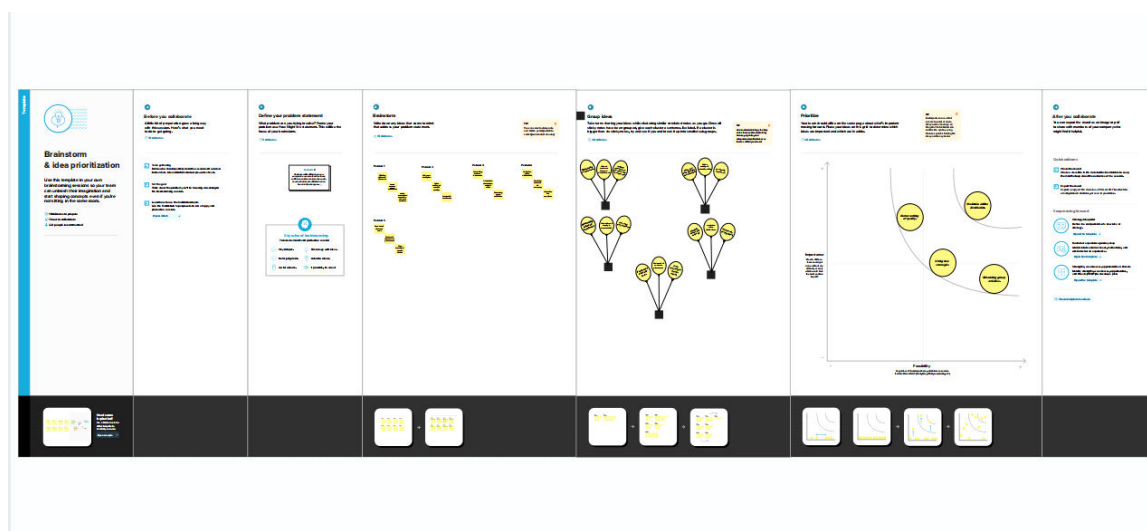
2. Problem Definition & Design Thinking:

Empathy Map:



"Understanding the business owner's pain points and concerns related to expenses estimation, such as uncertainly in variable costs, the need for accurate forecasting, and the desire for cost-saving strategies."

Ideation & Brainstorming Map



RESULT

Expenses Breakdown: Insights into Diverse Business Costs

Annual Pay Roll

Business types	Payroll
Retail Trade	3,94,957
Accommodation and food services	1,87,694
Food service and drinking places	1,42,775
Motor vehicle and parts	65,382
Food and beverage stores	65,074
General merchandise stores	61,898
Grocery stores	59,408
Automobile dealers	46,947
Accommodation services	44,930

Operating Expenses

Business types	Operating Expenses
Food service and drinking places	3,22,762
Motor vehicle and parts	2,00,000
Food and beverage	1,50,000
General	1,00,000
Grocery stores	1,00,000

Maintenance of Buildings

Business types	Maintenance of Buildings
Accommodation and food services	5,257
Clothing and accessories stores	948
Grocery stores	1,337
Retail Trade	9,002

Expenses yoy

Business types	Expenses yoy
Annual Payroll (Cleaned Expenses.Csv)	40,000
Depreciation And Amortization (Cleaned Expenses.Csv)	20,000
Contract Labour Costs	10,000
Cleaneb businesses	5,000

Business Expenditure Overview

Contract Labour VS Employee

Employer Co.	Contract Lab.	Employee
Accom..	82,714	6,211
Food &..	35,392	2,469
Food &..	24,088	1,717
Accom..	15,268	1,539
Accom..	11,305	1,103
Health ..	717	737
Health ..	717	737
Depart..	2,905	737
Depart..	2,236	737
Auto p..	15,140	737
Auto p..	12,712	737
Meter ..	16,006	595
Meter ..	11,700	571
Furnitu..	14,009	495
Furnitu..	17,625	478
Food a..	17,639	466
Food a..	16,864	426
Grocer..	16,001	409
Grocer..	2,167	328
Miscell..	2,873	318
Miscell..	8,107	305
Genera..	13,920	269
Genera..	1,986	208
Spartin..	11,507	165
Spartin..	13,188	140
Wome..	1,003	43
Wome..	18,276	43
All eth..	11,094	39
All eth..	717	20
Beer ..	590	11
Beer ..	7,686	8

Transportation and Warehousing

Sector	Expenditure (K)
Clothing and accessories stores	1,764
Electronic shopping	5,781
Family clothing stores	1,585
Nonstore retailers	6,158
Retail Trade	16,392

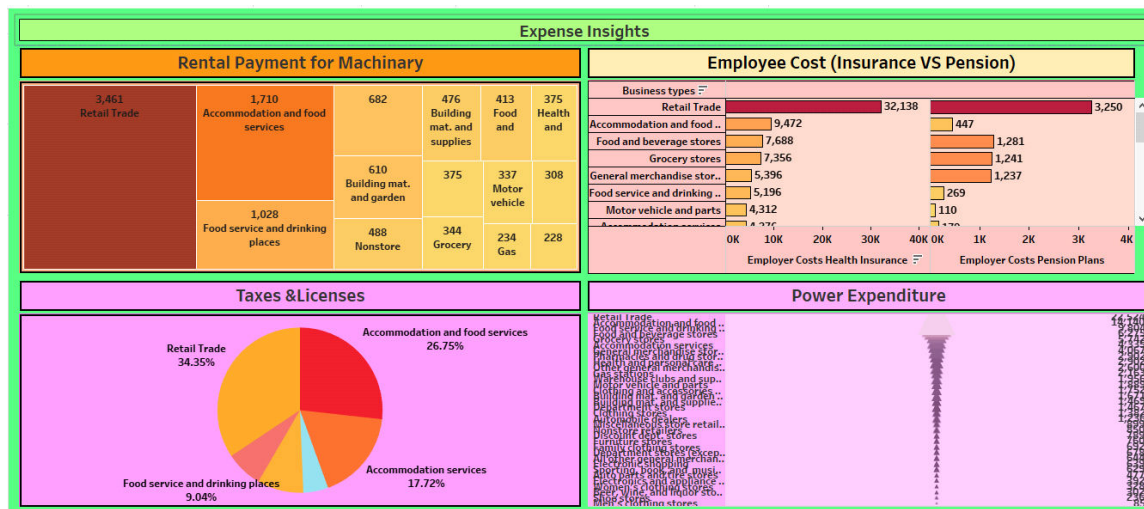
Fuel

Sector	Percentage
Accommodation and food services	33.30%
Accommodation services	10.59%
Food service and drinking places	22.70%
Retail Trade	23.38%
Food and beverage stores	4.90%

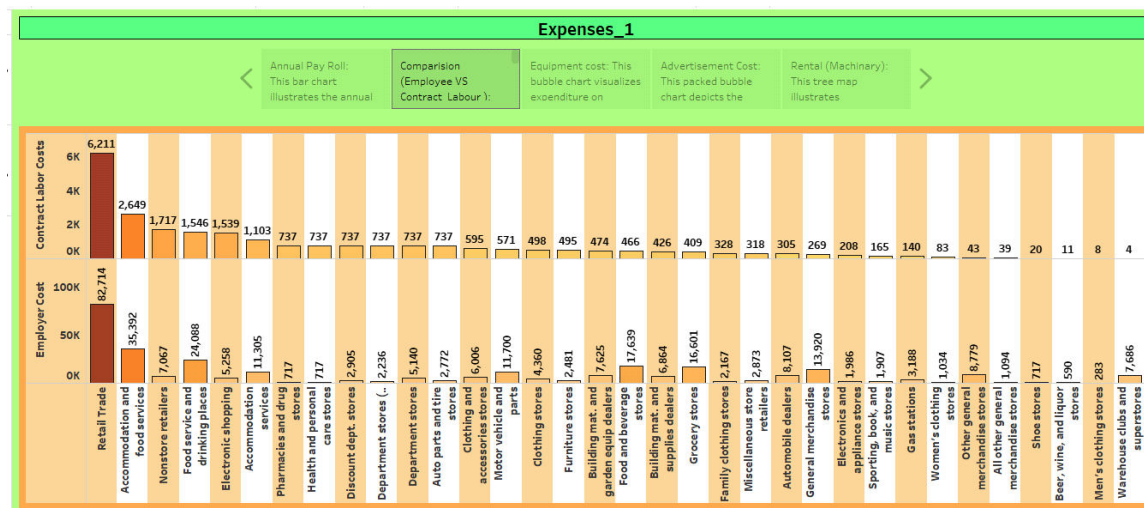
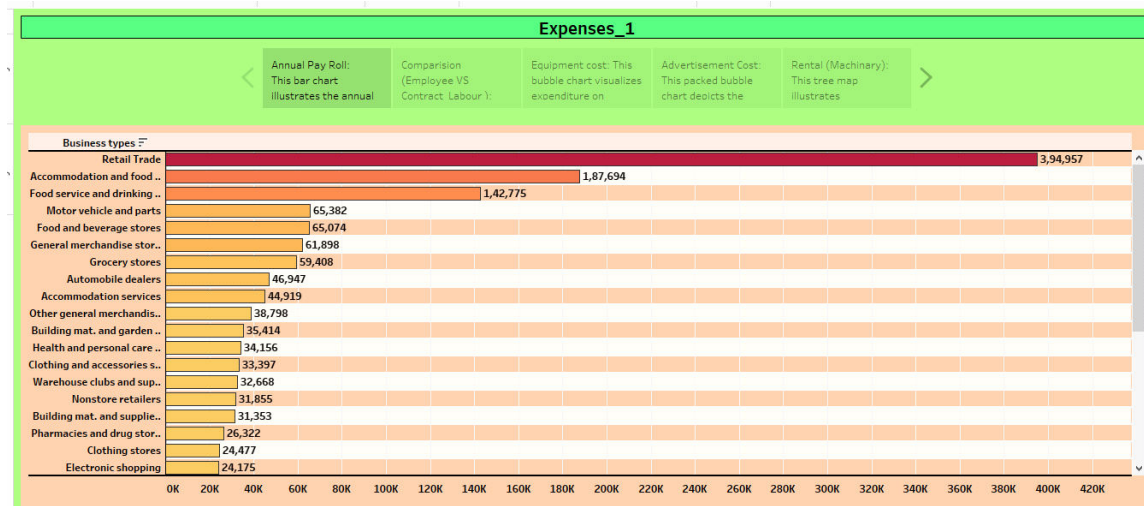
Advertisement Cost

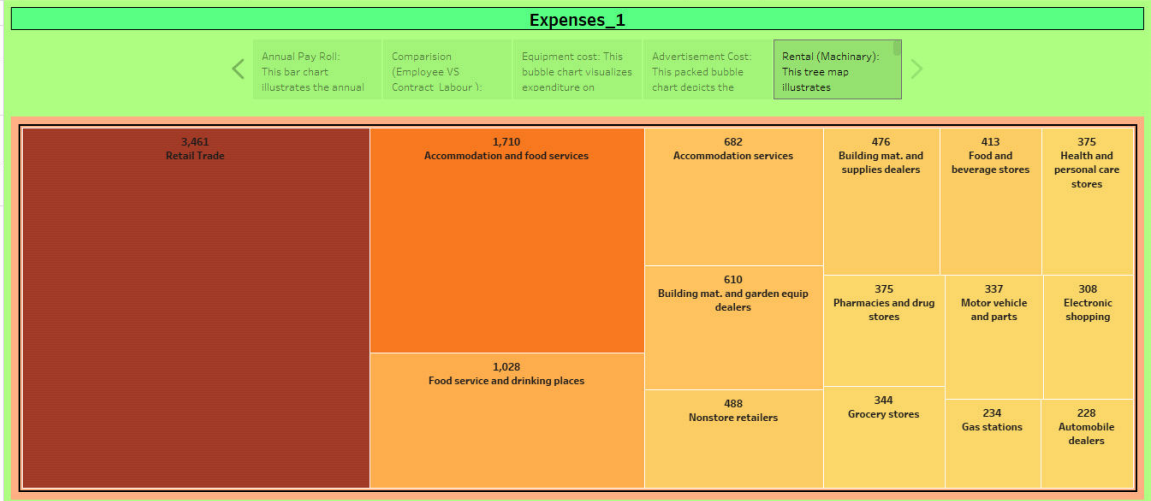
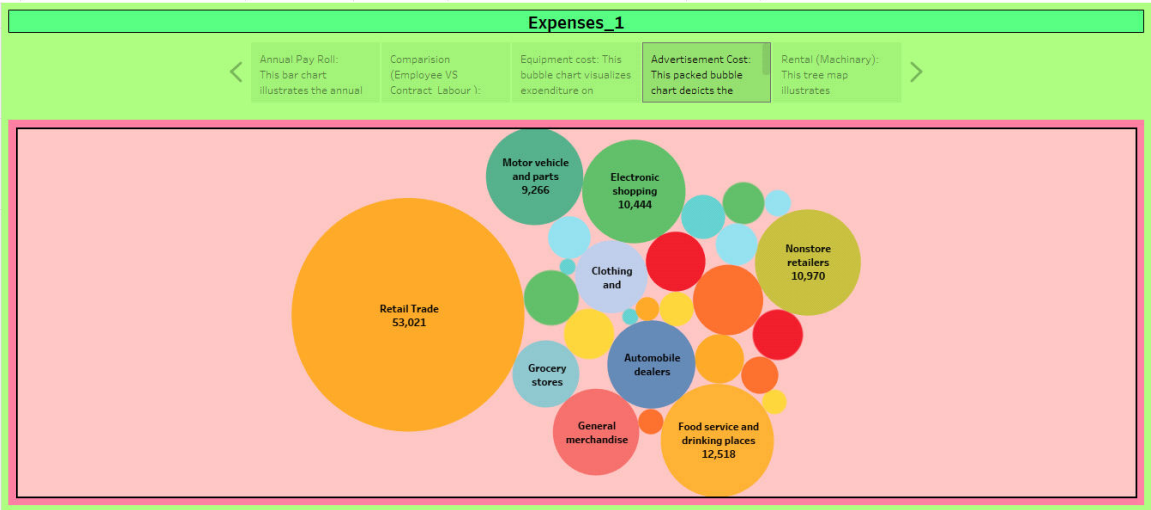
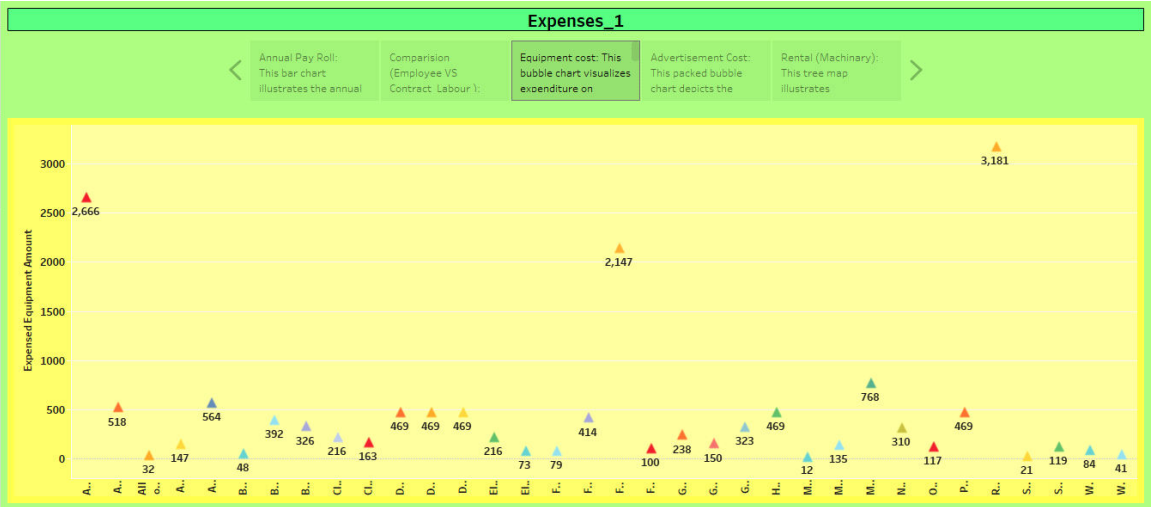
Sector	Cost
Retail Trade	53,021

Dashboards (iii)

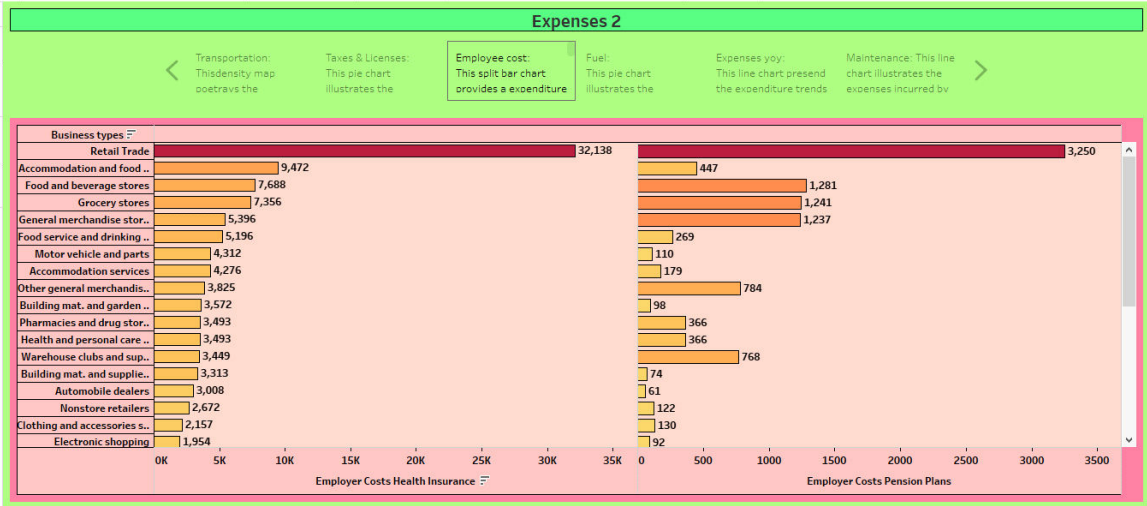
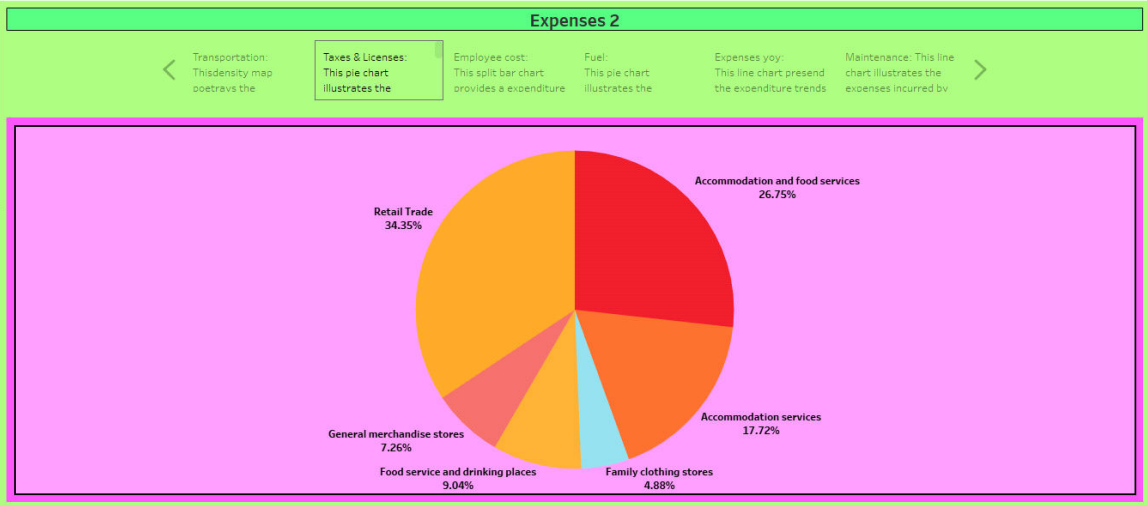
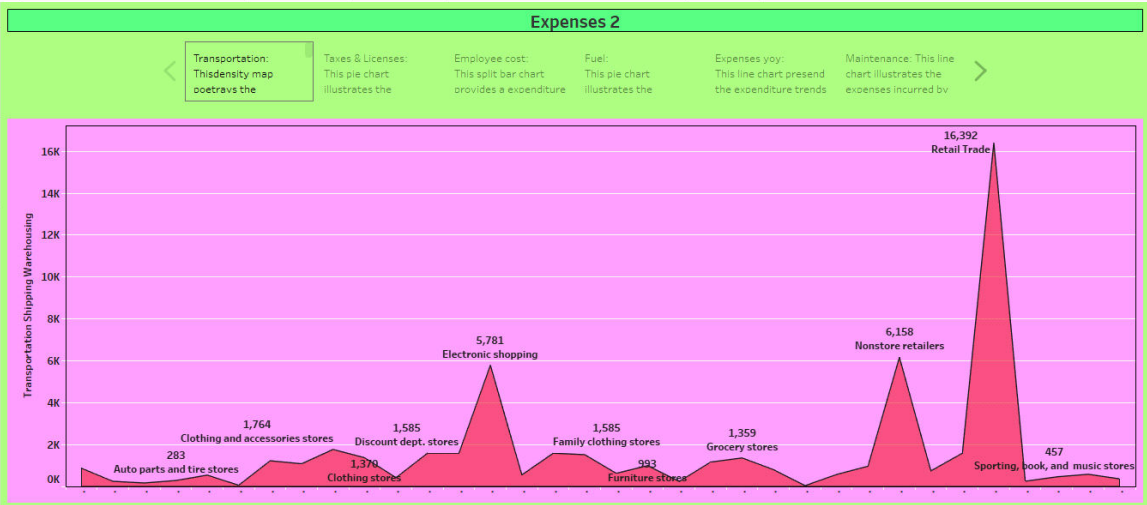


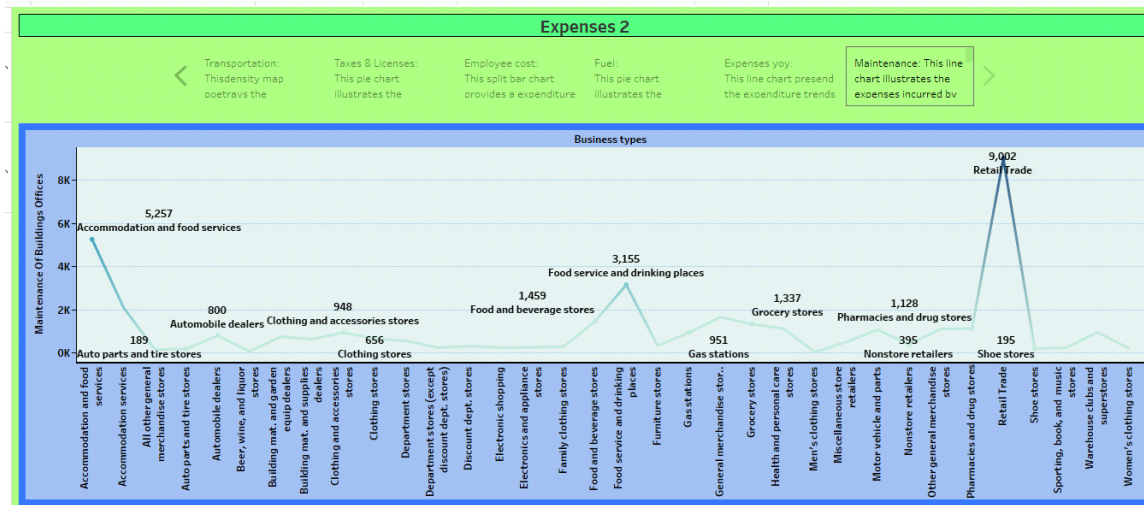
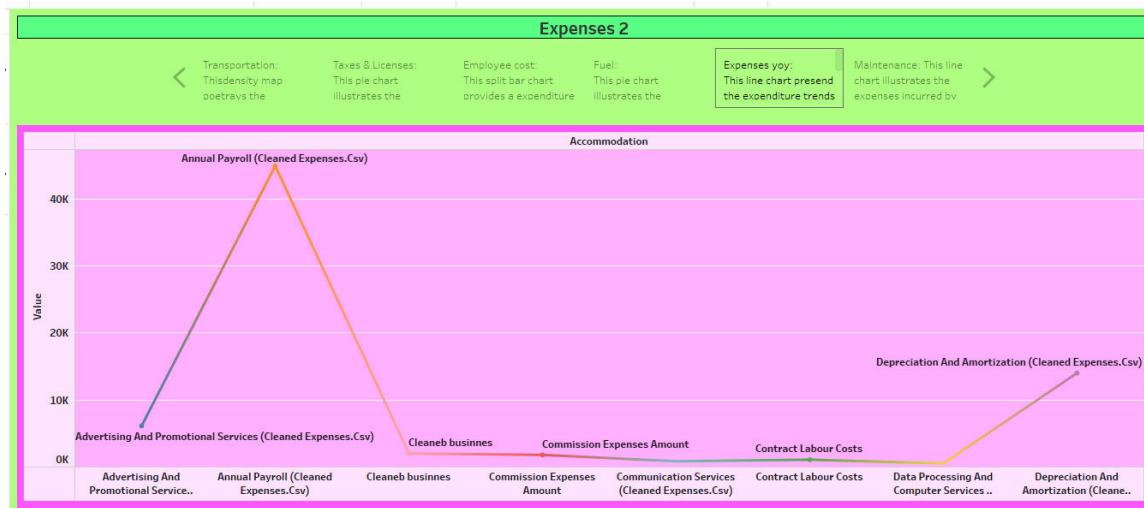
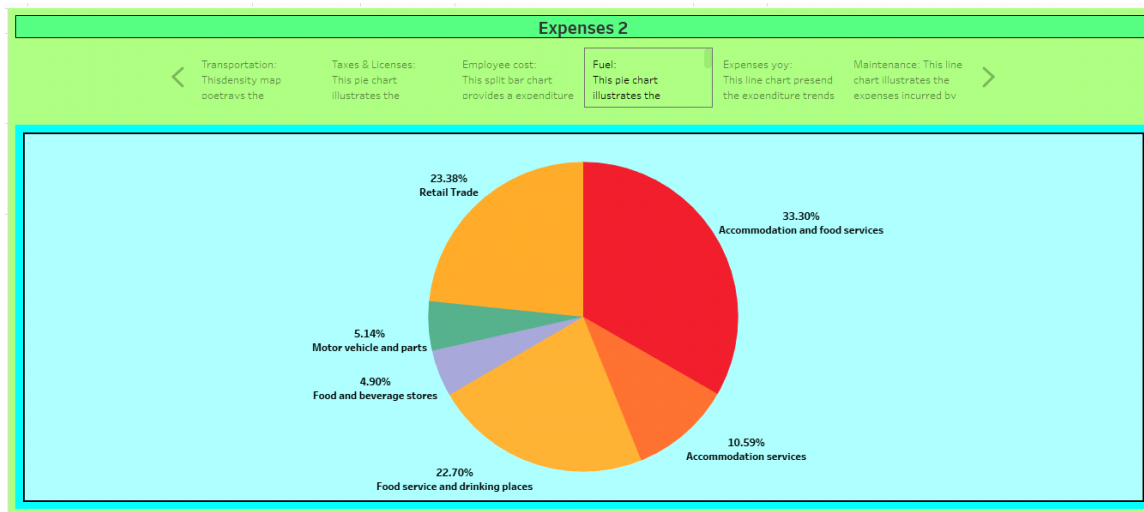
Story (i)





story(ii)





4. ADVANTAGES AND DISADVANTAGES:

Advantages:

- (i) Planning: Helps in budgeting and financial planning, allowing a business to allocate resources effectively.
- (ii) Quick Decision Making: Provides a basis for quick decision making, especially in situation where detailed expense data is unavailable.
- (iii) Flexibility: Can be adjusted as circumstances change, offering adaptability.
- (iv) Resource Allocation: Helps allocate resources to different departments of projects.

Disadvantage:

- (i) Inaccuracy: Estimation may not always reflect actual expenses, leading to potential financial shortfalls or surpluses.
- (ii) Misallocation: Poor estimations can lead to the misallocation of resources, impacting business operations.
- (iii) Lack of details: May lack the granularity needed for comprehensive financial analysis.
- (iv) Risk: Estimation can be riskier especially if there are significant variations in expenses.

5. APPLICATION

* Expenses Tracking: Create a spreadsheet to record and categorize all your business expenses. This provides an organized way to track and monitor costs.

* Formulas: Utilize spreadsheet functions and formulas for calculations, such as summing up expenses by category, calculating monthly or yearly totals, and projecting future expenses.

* Graphs and Charts: Visualize expenses data using graphs and charts to gain insights into spending patterns and trends.

* Collaboration: Share the spreadsheet with team members or accountants to collaborate on expenses estimating and budgeting.

* Historical Data: Over time, you can build a historical record of expenses, which is valuable for making informed financial decisions and improving cost managements.

6. CONCLUSION

In conclusion, estimating business expenses is a crucial task for financial planning and budgeting. It requires a detailed analysis of various cost categories, including fixed and variable expenses. Accuracy in estimating expenses is essential to ensure that the business operates within budget and can achieve its financial goals. Regular reviews and adjustment to expenses estimates are also vital to adapt to changing market conditions and business needs, ultimately contributing to the success and sustainability of the business.

" Precision in Estimating, Profit in Execution."

7. FUTURE SCOPE

1. Advanced AI Algorithms:

Implementing more sophisticated AI and machine learning algorithms to improve accuracy and real-time expenses predictions.

2. Data Integration:

Integrating with more data sources, including IoT devices and external financial data, to provide a comprehensive expenses picture.

3. Mobile Accessibility:

Expanding mobile apps and accessibility for expenses tracking and estimating, allowing businesses to manage expenses on the go.

4. Customization and Scalability:

Offering more customizable and scalable solutions to meet the unique needs of businesses across various industries and sizes.

5. User-Friendly Interfaces:

Continuously improving the user experience with intuitive interfaces and interactive dashboards for easy expenses tracking and analysis.