

ESTIMATION OF BUSINESS EXPENSES

1 Introduction

1.1 Overview

An estimation of business expenses typically involves forecasting the costs your business is likely to incur in the near future. Here's a high-level overview of the process:

- ❖ **Identify Expense Categories:**

Start by categorizing your expenses into different groups, such as operating expenses, overhead, salaries, marketing, and more. This helps in organizing your estimation.

- ❖ **Historical Data:**

Analyze past financial records to understand your historical expenses. This data can be a valuable reference point for estimating future costs.

- ❖ **Fixed vs Variable Expenses:**

Distinguish between fixed expenses (e.g., rent, salaries) and variable expenses (e.g., utilities, advertising) as fixed costs generally remain constant, while variable costs may fluctuate.

- ❖ **Cash Flow Projections:**

Incorporate your expense estimates into cash flow projections to understand how these costs will impact your business's financial health.

1.2 Purpose

Estimating business expenses is crucial for budgeting and financial planning. To estimate expenses, consider categories like:

- ❖ **Fixed Costs:**

Rent, salaries, insurance, and utilities.

- ❖ **Variable Costs:**

Supplies, marketing, and travel expenses.

- ❖ **One-time Costs:**

Equipment purchases or renovations.

- ❖ **Contingency:**

Set aside for unexpected expenses.

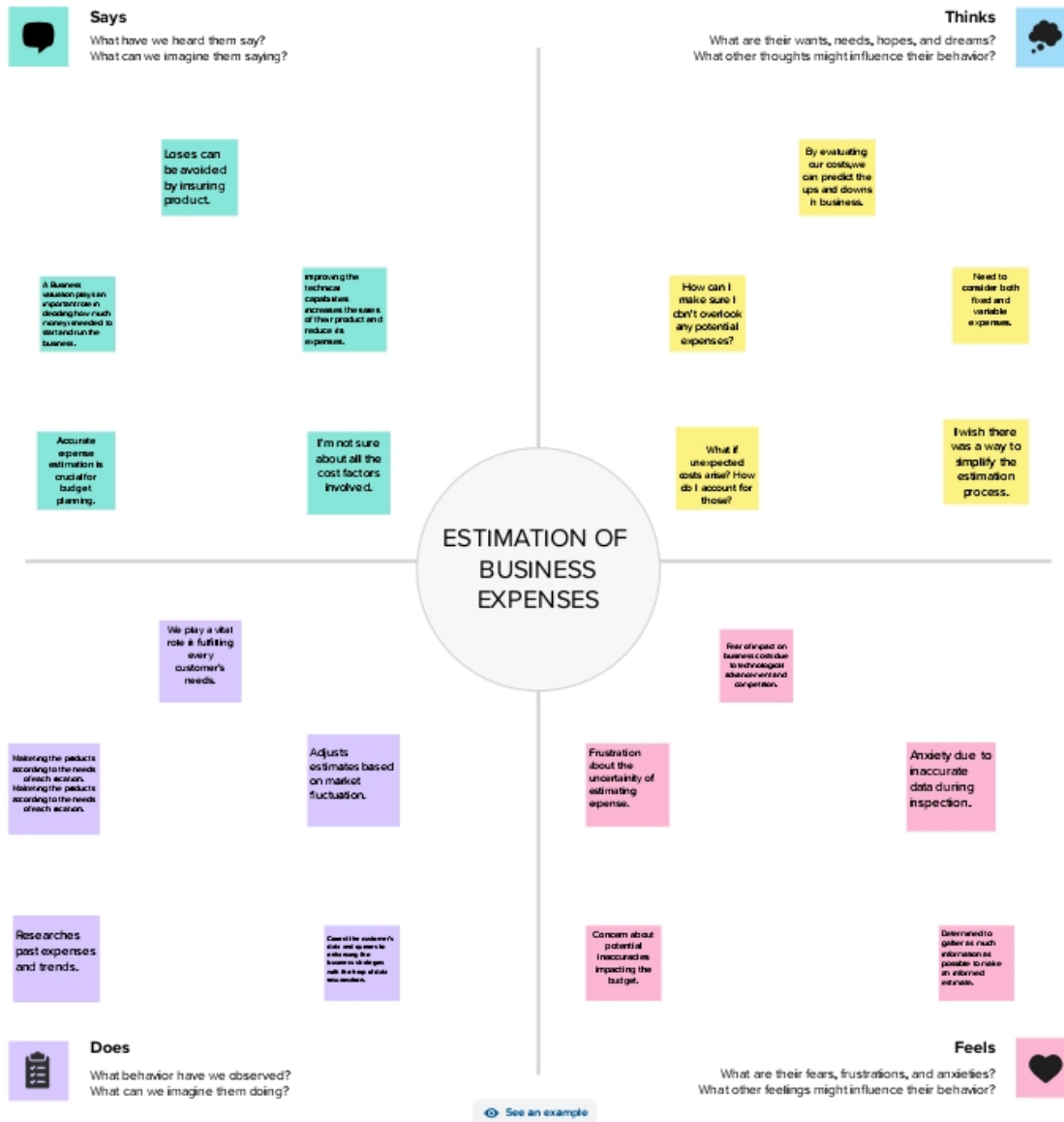
- ❖ **Taxes:**

Estimate tax liabilities.

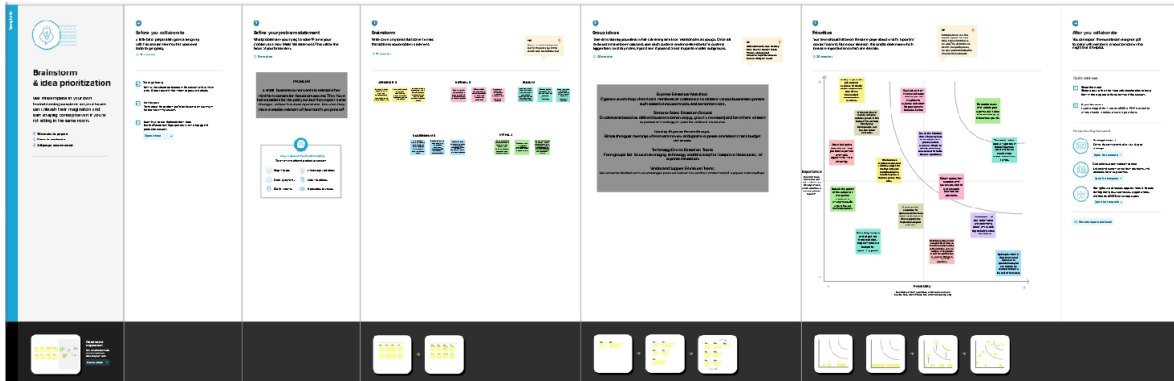
Use historical data and industry benchmarks for accuracy, and regularly review and adjust your estimates to stay on track with your budget.

2 Problem Definition & Design Thinking

2.1 Empathy Map



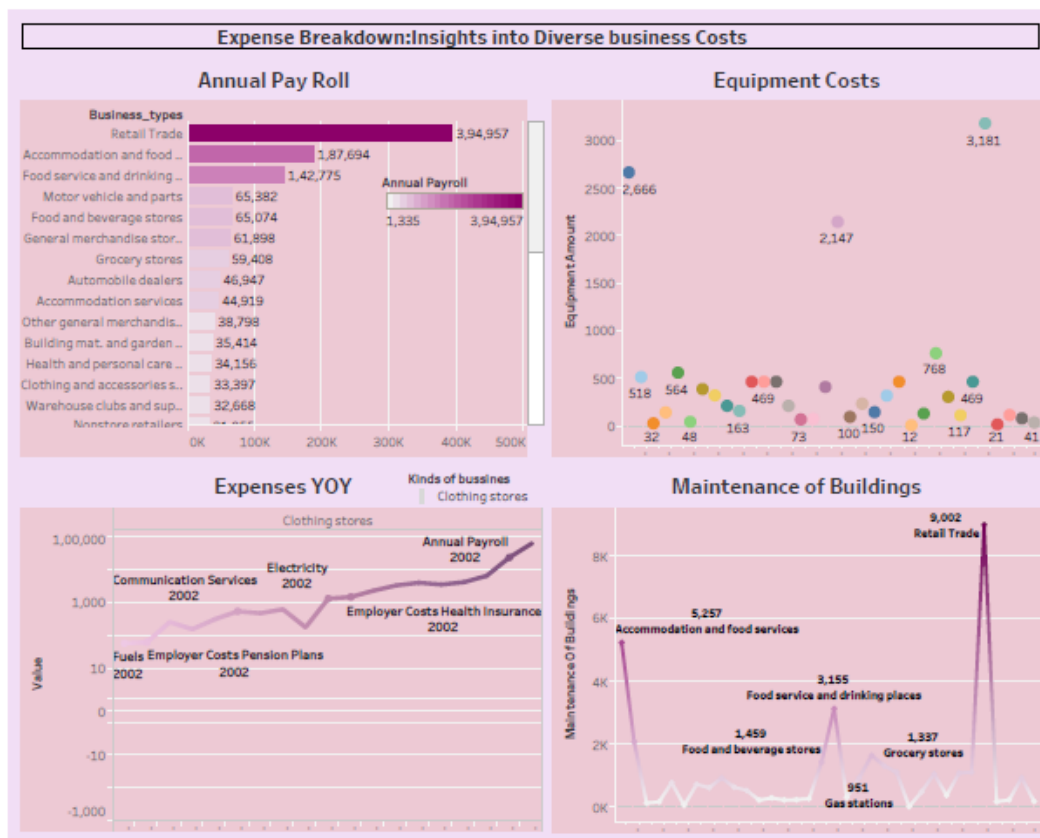
2.2 Ideation & Brainstorming Map



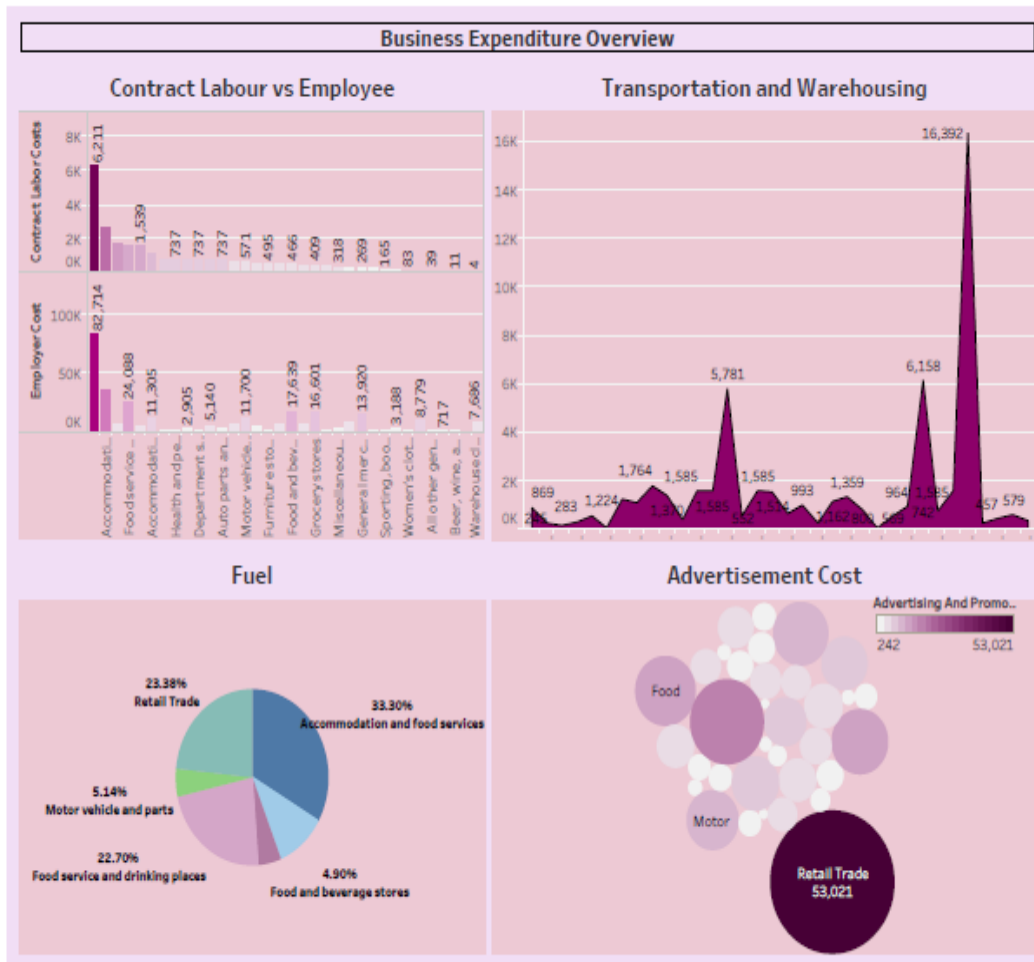
3 RESULT

We created the data visualization such as dashboard and story using the dataset provided.

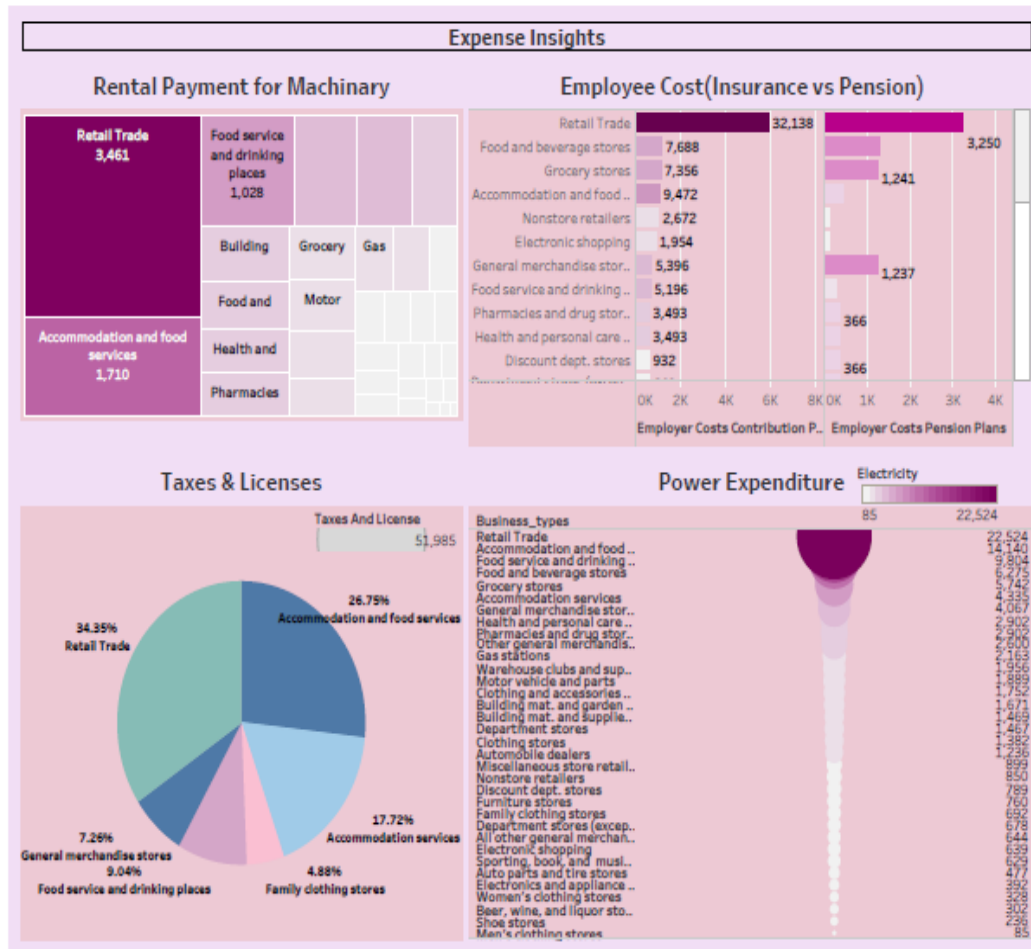
Dashboard 1



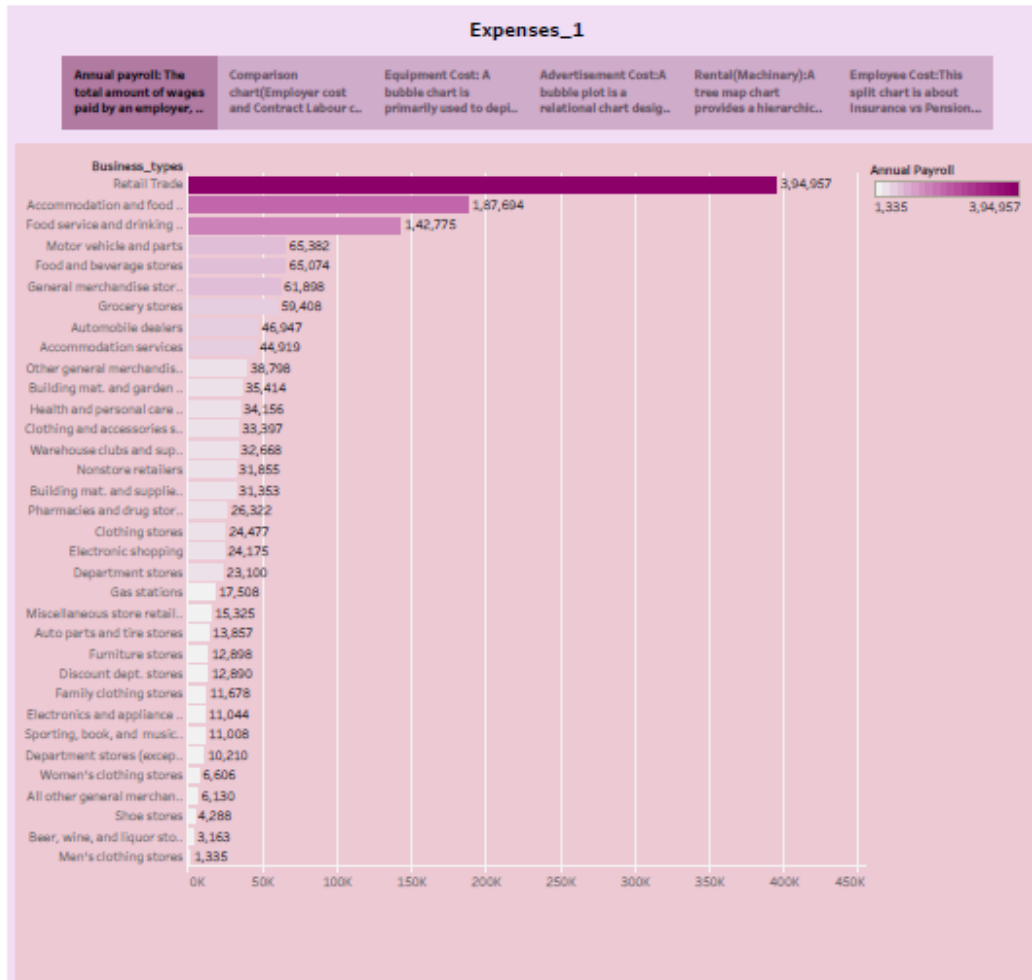
Dashboard 2



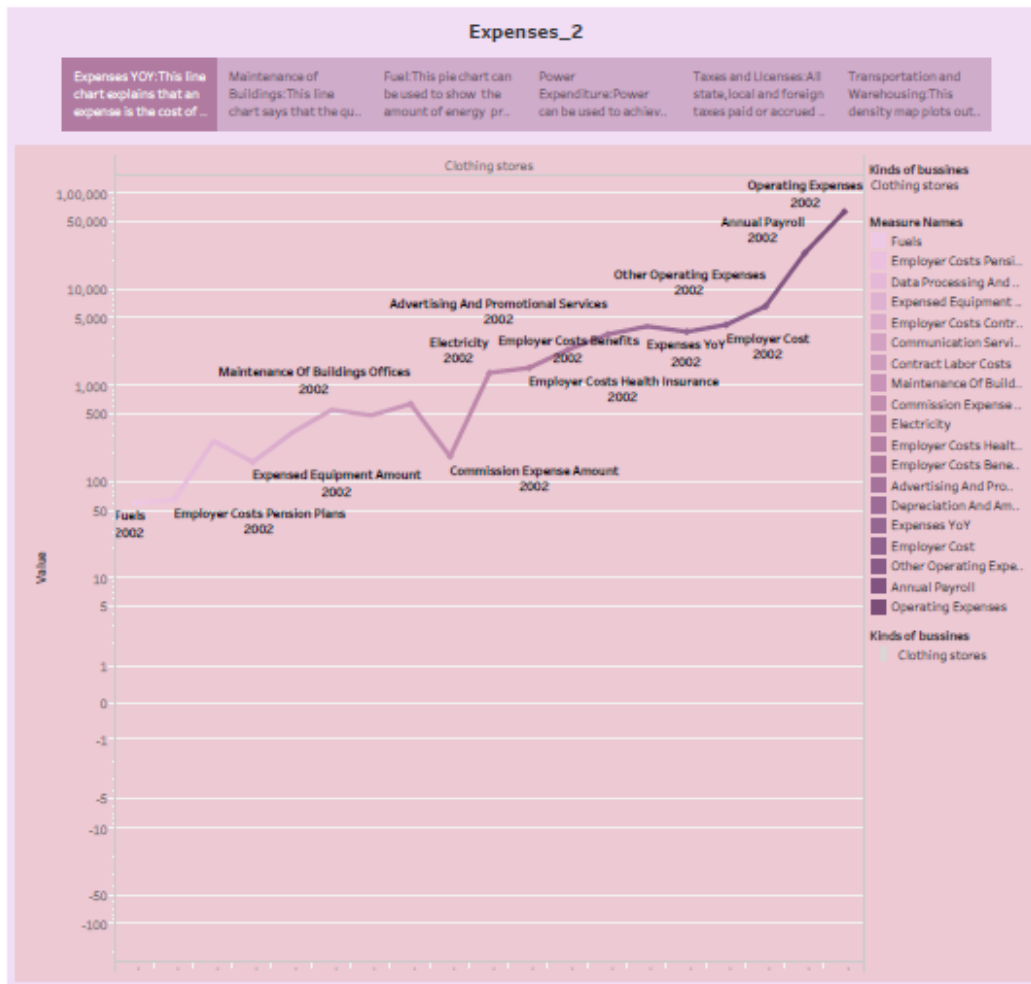
Dashboard 3



Story 1



Story 2



4 ADVANTAGES & DISADVANTAGES

Advantages of business expenses:

- ❖ **Tax Deductions:**
Business expenses can often be deducted from your taxable income, reducing your overall tax liability.
- ❖ **Cost Control:**
Tracking and managing expenses helps control costs and improve profitability.
- ❖ **Investment in Growth:**
Necessary expenses, like marketing or research, can fuel business growth.
- ❖ **Employee Satisfaction:**
Providing expense reimbursements can enhance employee satisfaction and retention.

Disadvantages of business expenses:

- ❖ **Financial Strain:**
High or unexpected expenses can strain your cash flow and potentially harm your business's financial stability.
- ❖ **Record-keeping:**
Properly tracking and documenting expenses can be time-consuming and may require dedicated resources.
- ❖ **Compliance and Audit Risks:**
Incorrectly handling expenses can lead to compliance issues or tax audits, which can be costly and time-consuming.
- ❖ **Opportunity Cost:**
Funds spent on expenses cannot be used for other investments or growth opportunities, potentially limiting your business's potential for expansion.

5 APPLICATIONS

Estimating Business Expenses is crucial for budgeting, financial planning and decision making. Here are some applications of estimating business expenses.

- ❖ Estimating expenses helps in creating a budget, which is a financial roadmap for the business.
- ❖ It assists in long-term financial planning.
- ❖ Estimating expenses helps in tax planning and ensuring that the business takes advantage of applicable deductions and credits.
- ❖ By estimating expenses, businesses can identify areas where cost-saving measures can be implemented, thereby improving efficiency.
- ❖ Knowing your estimated expenses enables you to allocate resources efficiently, ensuring that you have enough funds for necessary expenditures.

6 CONCLUSION

- ❖ Define Problem / Problem Understanding
 - ★ Specify the business problem
 - ★ Business requirements
 - ★ Literature Survey
- ❖ Data Collection & Extraction
 - ★ Collect the dataset
 - ★ Connect dataset with Tableau
- ❖ Data Preparation
 - ★ Prepare the data for visualizations
- ❖ Data Visualizations
 - ★ No of unique visualizations
- ❖ Dashboard
 - ★ Responsive and design of Dashboard
- ❖ Story
 - ★ No of scenes of Story
 - ★ Performance Testing
 - ★ Utilization of Data Filters
 - ★ No of Visualizations/ Graphs
 - ★ Project Demonstration & Documentation
 - ★ Record explanation Video for project end to end solution

7 FUTURE SCOPE EXPENSE

Estimation + The future scope of a project focused on the estimation of business expenses could include:

- ❖ **Enhanced Automation:**
Integrating AI and machine learning to improve accuracy and automate expense tracking and reporting.
- ❖ **Real-time Monitoring:**
Developing features for real-time expense tracking and analysis to enable proactive cost control.
- ❖ **Mobile Apps:**
Creating mobile applications for easy expense entry and management on the go.
- ❖ **Predictive Analytics:**
Implementing predictive models to forecast future expenses based on historical data and trends.
- ❖ **Expense Optimization:**
Expanding the project to suggest cost-saving measures and strategies.
- ❖ **Integration with Accounting Software:**
Integrating with popular accounting software for seamless data transfer.
- ❖ **Compliance and Reporting:**
Developing features to ensure compliance with tax and accounting regulations and generate detailed expense reports.
- ❖ **User-Friendly Interfaces:** Continuously improving user interfaces to make expense estimation and management user-friendly.

