ESTIMATION OF BUSINESS EXPENSES

PROJECT REPORT

## 1) INTRODUCTION:

PROJECT DESCRIPTION:

Estimation of Business Expenses This report delves into the fascinating realm of business expenses and provides a visual exploration of the various expenditures incurred by different businesses. It showcases the distribution of expenses, identifies key cost drivers, and highlights areas of potential optimization or concern. The visual representations allow for intuitive analysis, facilitating a deeper understanding of expenditure patterns and their implications for business performance. Decision-makers, financial analysts, and stakeholders can gain valuable insights into the financial health of businesses, identify areas of inefficiency or opportunity, and make informed decisions to optimize resources and drive growth. To Extract the Insights from the data and put the data in the form of visualizations, Dashboards and Story we employed Tableau tool.

2) PROBLEM DEFINITION & DESIGN THINKING:
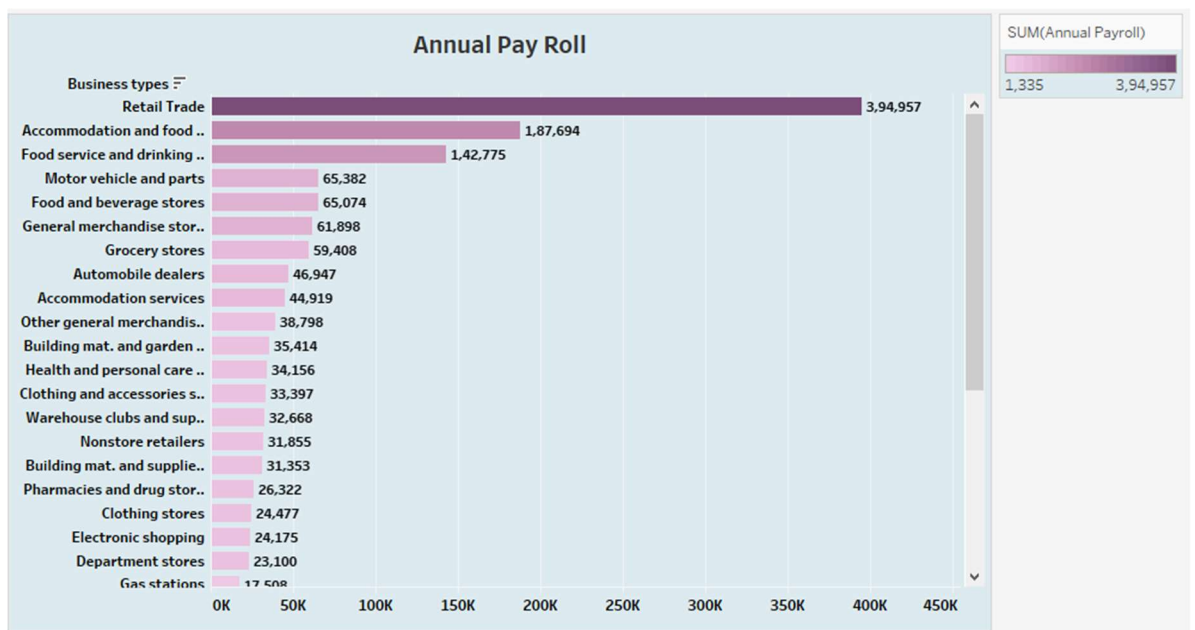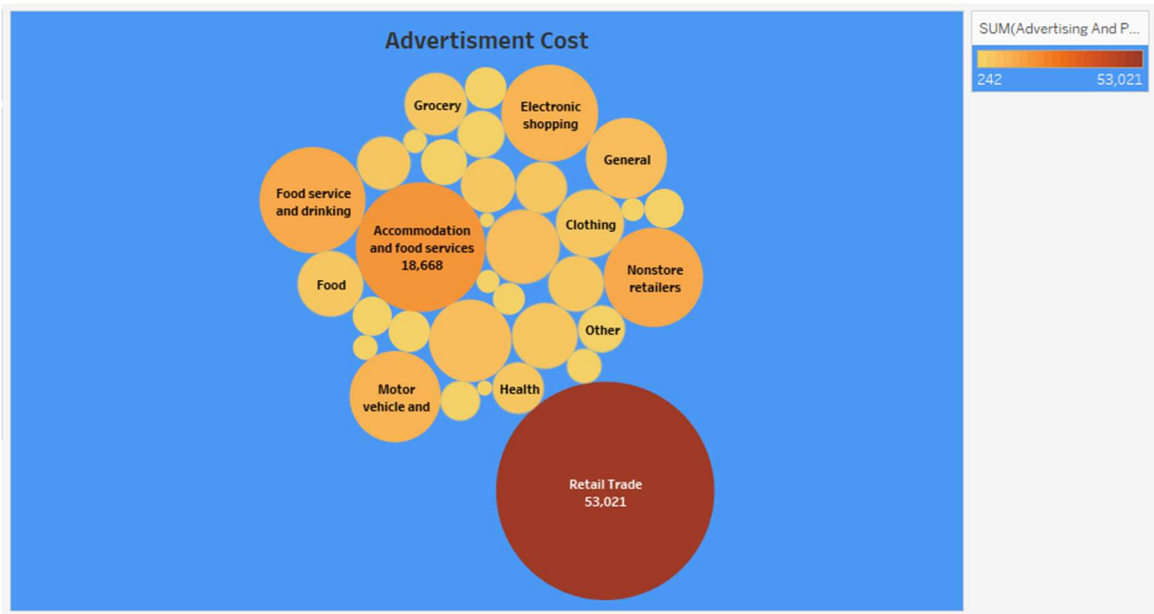
2.1) EMPATHY MAP:
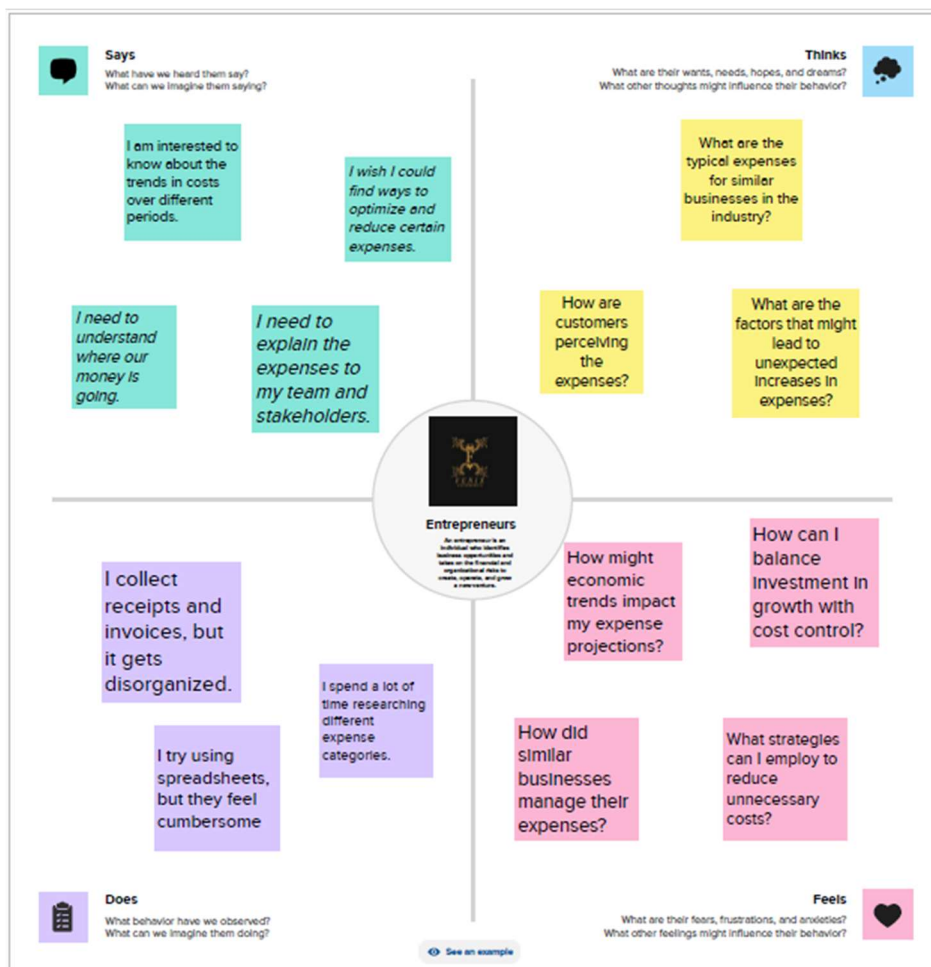
2.2) BRAINSTORMING MAP:
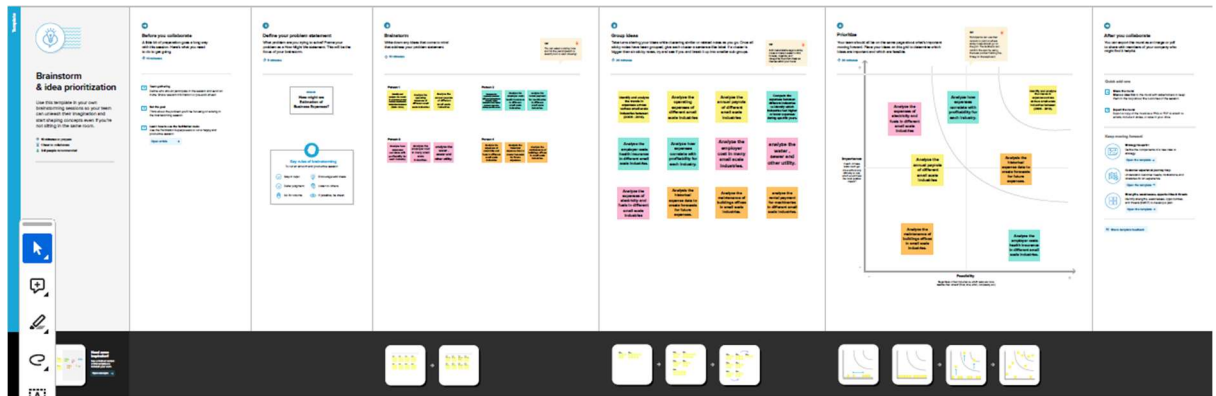
3) RESULT:

3.1) SHEETS:

3.1.1) Annual Pay Roll

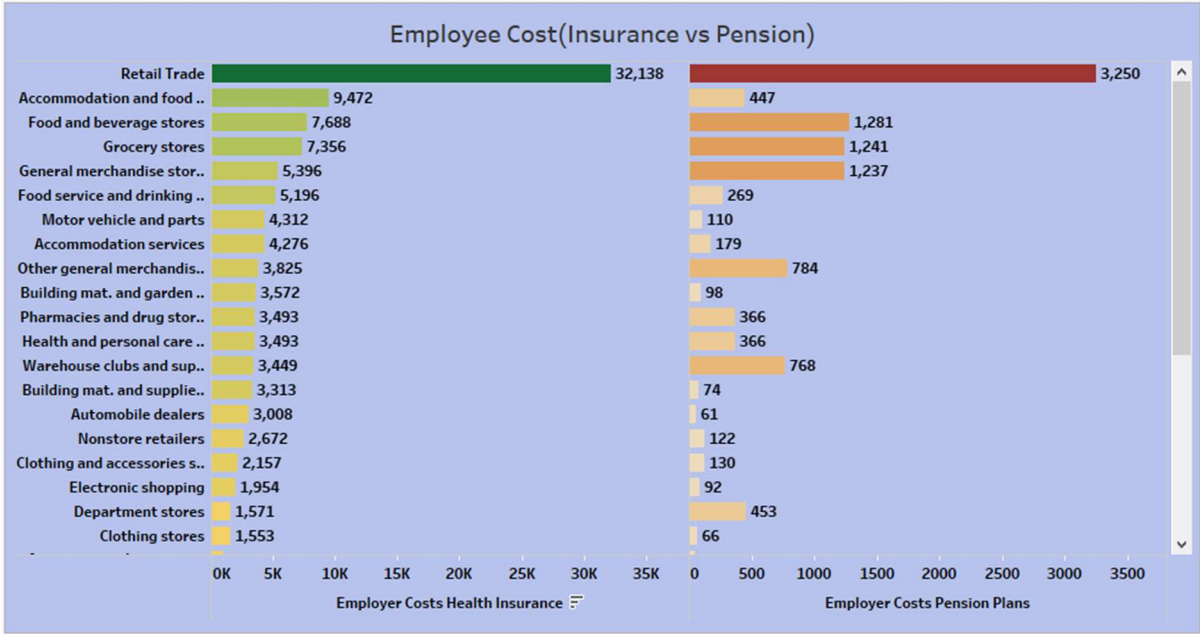## 3.1.2) Advertisement Cost:

3.1.3) Contract Labour vs Employee:

3.1.4) Employee Cost:
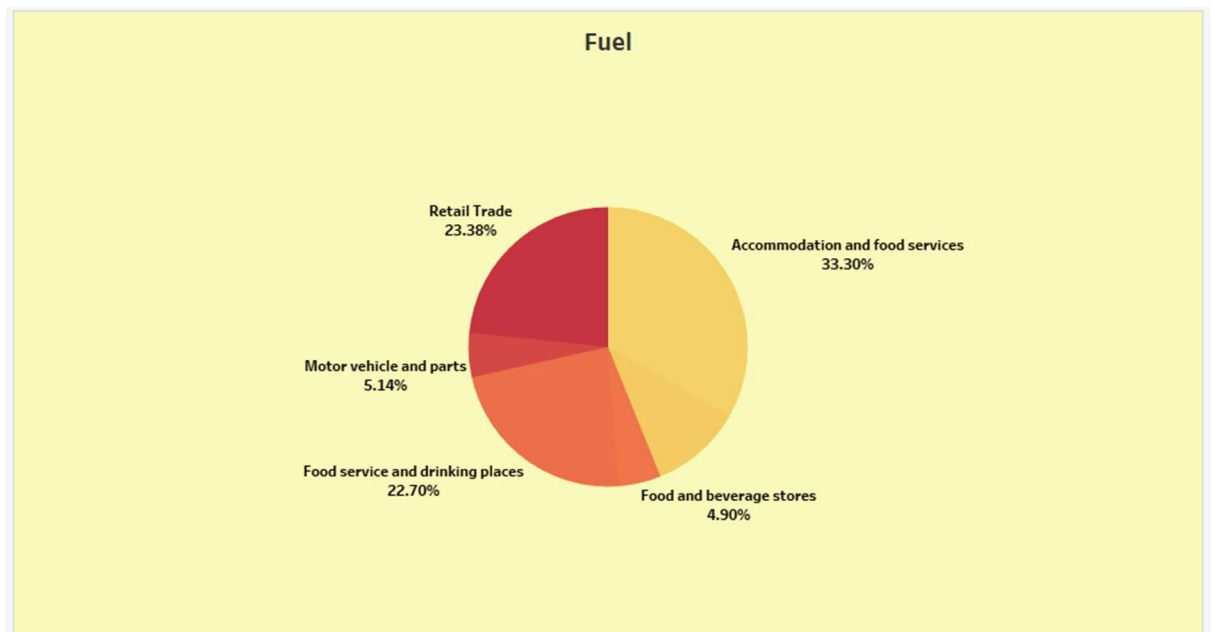
Employee Cost(Insurance vs Pension)

Category	Employer Costs Health Insurance	Employer Costs Pension Plans
Retail Trade	32,138	3,250
Accommodation and food ..	9,472	447
Food and beverage stores	7,688	1,281
Grocery stores	7,356	1,241
General merchandise stor..	5,396	1,237
Food service and drinking ..	5,196	269
Motor vehicle and parts	4,312	110
Accommodation services	4,276	179
Other general merchandis..	3,825	784
Building mat. and garden ..	3,572	98
Pharmacies and drug stor..	3,493	366
Health and personal care ..	3,493	366
Warehouse clubs and sup..	3,449	768
Building mat. and supplie..	3,313	74
Automobile dealers	3,008	61
Nonstore retailers	2,672	122
Clothing and accessories s..	2,157	130
Electronic shopping	1,954	92
Department stores	1,571	453
Clothing stores	1,553	66

3.1.5) Equipment Costs:

Equipment Costs

Equipment Amount

Data points: 2,666; 518; 32; 147; 564; 48; 392; 326; 216; 163; 469; 469; 469; 216; 73; 79; 414; 100; 238; 150; 323; 469; 12; 768; 135; 310; 117; 469; 2,147; 3,181; 21; 119; 84; 41
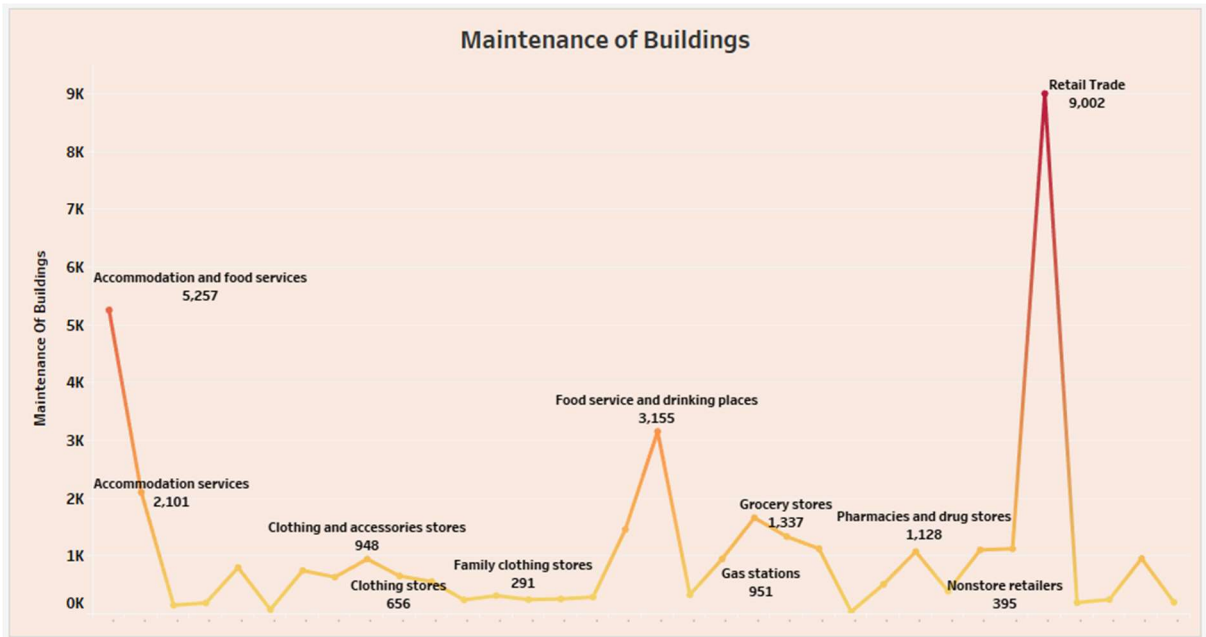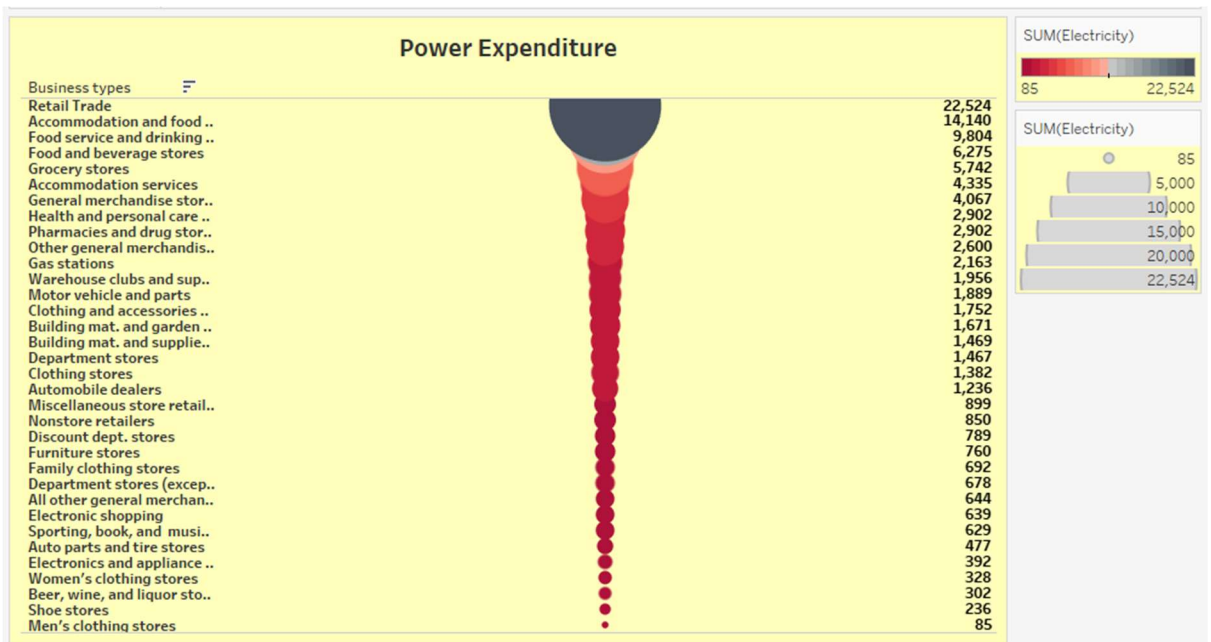
3.1.6) Expenses YOY:
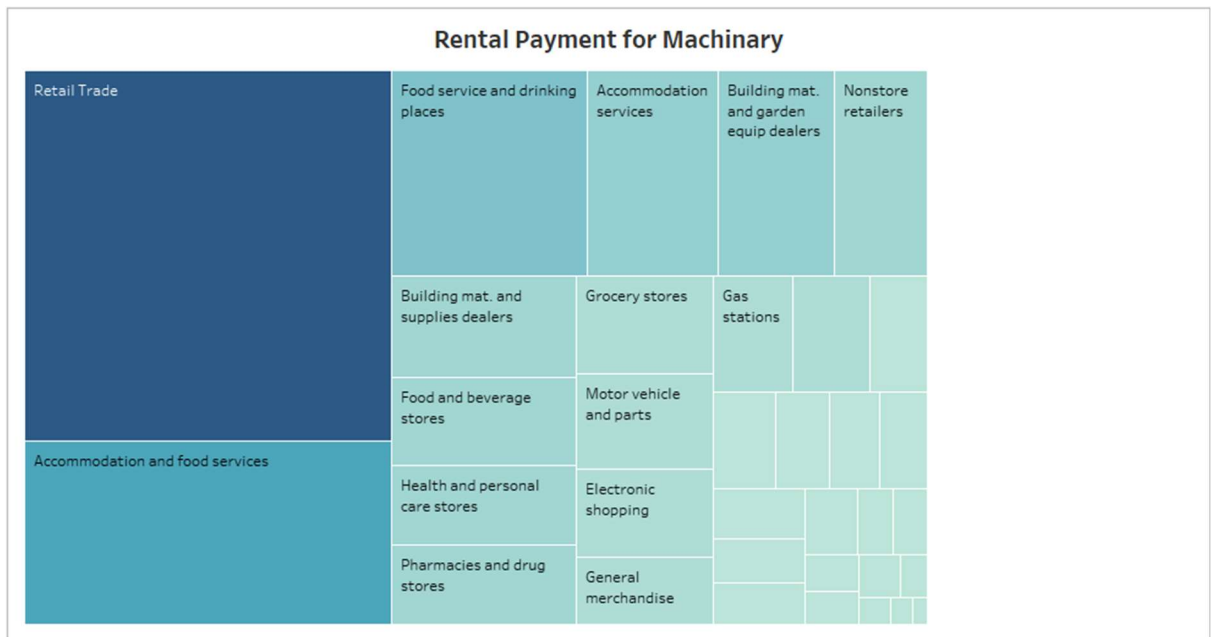

3.1.7) Fuel:
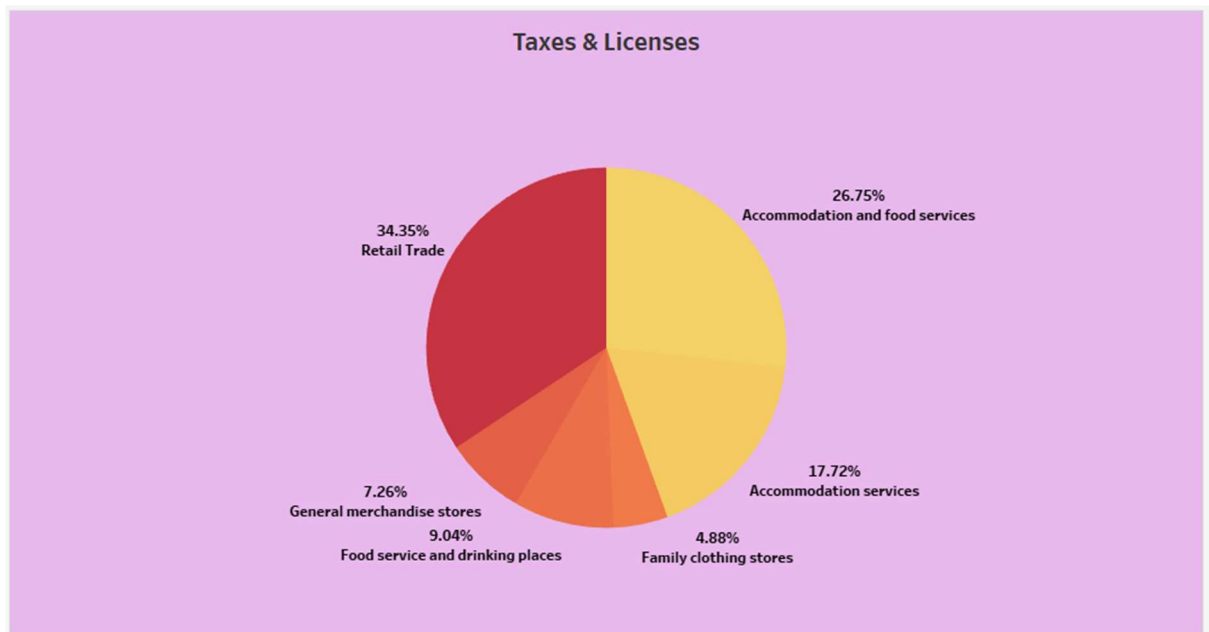
3.1.8) Maintenance of Buildings:

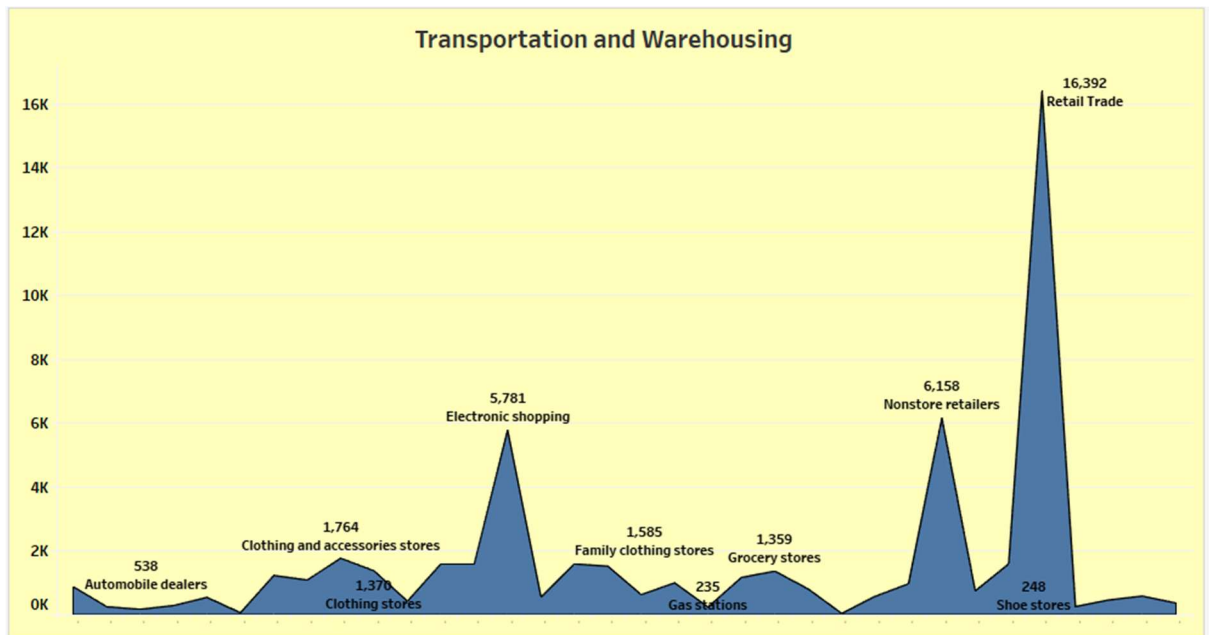### 3.1.9) Power Expenditure:

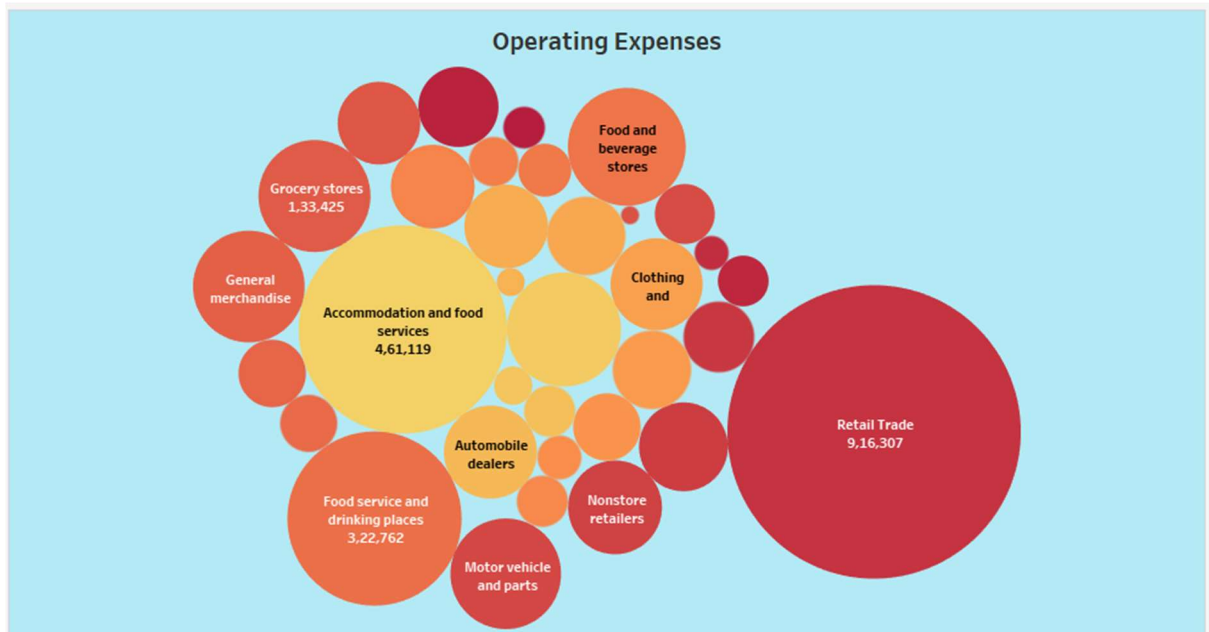## 3.1.10) Rental Payment for Machinary:

3.1.11) Taxes & Licenses:

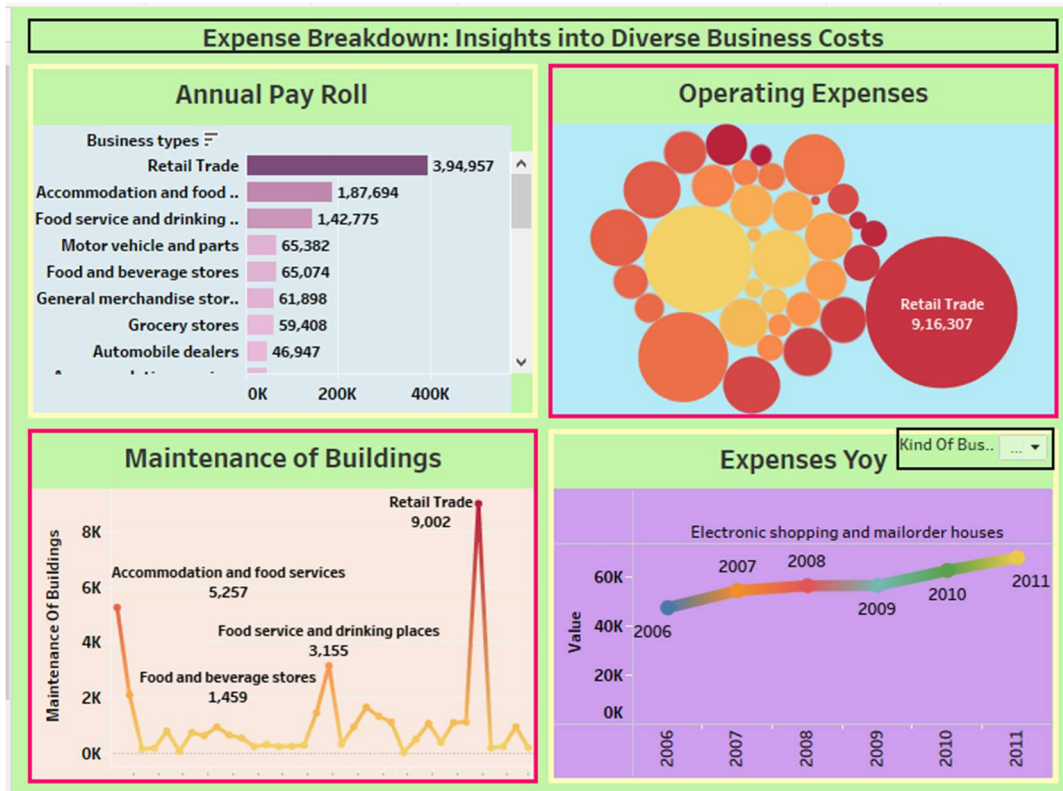## 3.1.12) Transportation and Warehousing:
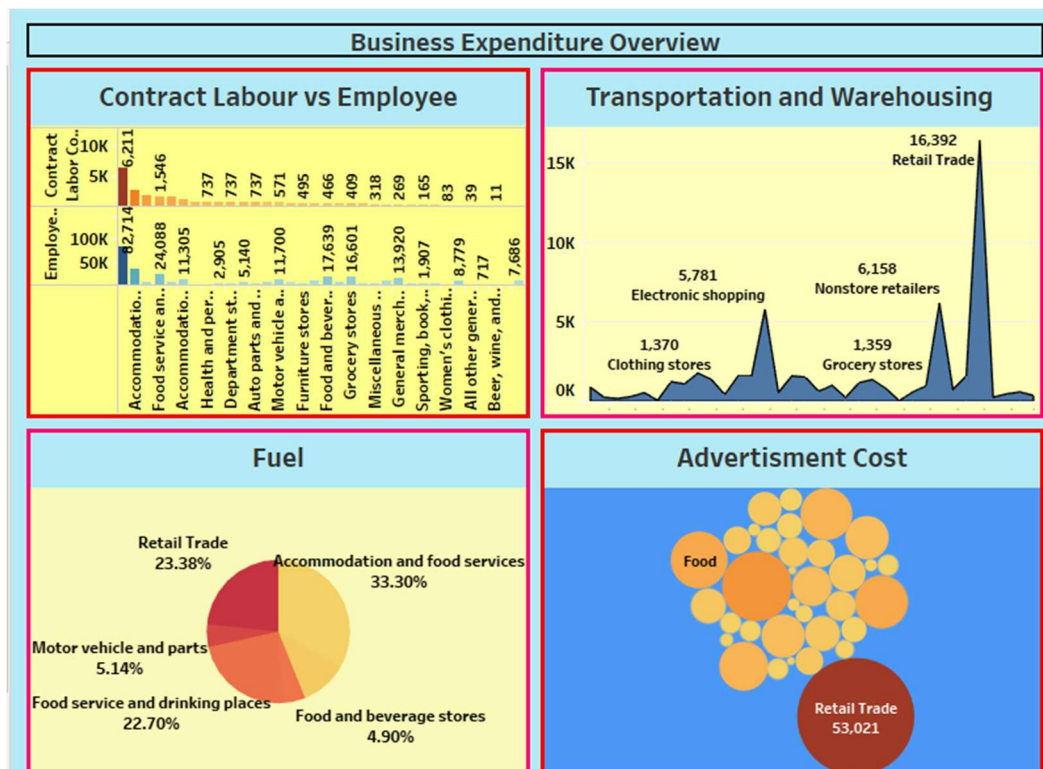

3.1.13) Operating Expenses:
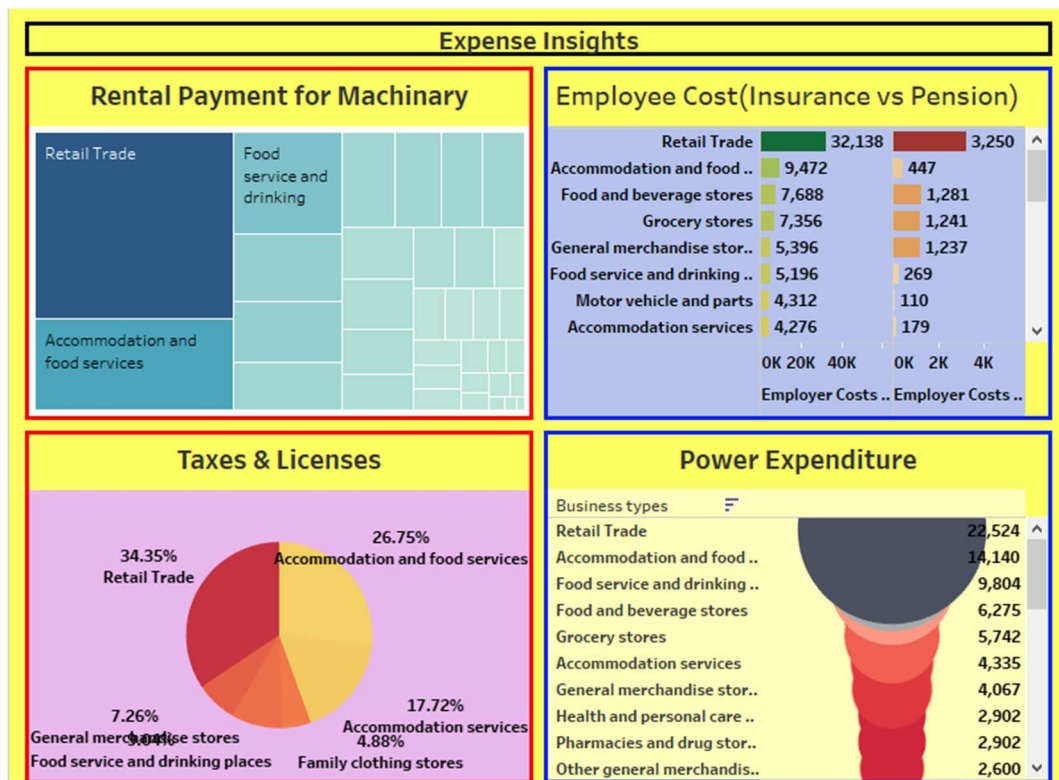
3.2) DASHBOARDS:

3.2.1) Expense Breakdown:

3.2.2) Business Expenditure Overview:

3.2.3) Expense Insights:

3.3) <u>STORY:</u>

3.3.1)
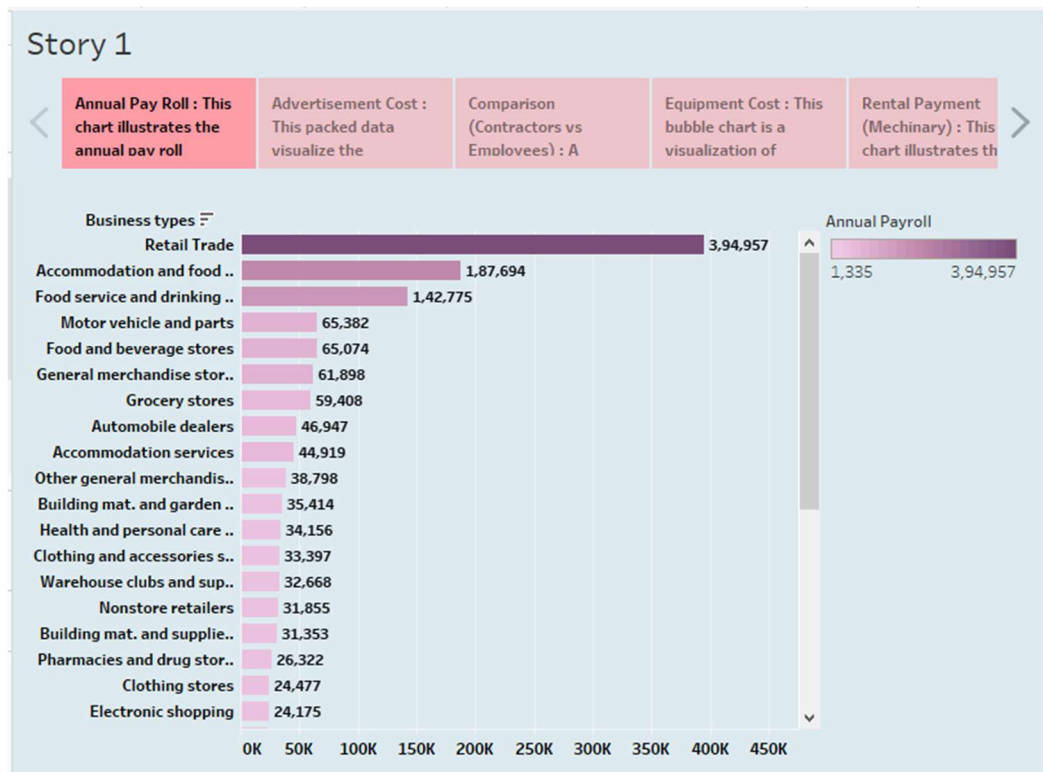
3.3.2)
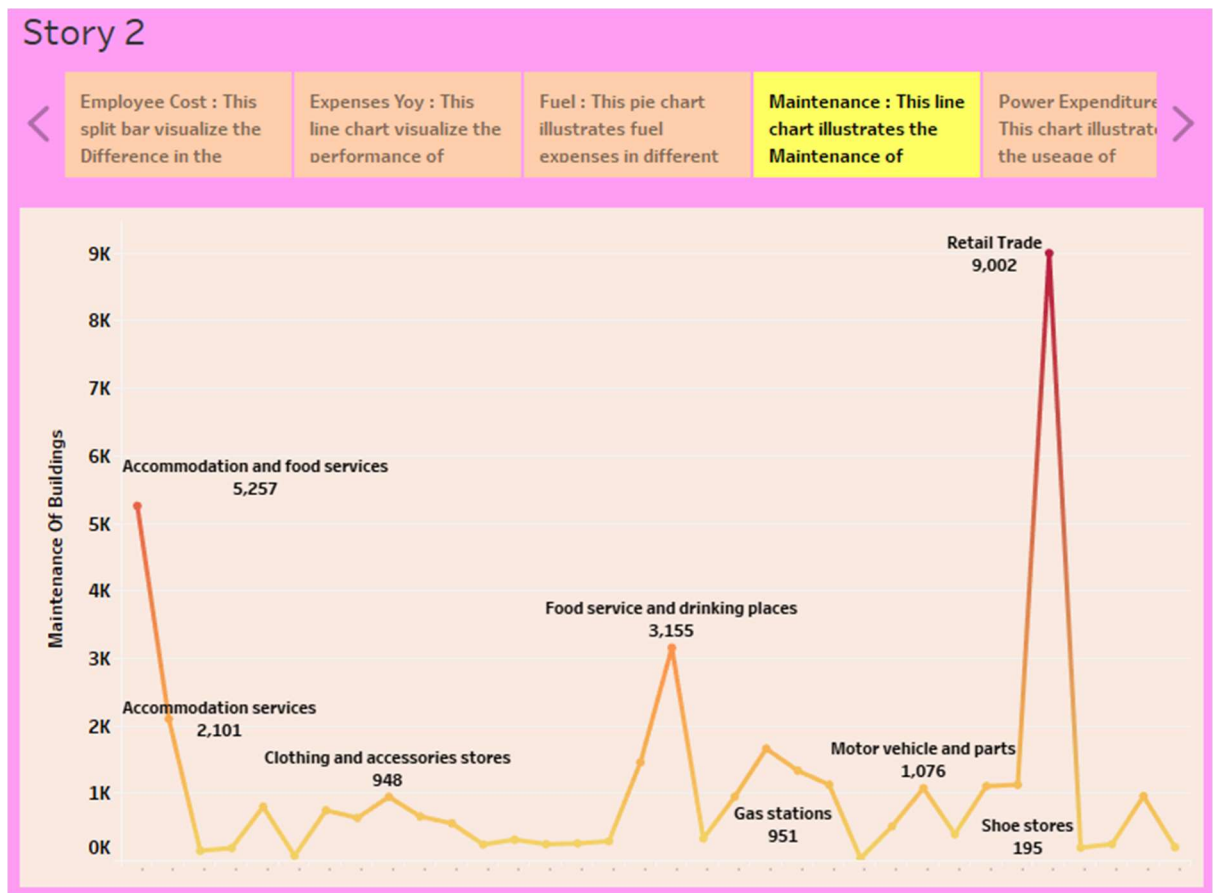
3.4) TABLEAU ACCOUNT:

4) ADVANTAGES AND DISADVANTAGES:

4.1) <u>Advantages:</u>

1. Accuracy: The solution may improve the accuracy of expense estimation through automation and data analysis.

2. Time Efficiency: It can save time by reducing manual data entry and calculations.

3. Cost Reduction: Automation can reduce the costs associated with manual record keeping and data entry.

4. Data Insights: The solution may offer valuable insights into spending patterns and trends.

5. Scalability: It can be scalable to accommodate the growing needs of the business.

6. Compliance: Ensures compliance with financial regulations and tax laws.

7. Real-time Monitoring: Allows real-time tracking of expenses for better financial control.

8. User-Friendly: If designed well, it can be user-friendly, making it accessible to non-financial staff.

4.2) <u>Disadvantages:</u>

1. Implementation Cost: Initial setup and development costs can be high.

2. Learning Curve: Staff may require training to use the new system effectively.

3. Technical Issues: Potential technical glitches and downtime.

4. Data Privacy Concerns: Risks associated with handling sensitive financial data.

5. Dependence on Technology: Vulnerable to system failures or cyberattacks.

6. Customization Challenges: May require customization to suit specific business needs.

7. Limited Flexibility: Some solutions may be rigid and not easily adaptable.

8. Maintenance: Ongoing maintenance and updates are necessary.

9. Compatibility Issues: Integration challenges with existing systems.

10. Resistance to Change: Employees may resist adopting new processes and technology.

5) **APPLICATIONS:**

1. Budgeting: It helps businesses create accurate budgets by forecasting expenses across different departments and categories.

2. Financial Planning: Enables businesses to plan for future expenses and allocate resources effectively.

3. Cost Control: Allows for monitoring and control of expenses, helping to identify areas where cost savings can be achieved.

4. Tax Planning: Accurate expense estimation aids in tax planning and compliance, ensuring businesses claim deductions correctly.

5. Procurement: Helps in negotiating better deals with suppliers and optimizing purchasing decisions.

6. Project Management: Supports project cost estimation and tracking to ensure projects stay within budget.

7. Forecasting: Provides insights into future cash flow and financial performance.

8. Expense Reporting: Streamlines the expense reporting process for employees, reducing errors and fraud.

9. Risk Management: Identifies potential financial risks associated with expense fluctuations.

10. Strategic Decision-Making: Informs strategic decisions, such as expansion plans or cost-cutting initiatives, based on projected expenses.

11. Compliance: Ensures adherence to industry regulations and financial reporting standards.

12. Employee Reimbursements: Facilitates accurate reimbursement of employee expenses.

6) **CONCLUSION:**

In conclusion, the estimation of business expenses is a crucial aspect of financial management. Throughout this work, we have explored various methods and strategies for accurately predicting and managing business costs. Key findings include the importance of thorough budgeting, data analysis, and the use of historical data for making informed expense projections. Additionally, we have discussed the significance of monitoring and adjusting expense estimates as market conditions and business needs change.

7) **FUTURE SCOPE:**

1. Machine Learning and AI Integration: Implement machine learning algorithms and AI to analyze historical expense data and make more accurate predictions based on patterns and trends.

2. Real-time Data Integration: Enable real-time data feeds from various sources such as credit card transactions, receipts, and invoices to provide up-to-the-minute expense estimates.

3. Mobile App Integration: Develop a mobile app that allows employees to easily input expenses on the go, capturing receipts through photos and using OCR (Optical Character Recognition) to extract data.

4. Integration with Accounting Software: Seamlessly integrate expense estimation tools with accounting software like QuickBooks or Xero to ensure accurate tracking and reporting.

5. Customizable Categories: Allow users to create custom expense categories and subcategories to better align with their specific business needs.

6. Expense Approval Workflow: Implement an automated approval workflow that routes expense estimates to managers for review and approval, streamlining the process.

7. Currency Conversion: For businesses operating internationally, incorporate automatic currency conversion for accurate estimations when dealing with multiple currencies.

8. Predictive Analytics: Use predictive analytics to forecast future expenses based on historical data and market trends, helping businesses plan for financial stability.

9. Expense Policy Compliance: Build in alerts and notifications to ensure expenses are in line with company policies, reducing errors and non-compliance.

10. Data Visualization: Provide intuitive data visualization tools to help businesses understand expense trends and make informed decisions.