



Says

What have we heard them say?
What can we imagine them saying?



Thinks

What are their wants, needs, hopes, and dreams?
What other thoughts might influence their behavior?

People often emphasize the significance of accurately estimating business expenses as it directly affects budgeting, financial planning, and overall profitability.

Many businesses rely on historical expense data to predict future expenses. Looking at patterns and trends in past expenditures can help in making informed estimations.

Businesses often consider the level of risk associated with different expenses. High-risk expenses might lead to more conservative estimations, whereas low-risk expenses could be estimated with more confidence.

If businesses are in a competitive industry, they might adjust their expense estimations to remain competitive while still maintaining quality. Economic conditions on a larger scale, such as recession or economic growth, can influence how businesses estimate expenses. Businesses might become more cautious in uncertain economic climates.

Businesses with seasonal or cyclical patterns might emphasize the need to adjust expense estimations to reflect these variations. Some discussions may focus on how technology and automation can impact expense estimation processes, making them more accurate and efficient.

Businesses considering sustainability might allocate funds for eco-friendly practices, impacting expense estimations related to energy efficiency or waste reduction. Businesses in consumer-oriented industries might allocate funds to meet customer expectations regarding product quality, service, and support.



Imagine a startup company planning its first year of operations. The founders carefully research industry benchmarks and market trends to estimate both fixed and variable expenses. They set a conservative budget with a significant contingency to account for unexpected costs during their initial phase.

Estimating business expenses is a critical aspect of financial planning and management. It involves predicting the costs that a business will incur in its operations over a specific period. Accurate expense estimation helps businesses budget effectively, make informed decisions, and maintain financial stability. Here's a step-by-step guide to the process of estimating business expenses

Imagine a technology company with a strong emphasis on innovation. The company estimates expenses by allocating a significant portion of the budget to research and development (R&D) initiatives. They understand that investing in R&D is crucial for staying competitive and creating future revenue streams.

Picture a retail business that experiences seasonal fluctuations in sales. To estimate expenses, the business analyzes historical data from previous years, taking into account the peak and off-peak seasons. They allocate resources for increased inventory and staffing during high-demand periods while reducing expenses during slower months.

Estimate sales projections or business activity levels for the period you are budgeting for. The volume of sales or production directly affects variable expenses, so having accurate forecasts is crucial.

Analyze past financial records and expenses to identify patterns and trends. Historical data provides insights into how expenses have changed over time and helps in making more accurate predictions.



Does

What behavior have we observed?
What can we imagine them doing?



Feels

What are their fears, frustrations, and anxieties?
What other feelings might influence their behavior?