ESTIMATION OF BUSINESS EXPENSES

1.INTRODUCTION

1.1 OVERVIEW;

1. Create a detailed budget: Develop a comprehensive budget that outlines all your projected expenses and revenue streams. This will help you track your spending and identify areas where you can cut costs or allocate resources more efficiently.

2. Prioritize essential expenses: Identify the critical expenses that are necessary for your business's success and focus on managing those effectively. This will help you allocate your resources wisely and avoid unnecessary expenditures.

3. Seek cost-saving opportunities: Look for ways to reduce costs without compromising the quality of your products or services. This could involve negotiating better deals with suppliers, exploring bulk purchasing options, or implementing energy-saving measures to reduce utility bills.

4. Monitor and analyze your financials: Regularly review your financial statements, such as profit and loss statenments and cash flow reports, to gain insights into your business's financial health. This will allow you to identify areas of

concern and make informed decisions to manage costs effectively.

5. Embrace technology: Utilize technology and automation tools to streamline processes and reduce manual labor costs. This could include using accounting software for bookkeeping, project management tools for efficient task allocation, or customer relationship management (CRM) systems for effective sales and marketing.

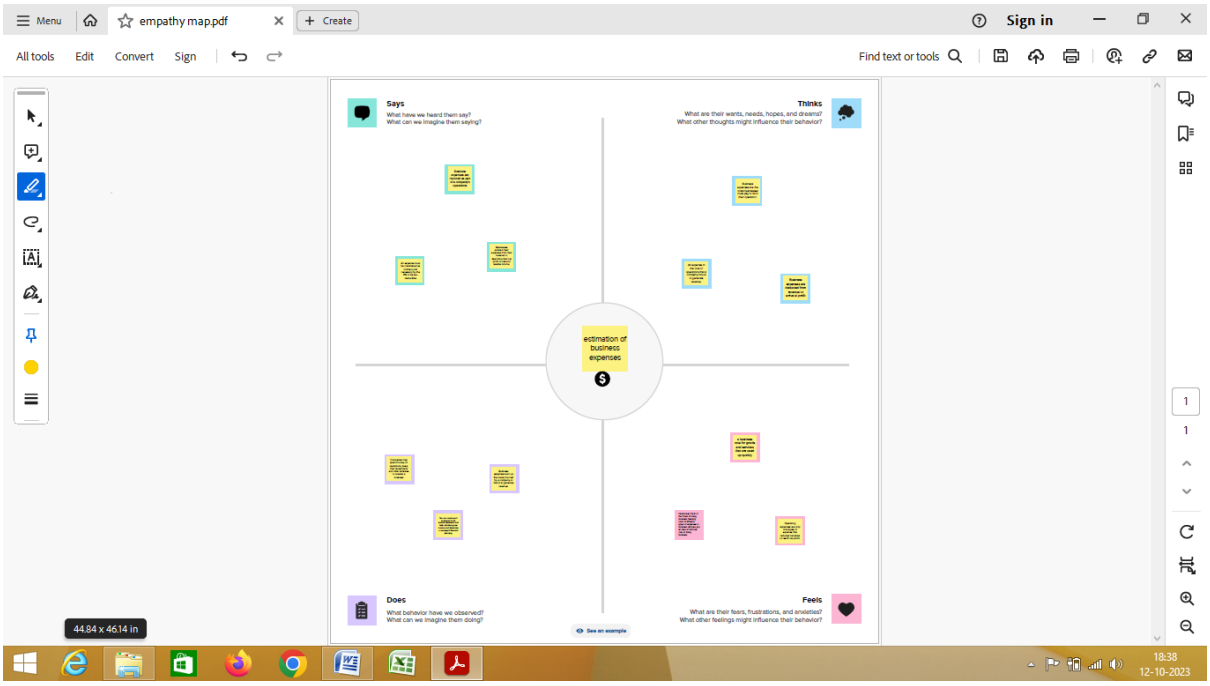
1.2 PURPOSE;

Estimating Increases Profitability for Your Business

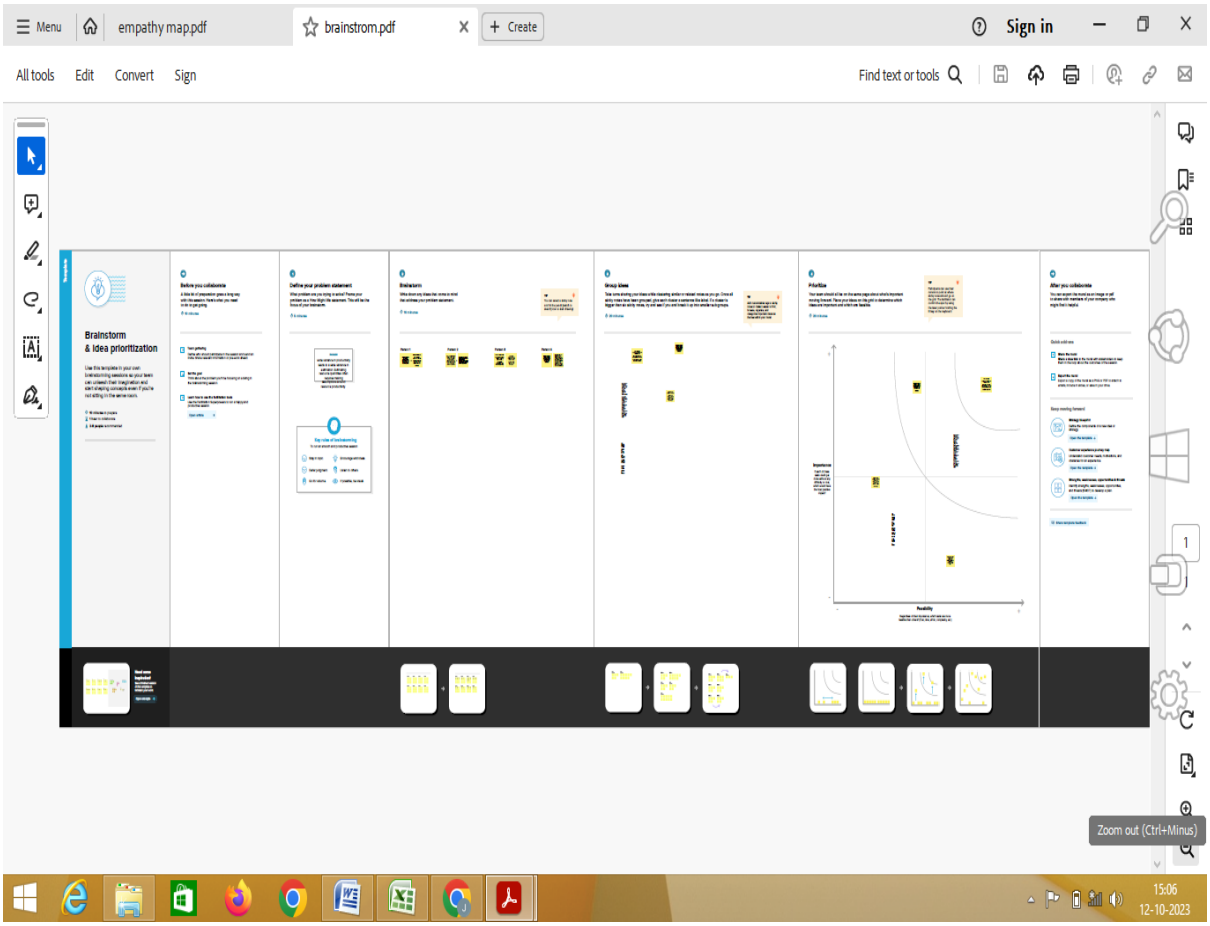
A multitude of factors, such as unexpected events, insufficiently scoped work, and inflation, can raise job costs over time, endangering the project's ability to be completed on time, under budget, and in line with profitability objectives. Accurate estimating protect your profit margins by taking into account both anticipated and unplanned expenses.

2.PROBLEM DEFINATION & DESIGN THINKING

2.1 EMPATHY MAP

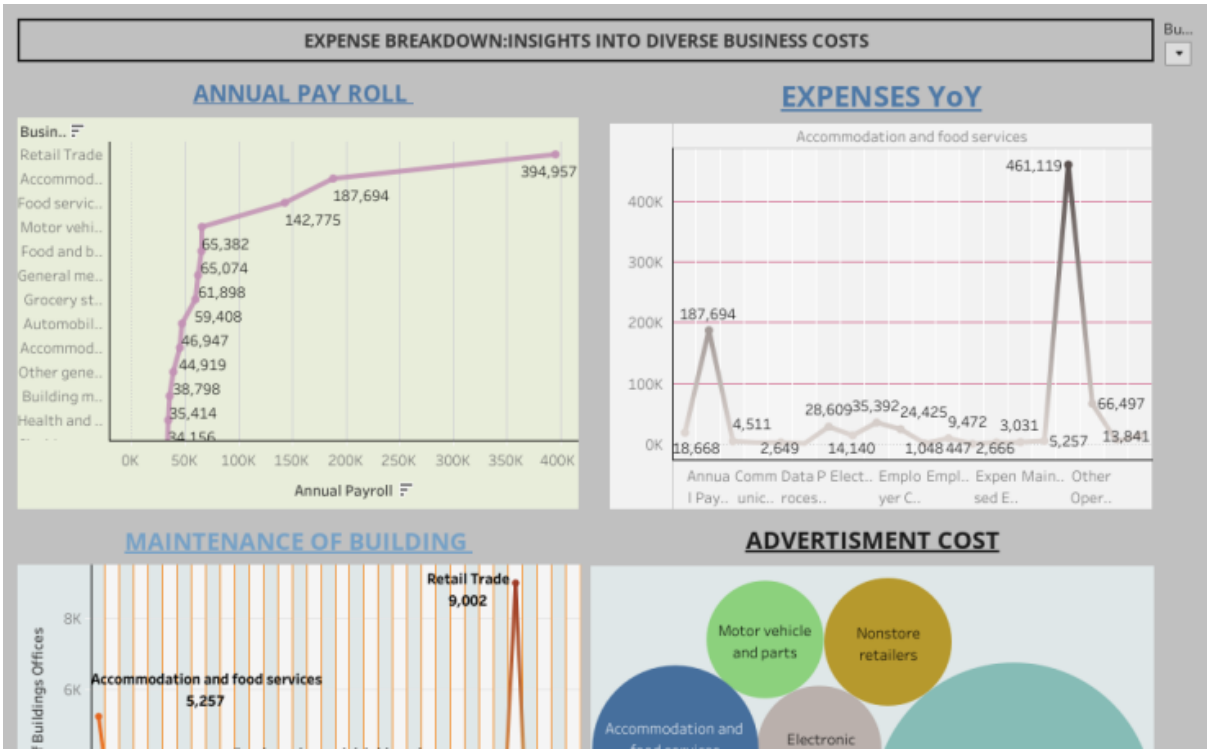


2.2 IDEATION AND BRAINSTROMING MAP

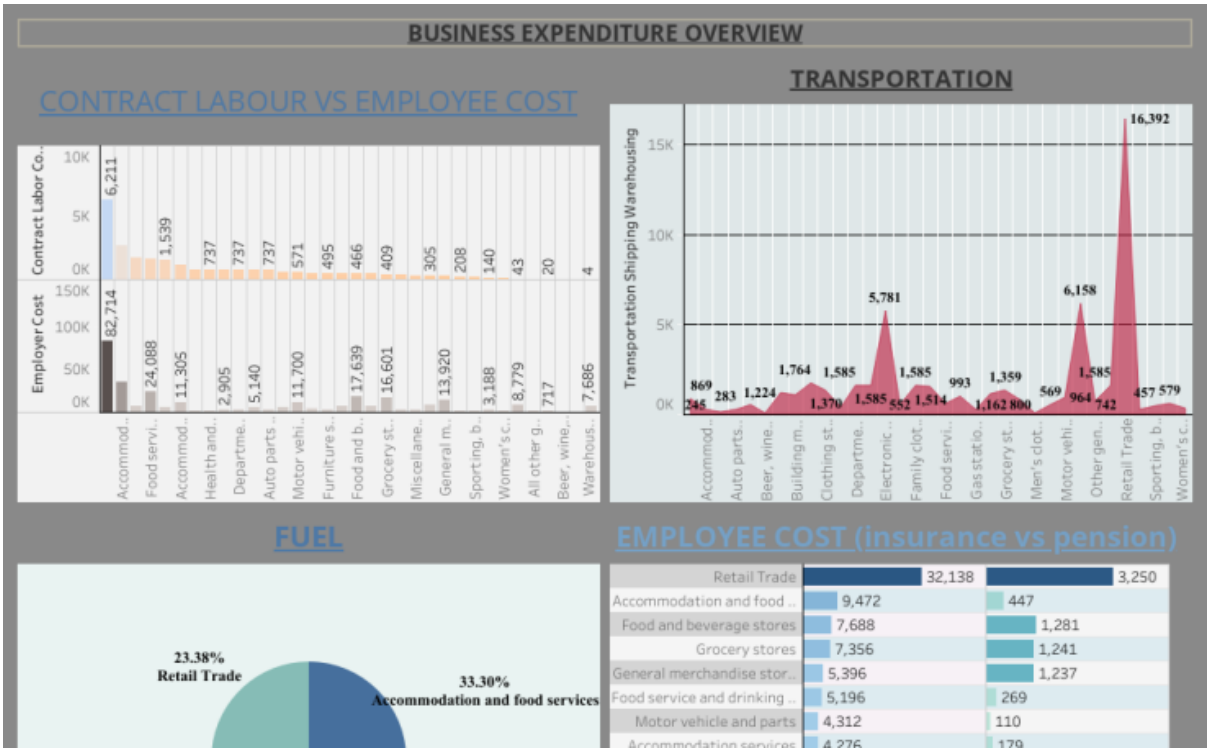


RESULT

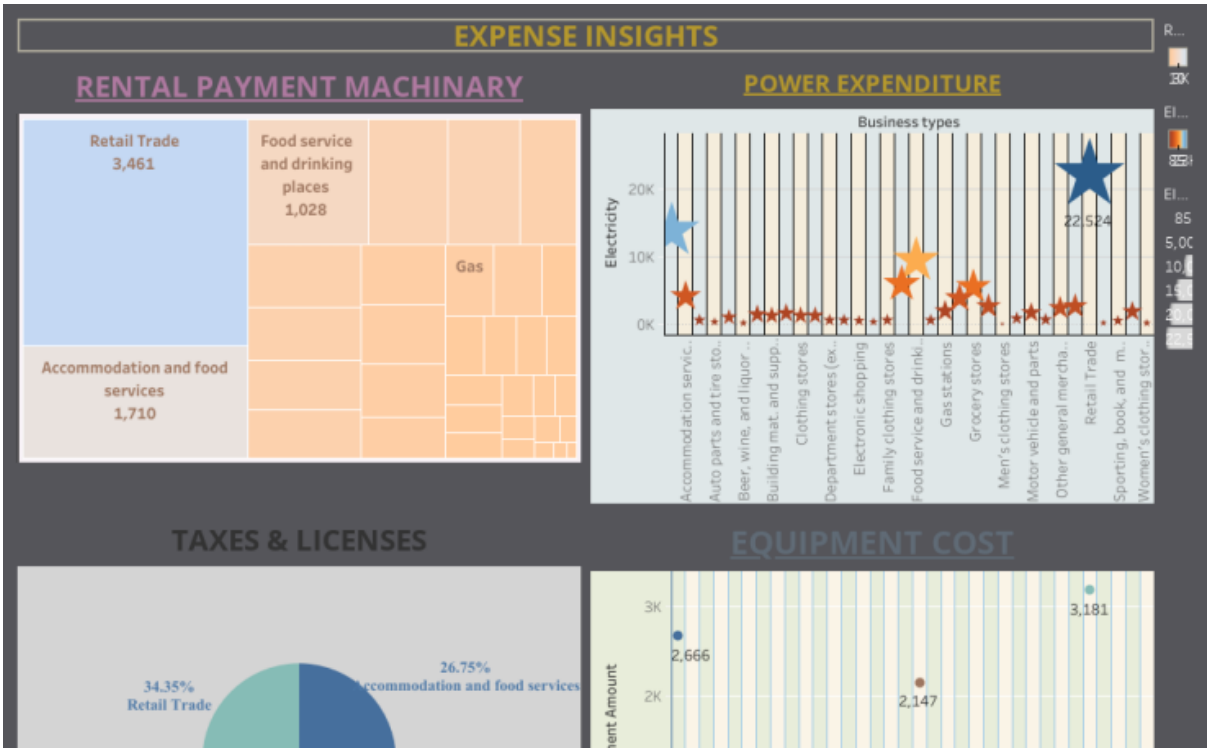
DASHBOARD 1


EXPENSE BREAKDOWN:INSIGHTS INTO DIVERSE BUSINESS COSTS
ANNUAL PAY ROLL
Busin..
Retail Trade
Accommod..
Food servic..
Motor vehi..
Food and b..
General me..
Grocery st..
Automobil..
Accommod..
Other gene..
Building m..
Health and ..
394,957
187,694
142,775
65,382
65,074
61,898
59,408
46,947
44,919
38,798
35,414
0K
50K
100K
150K
200K
250K
300K
350K
400K
Annual Payroll
EXPENSES YoY
Accommodation and food services
400K
300K
200K
100K
0K
461,119
187,694
4,511
28,609
35,392
24,425
9,472
3,031
66,497
18,668
2,649
14,140
1,048
447
2,666
5,257
13,841
Annua l Pay..
Comm unic..
Data P roces..
Elect..
Emplo yer C..
Empl..
Expen sed E..
Main..
Other Oper..
MAINTENANCE OF BUILDING
Buildings Offices
8K
6K
Retail Trade
9,002
Accommodation and food services
5,257
ADVERTISMENT COST
Motor vehicle and parts
Nonstore retailers
Accommodation and
Electronic

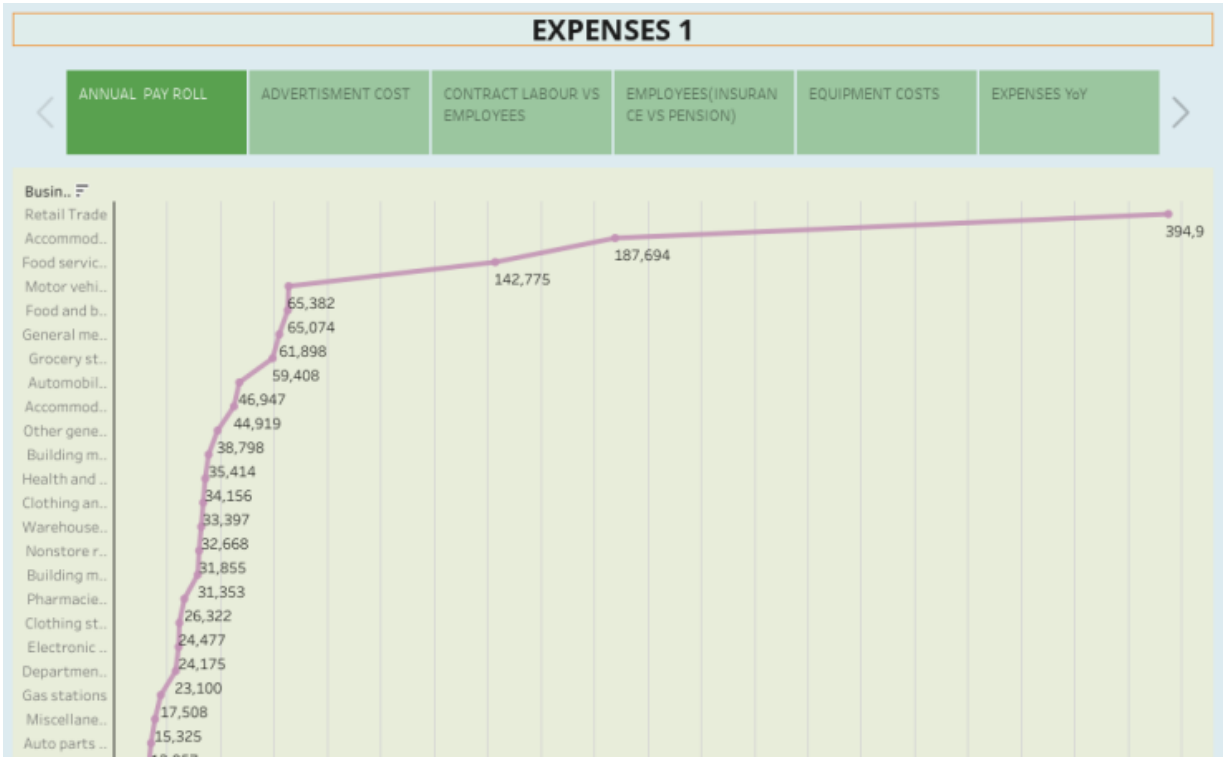
DASHBOARD 2

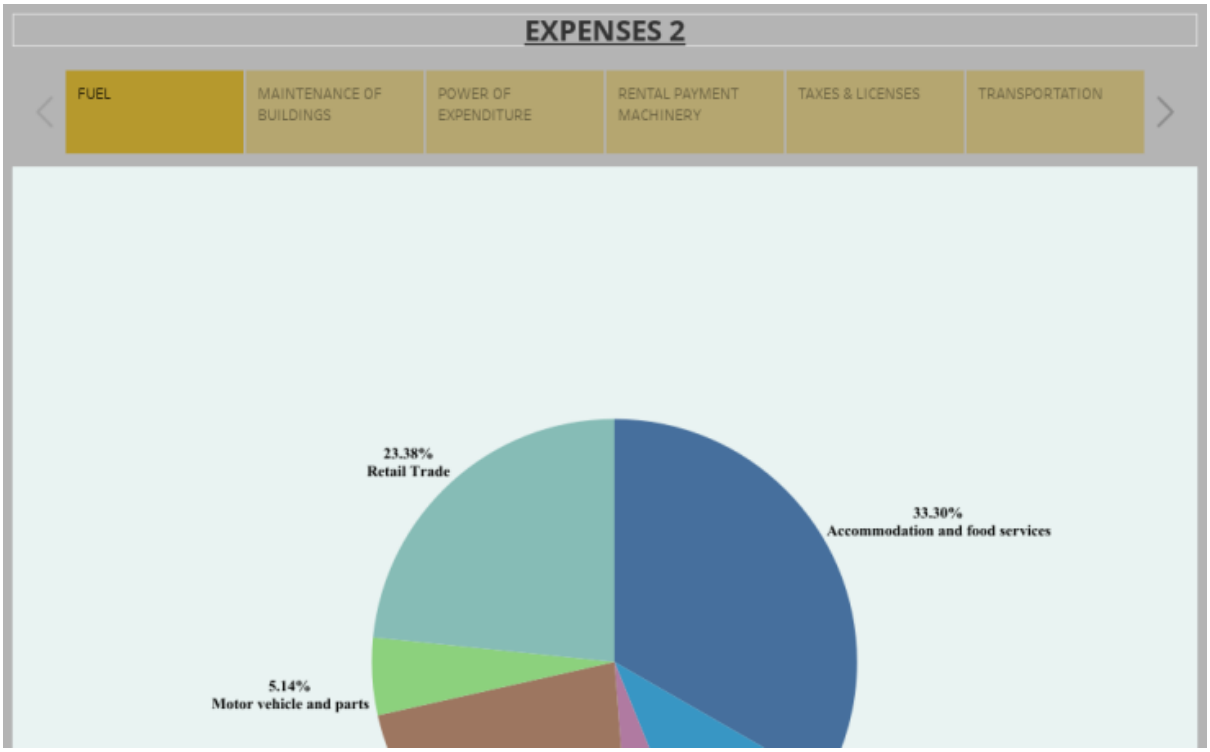

BUSINESS EXPENDITURE OVERVIEW
CONTRACT LABOUR VS EMPLOYEE COST
Contract Labor Co..
Employer Cost
6,211
1,539
737
737
737
571
495
466
409
305
208
140
43
20
4
82,714
24,088
11,305
2,905
5,140
11,700
17,639
16,601
13,920
3,188
8,779
717
7,686
TRANSPORTATION
Transportation Shipping Warehousing
16,392
6,158
5,781
1,764
1,585
1,585
1,585
1,359
993
869
283
1,224
1,370
552
1,514
1,162
800
569
964
742
457
579
245
FUEL
23.38%
Retail Trade
33.30%
Accommodation and food services
EMPLOYEE COST (insurance vs pension)
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

DASHBOARD 3


EXPENSE INSIGHTS
RENTAL PAYMENT MACHINARY
Retail Trade
3,461
Food service and drinking places
1,028
Gas
Accommodation and food services
1,710
POWER EXPENDITURE
Business types
Electricity
20K
10K
0K
22,524
Accommodation servic..
Auto parts and tire sto..
Beer, wine, and liquor ..
Building mat. and supp..
Clothing stores
Department stores (ex..
Electronic shopping
Family clothing stores
Food service and drinki..
Gas stations
Grocery stores
Men's clothing stores
Motor vehicle and parts
Other general mercha..
Retail Trade
Sporting, book, and m..
Women's clothing stor..
TAXES & LICENSES
34.35%
Retail Trade
26.75%
ccommodation and food services
EQUIPMENT COST
3K
2K
2,666
2,147
3,181

STORY


EXPENSES 1
ANNUAL PAY ROLL
ADVERTISMENT COST
CONTRACT LABOUR VS EMPLOYEES
EMPLOYEES(INSURANCE VS PENSION)
EQUIPMENT COSTS
EXPENSES YoY
Busin..
Retail Trade
Accommod..
Food servic..
Motor vehi..
Food and b..
General me..
Grocery st..
Automobil..
Accommod..
Other gene..
Building m..
Health and ..
Clothing an..
Warehouse..
Nonstore r..
Building m..
Pharmacie..
Clothing st..
Electronic ..
Departmen..
Gas stations
Miscellane..
Auto parts ..
65,382
65,074
61,898
59,408
46,947
44,919
38,798
35,414
34,156
33,397
32,668
31,855
31,353
26,322
24,477
24,175
23,100
17,508
15,325
142,775
187,694
394,9



ADVANTANGES

- **Contingencies**: Even the most accurate estimates have unforeseeable circumstances such as material wastages. Cost assessments have a predetermined sum to cover contingencies.
- **Profits**: Of course, the contractor adds a margin to the construction costs for profits.
- **Escalation**: It is vital to account for inflation in long-running projects. Some project clauses have clauses for handling inflation.

. The **estimation process** needs a lot of accuracies. The estimator uses the project's drawings and specifications to determine the necessary material quantities to get the project running. Insight into the material requirements also helps in the proper management of the materials. The **procurement processes** run smoothly, and resource gaps can be filled on time.

DISADVANTAGES

Costs

The benefits of cost accounting come with a price. Since costing methods differ from organization to organization, it's not clear how these costs might manifest themselves until a specific firm is examined.

- Unrealized profit margins. When companies use cost-based pricing strategies, they risk underpricing their products or services. ...
- Lack of competitiveness. Cost-based pricing may also make companies uncompetitive by overpricing their products. ...
- Inefficiency.

APPLICATIONS

- Advertising and marketing
- Bank fees and interest
- Business mileage
- Commissions
- Educational expenses for employees
- Employee benefits
- Equipment maintenance and repair
- Furniture
- Home office (you'll need to meet certain requirements such as that it is your main place of business)
- Insurance
- Membership dues (business-related expenses only)
- Legal fees
- Office supplies and equipment
- Payroll (employees and contractors)
- Rent or office lease
- Mortgage payments
- Software
- Some costs of business travel
- Utilities

CONCLUSION

n conclusion, cost estimation is an important component of project management that ensures projects are finished on schedule and within budget. Since inaccurate cost estimates can have serious financial consequences for businesses, accurate cost estimating is crucial for all stakeholders engaged in a project. It is crucial to consider a variety of elements that affect cost

build-up, such as the complexity of the project, scale and scope, time, proper project planning, familiarity with essential procedures, and the client's financial status, in order to increase the accuracy of cost estimating. In addition, the cost estimation techniques and practices that can be used can greatly contribute to improving the accuracy of the cost estimate or how it can be build-up, including bottom-up estimating, parametric estimating, analogous estimating, and mixed approaches. Based on the information available, these methodologies use both qualitative and quantitative methods to create estimates of project costs. To increase accuracy, it is crucial to compile all pertinent data regarding the variables affecting cost estimation and to use the appropriate approaches, models, and methodologies. Nevertheless, there are challenges and there is plenty of opportunity for improvement in cost estimation management. These include addressing weaknesses in current techniques and methods, improving the accuracy of cost modeling, and considering human communication when estimating projects. Furthermore, achieving customer-centric profitability depends on a knowledge of the link between expenses and customer pleasure. Overall, accurate cost estimating is essential for project managers to make informed decisions, complete projects efficiently, and prevent cost overruns. Project managers can improve the accuracy of cost estimates and ensure successful project cost management by considering all factors affecting cost build-up and using the right estimating strategies.

FUTURE SCOPE

In future ,Advantages are generated and the disadvantages are rectified for customers satisfaction and data visualization is created with many data sets, so the visualizations gives the interesting graphs.