



ESTIMATION OF BUSINESS EXPENSES

BUSINESS EXPENSES

Estimate business expenses is an important step in determining how much money you need to start encountering cash flow problems.

Every business has different requirements, depending on the type of products or services it sells, the of the company, and the stage of growth of the business.

Even so, most business expenses are either one-time costs or ongoing expenses required to keep operation going.

LEGALITIES

Forming an ofcial, legal business means estimating the one-time expense of obtaining your business license.

If you want to incorporate your business, allow for the expense of hiring an attorney to do it for you or the cost of filling if you handle the details yourself.

You also need ongoing liability insurance to protect yourself and your employees.

HIRING EMPLOYEES

If you hire employees to handle other tasks, such as accounting reception or the manufacturing process

calculate the salary, tax obligations and the cost of benefits to help estimates the businessexpenses

Paying your sales staff a commission as they bring in orders in another cost to include in your budget.

GETTING AND FULFILLING ORDERS

If your business is open to the public, add in the cost of signage, shelves, cash registers and payment systems.

calculate the cast of filling orders for the frst few months, starting with low how much money you need to keep your products in stock.

calculate shipping and packaging costs if you mail items to customers.