INTRODUCTION

1.1 Overview

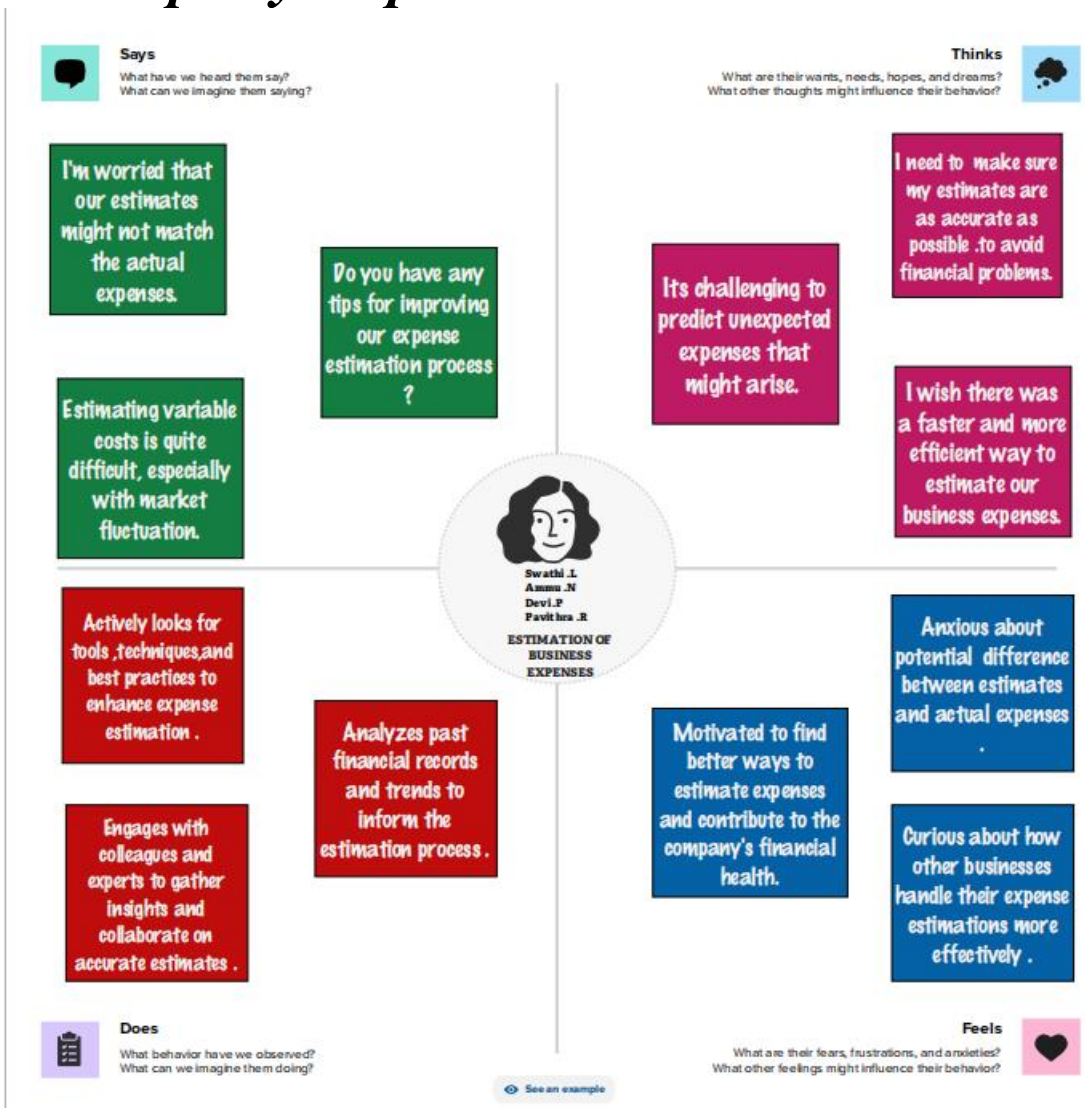
This report deal's into the fascinating realm of business expenses and provides a visual exploration of the various expenditures incurred by different businesses. It showcases the distribution of expenses, identifies key cost drivers, and highlights areas of potential optimization or concern. The visual 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.

1.2 Purpose

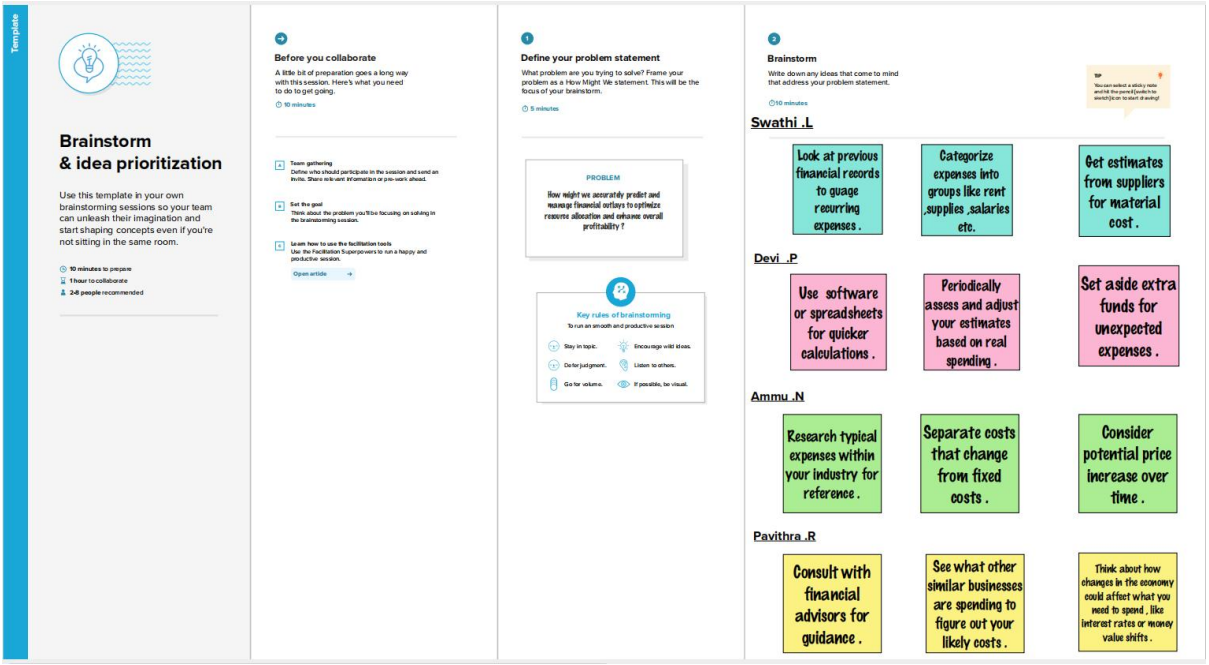
To figure out how much money a company needs to spend to keep running smoothly. This helps in planning, making smart decisions, ensuring there's enough money, and managing risks. It's like creating a financial roadmap to keep the business healthy and successful.

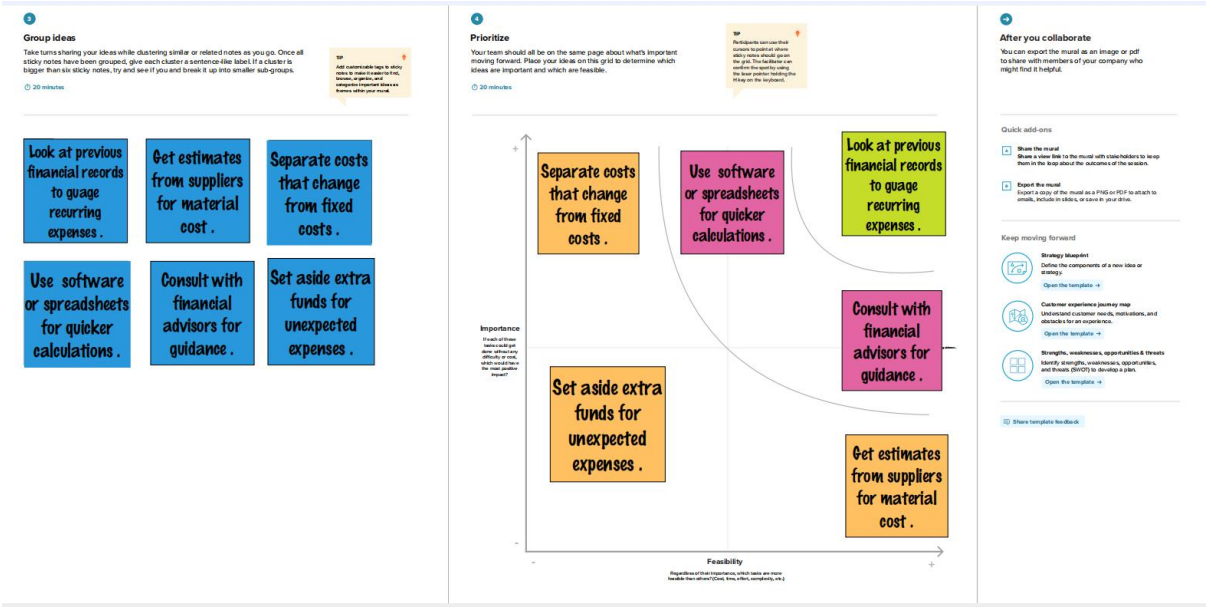
Problem Definition & Design Thinking

2.1 Empathy Map

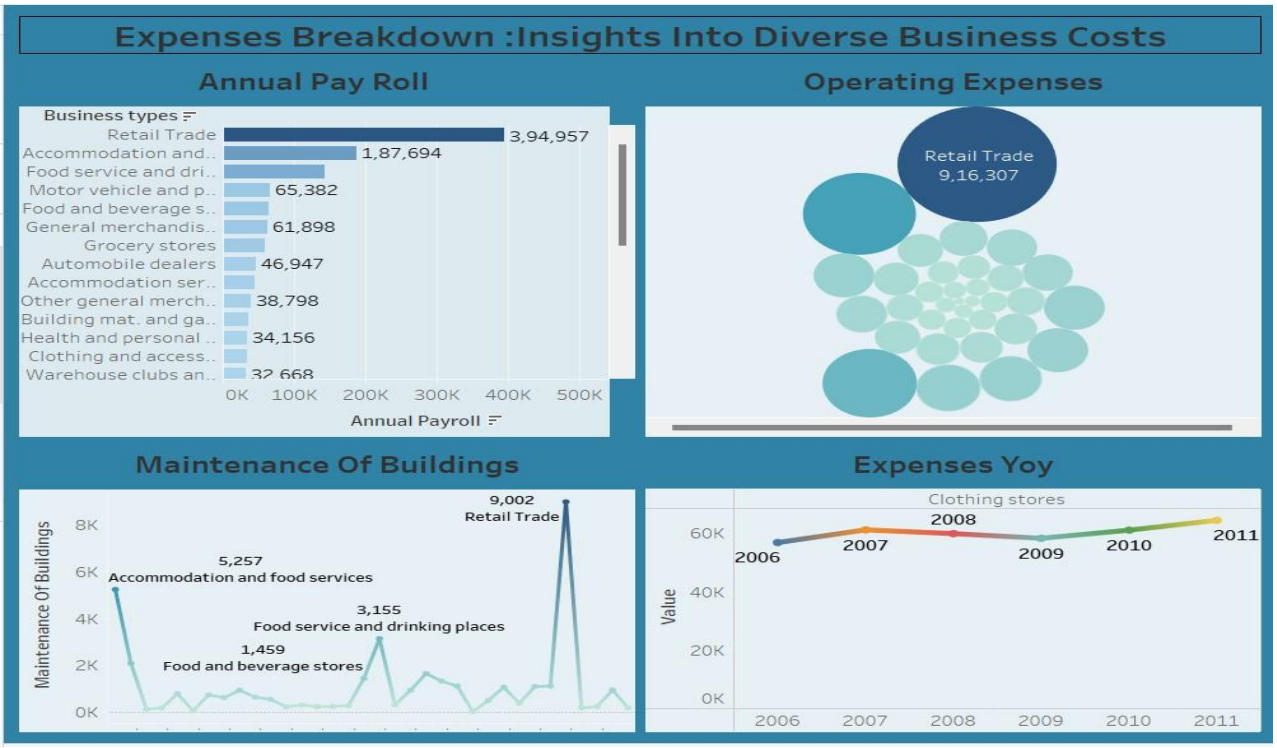


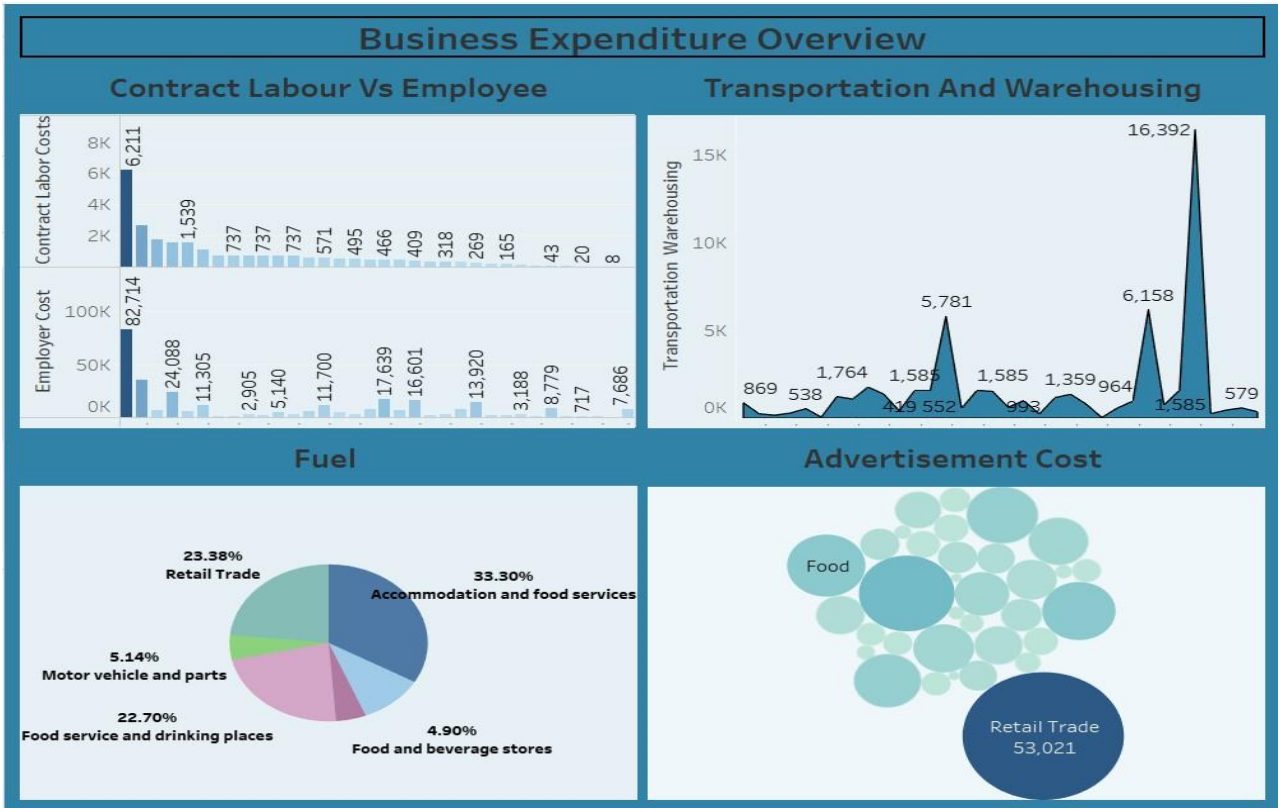
2.2 Ideation & Brainstorming Map


Template
Brainstorm
& idea prioritization
Use this template in your own brainstorming sessions so your team can unleash their imagination and start shaping concepts even if you're not sitting in the same room.
10 minutes to prepare
1 hour to collaborate
2-8 people recommended
Before you collaborate
A little bit of preparation goes a long way with this session. Here's what you need to do to get going.
10 minutes
Team gathering
Define who should participate in the session and send an invite. Share relevant information or pre-work ahead.
Set the goal
Think about the problem you'll be focusing on solving in the brainstorming session.
Learn how to use the facilitation tools
Use the Facilitation Superpowers to run a happy and productive session.
Open article
1
Define your problem statement
What problem are you trying to solve? Frame your problem as a How Might We statement. This will be the focus of your brainstorm.
5 minutes
PROBLEM
How might we accurately predict and manage financial outlays to optimize resource allocation and enhance overall profitability ?
Key rules of brainstorming
To run an smooth and productive session
Stay in topic.
Defer judgment.
Go for volume.
Encourage wild ideas.
Listen to others.
If possible, be visual.
2
Brainstorm
Write down any ideas that come to mind that address your problem statement.
10 minutes
Swathi .L
Look at previous financial records to guage recurring expenses .
Categorize expenses into groups like rent ,supplies ,salaries etc.
Get estimates from suppliers for material cost .
Devi .P
Use software or spreadsheets for quicker calculations .
Periodically assess and adjust your estimates based on real spending .
Set aside extra funds for unexpected expenses .
Ammu .N
Research typical expenses within your industry for reference .
Separate costs that change from fixed costs .
Consider potential price increase over time .
Pavithra .R
Consult with financial advisors for guidance .
See what other similar businesses are spending to figure out your likely costs .
Think about how changes in the economy could affect what you need to spend , like interest rates or money value shifts .


3
Group ideas
Take turns sharing your ideas while clustering similar or related notes as you go. Once all sticky notes have been grouped, give each cluster a sentence-like label. If a cluster is bigger than six sticky notes, try and see if you and break it up into smaller sub-groups.
20 minutes
Look at previous financial records to guage recurring expenses .
Get estimates from suppliers for material cost .
Separate costs that change from fixed costs .
Use software or spreadsheets for quicker calculations .
Consult with financial advisors for guidance .
Set aside extra funds for unexpected expenses .
4
Prioritize
Your team should all be on the same page about what's important moving forward. Place your ideas on this grid to determine which ideas are important and which are feasible.
20 minutes
Separate costs that change from fixed costs .
Use software or spreadsheets for quicker calculations .
Look at previous financial records to guage recurring expenses .
Consult with financial advisors for guidance .
Set aside extra funds for unexpected expenses .
Get estimates from suppliers for material cost .
Importance
Feasibility
5
After you collaborate
You can export the mural as an image or pdf to share with members of your company who might find it helpful.
Quick add-ons
Share the mural
Share a view link to the mural with stakeholders to keep them in the loop about the outcomes of the session.
Export the mural
Export a copy of the mural as a PNG or PDF to attach to emails, include in slides, or save in your drive.
Keep moving forward
Strategy blueprint
Define the components of a new idea or strategy.
Open the template
Customer experience journey map
Understand customer needs, motivations, and obstacles for an experience.
Open the template
Strengths, weaknesses, opportunities & threats
Identify strengths, weaknesses, opportunities, and threats (SWOT) to develop a plan.
Open the template
Share template feedback

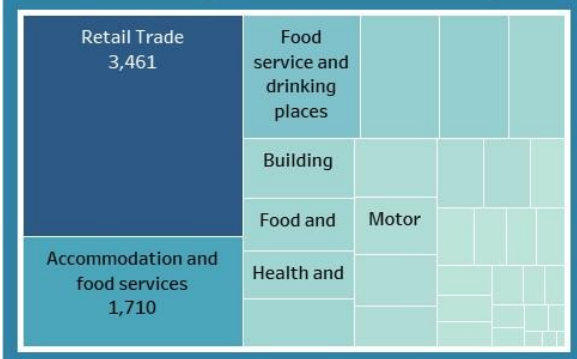
RESULT


Expenses Breakdown :Insights Into Diverse Business Costs
Annual Pay Roll
Business types
Retail Trade 3,94,957
Accommodation and.. 1,87,694
Food service and dri..
Motor vehicle and p.. 65,382
Food and beverage s..
General merchandis.. 61,898
Grocery stores
Automobile dealers 46,947
Accommodation ser..
Other general merch.. 38,798
Building mat. and ga..
Health and personal .. 34,156
Clothing and access..
Warehouse clubs an.. 32,668
0K 100K 200K 300K 400K 500K
Annual Payroll
Operating Expenses
Retail Trade
9,16,307
Maintenance Of Buildings
Maintenance Of Buildings
9,002
Retail Trade
5,257
Accommodation and food services
3,155
Food service and drinking places
1,459
Food and beverage stores
Expenses Yoy
Clothing stores
Value
2006
2007
2008
2009
2010
2011


Business Expenditure Overview
Contract Labour Vs Employee
Contract Labor Costs
Employer Cost
Transportation And Warehousing
Transportation Warehousing
16,392
5,781
6,158
Fuel
23.38%
Retail Trade
33.30%
Accommodation and food services
5.14%
Motor vehicle and parts
22.70%
Food service and drinking places
4.90%
Food and beverage stores
Advertisement Cost
Food
Retail Trade
53,021

Expense Insights

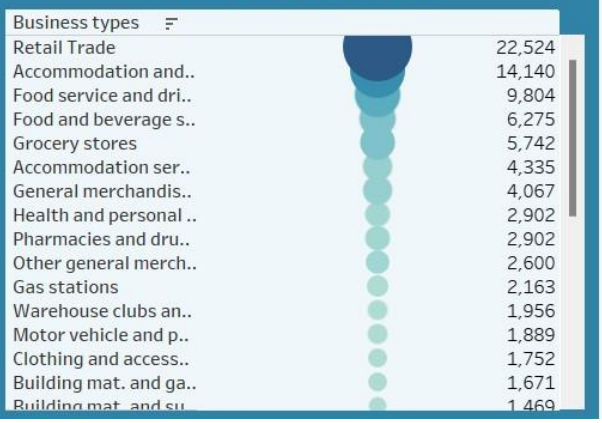
Rental Payment For Machinary



Employee Cost (Insurance Vs Pension)

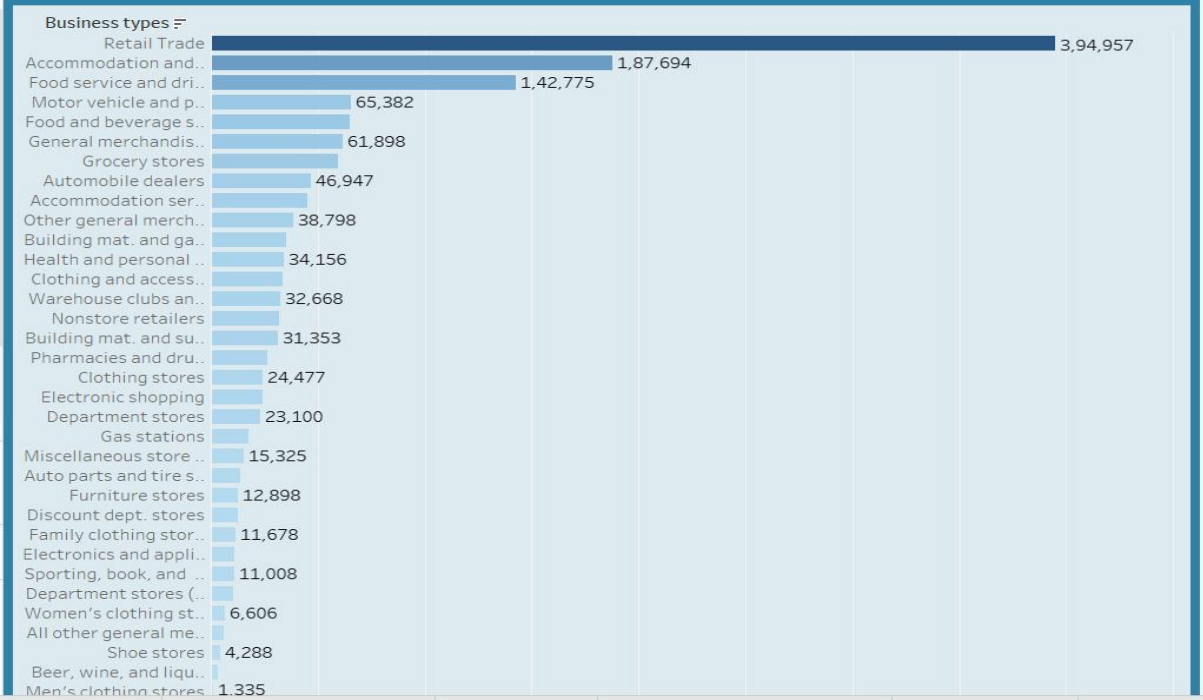
Taxes & Licenses

Power Expenditure

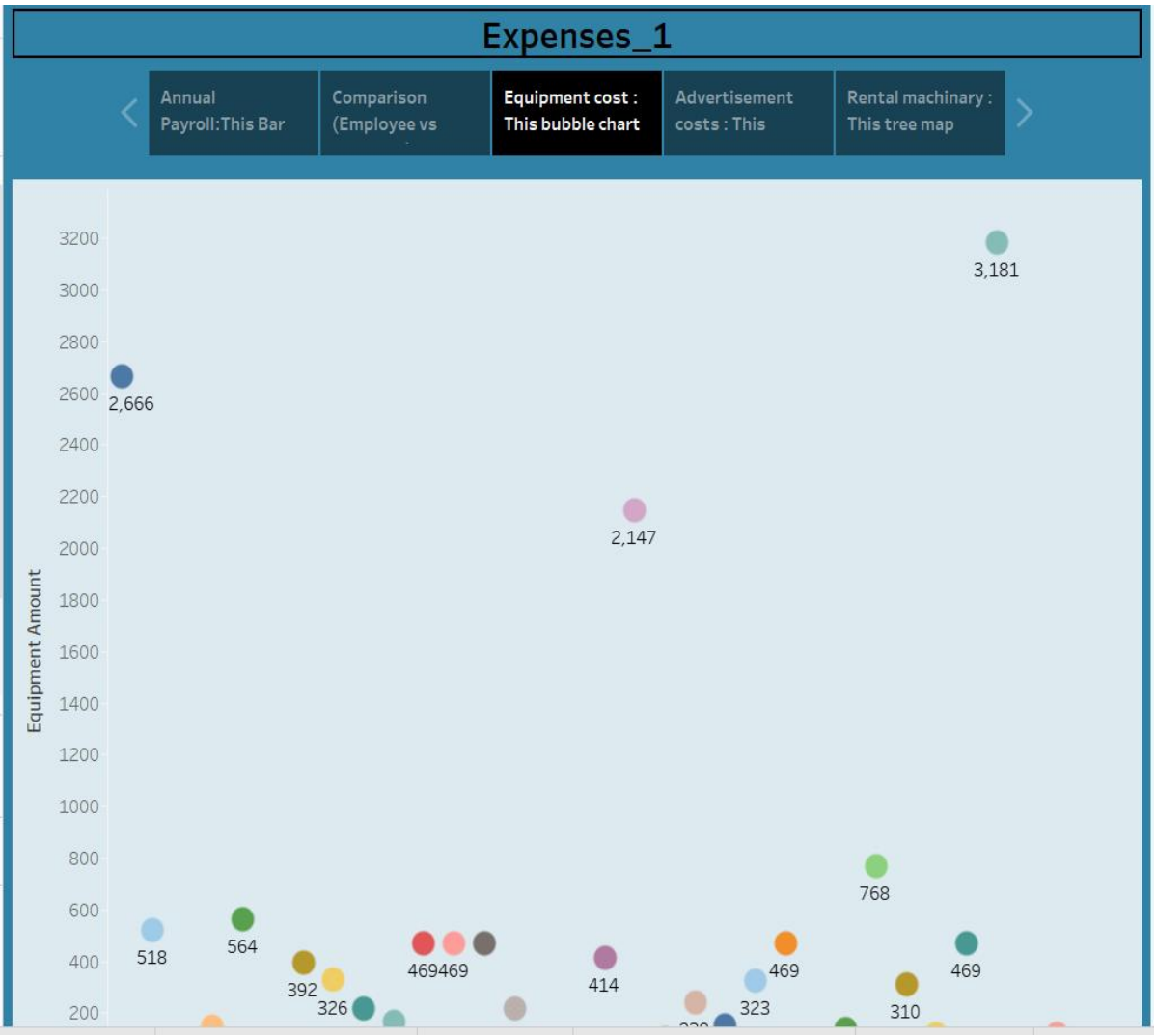


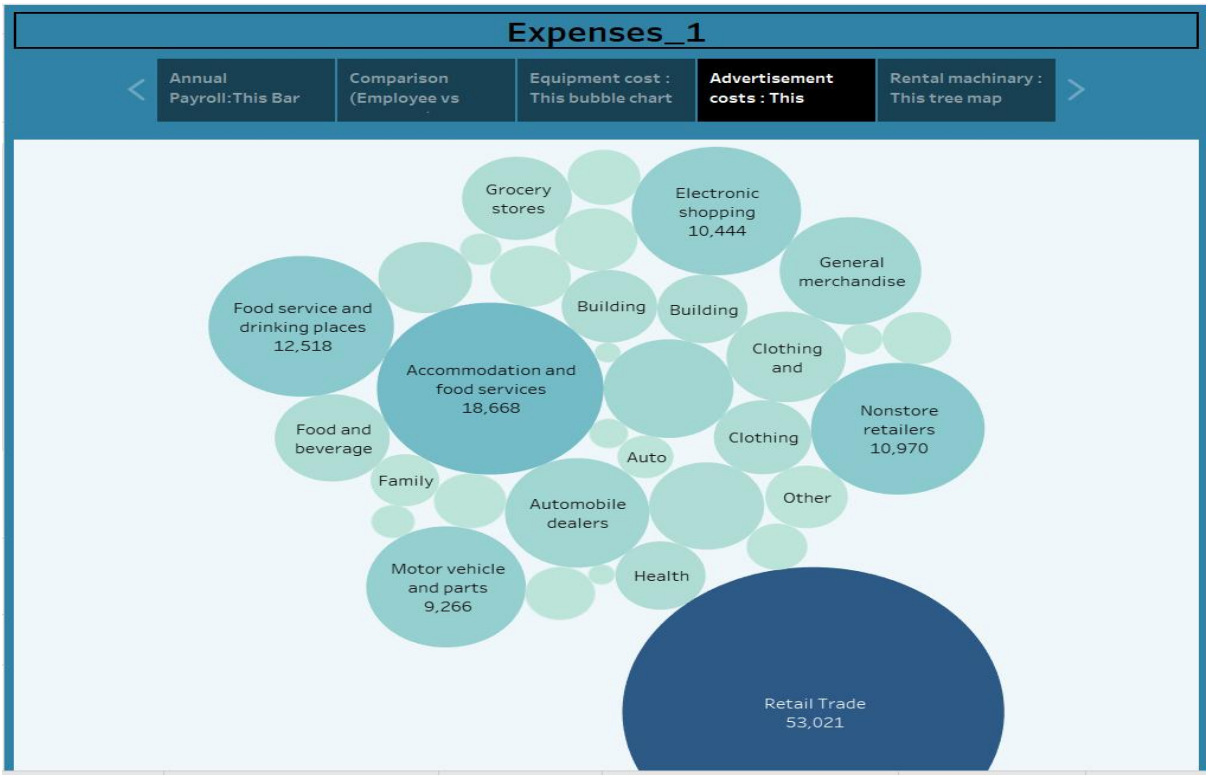
Expenses_1

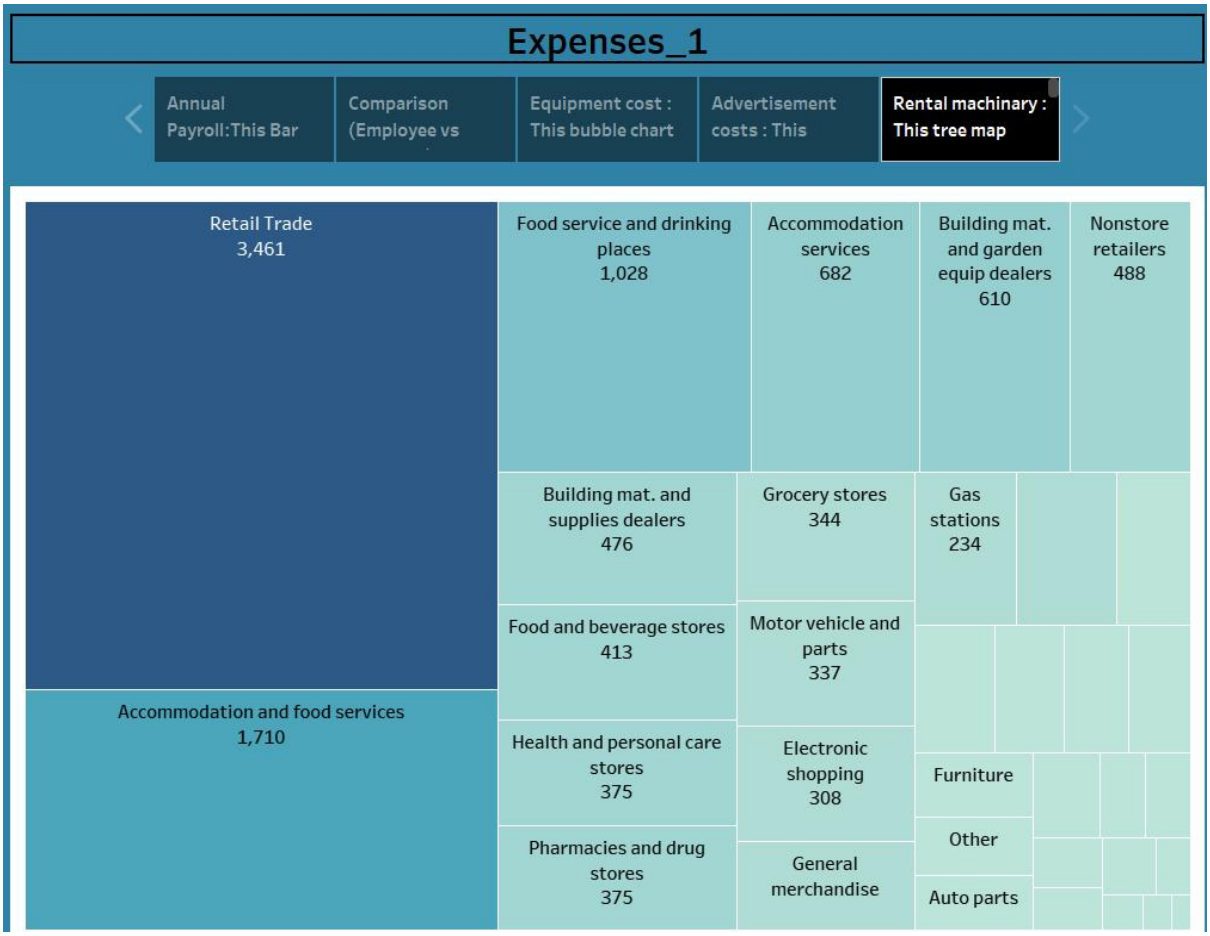
Annual Payroll:This Bar | Comparison (Employee vs | Equipment cost : This bubble chart | Advertisement costs : This | Rental machinary : This tree map

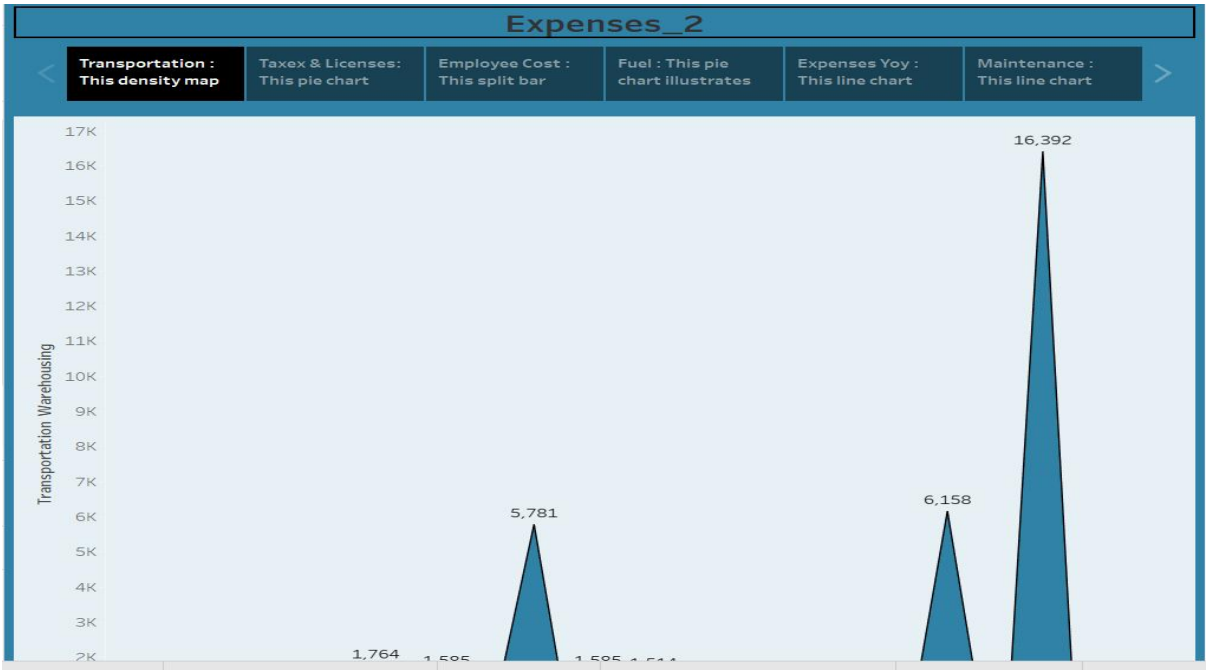


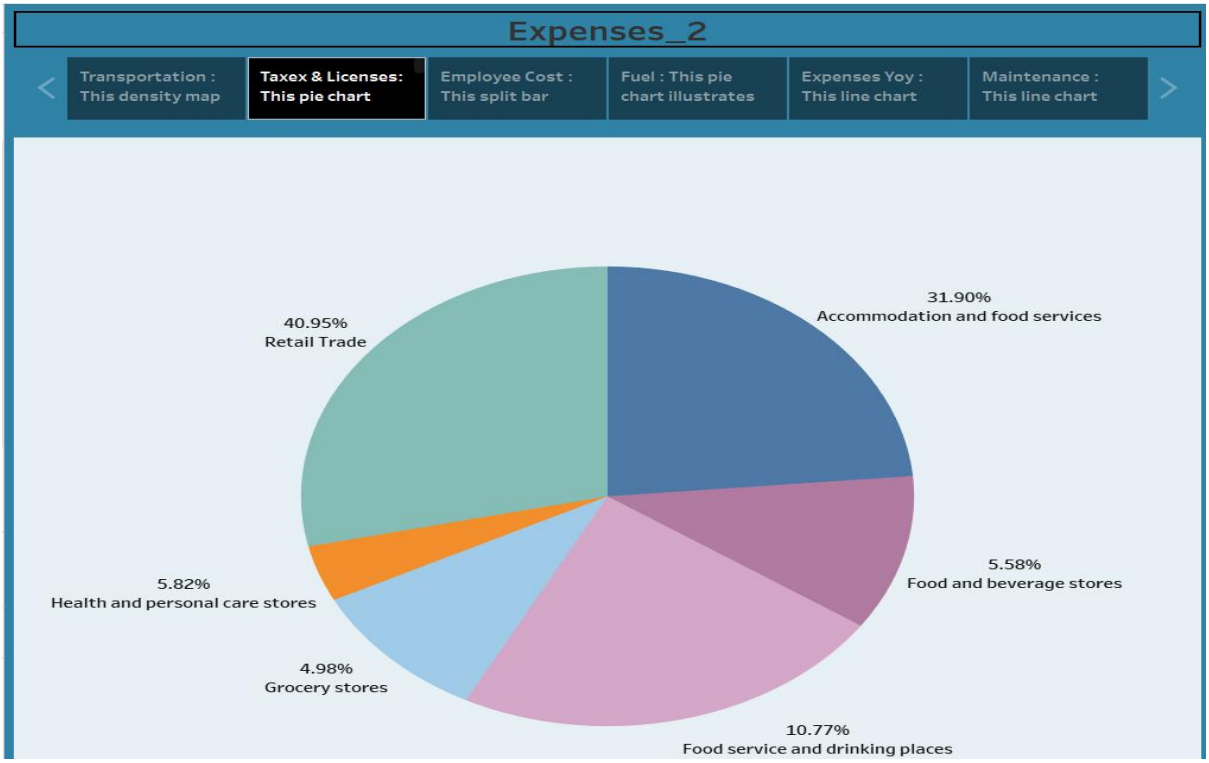
Expenses_1
Annual Payroll:This Bar
Comparison (Employee vs
Equipment cost : This bubble chart
Advertisement costs : This
Rental machinary : This tree map
Contract Labor Costs
Employer Cost
6,211
2,649
1,717
1,546
1,539
1,103
737
737
737
737
737
737
595
571
498
495
474
466
426
409
328
318
305
269
208
165
140
83
43
39
20
11
8
4
82,714
35,392
24,088

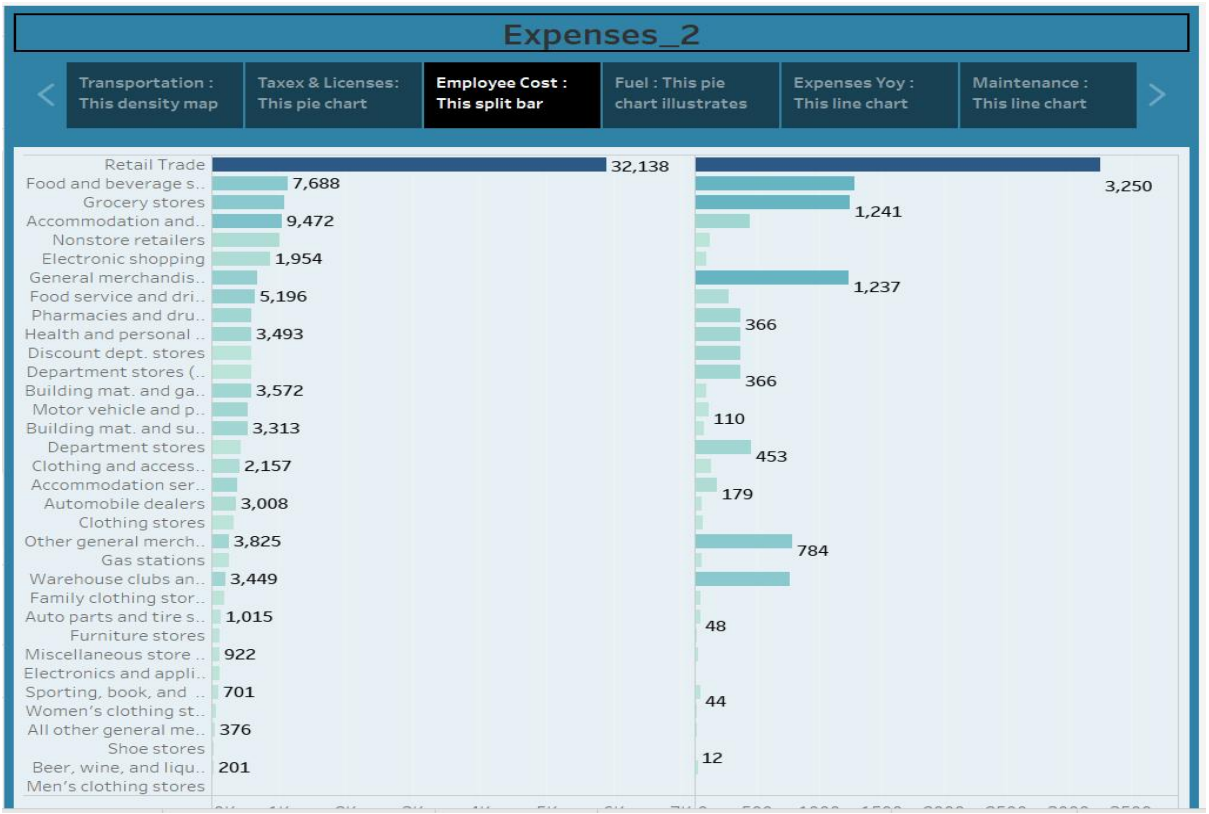

Expenses_1
Annual Payroll:This Bar
Comparison (Employee vs
Equipment cost : This bubble chart
Advertisement costs : This
Rental machinary : This tree map
Equipment Amount
3,181
2,666
2,147
768
518
564
469469
414
469
469
392
326
323
310

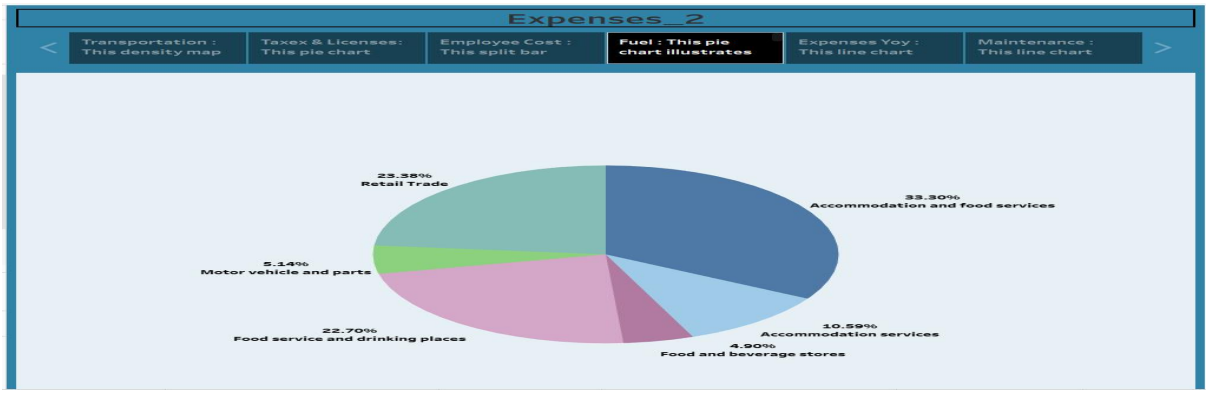

Expenses_1
Annual Payroll:This Bar
Comparison (Employee vs
Equipment cost : This bubble chart
Advertisement costs : This
Rental machinary : This tree map
Grocery stores
Electronic shopping 10,444
General merchandise
Food service and drinking places 12,518
Building
Building
Clothing and
Accommodation and food services 18,668
Nonstore retailers 10,970
Food and beverage
Clothing
Auto
Family
Other
Automobile dealers
Motor vehicle and parts 9,266
Health
Retail Trade 53,021

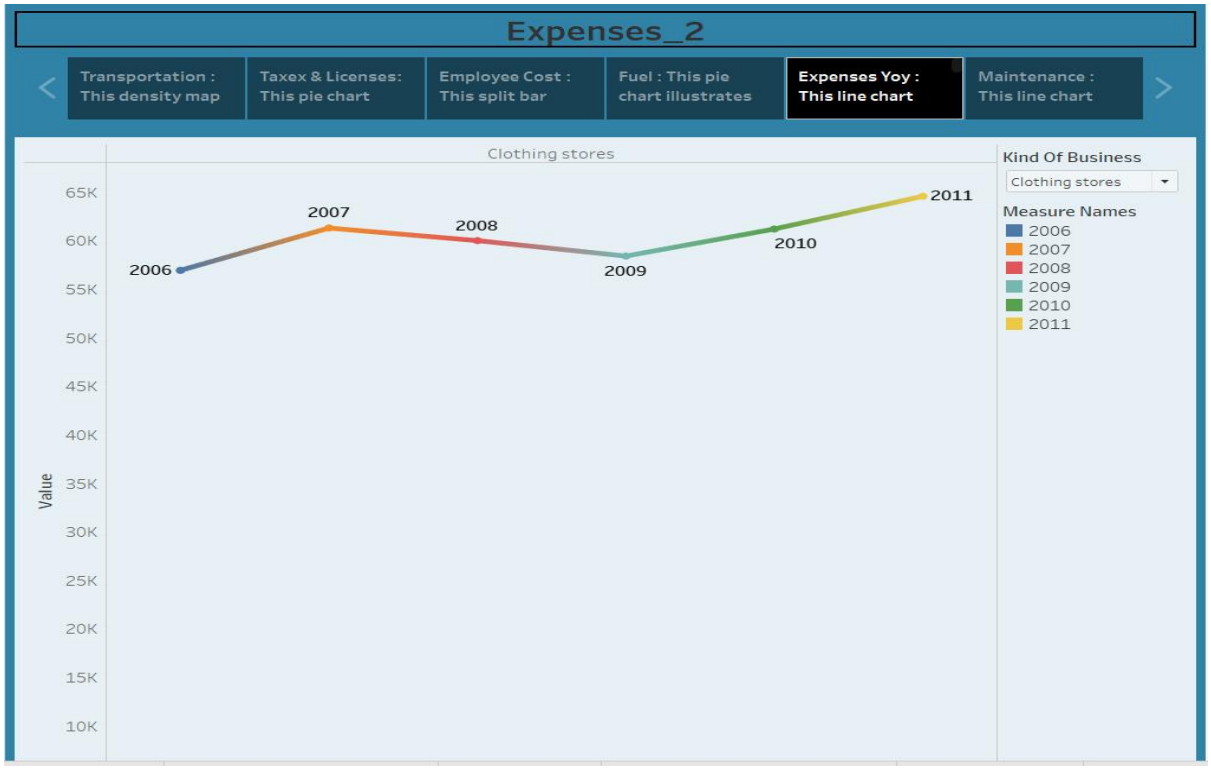

Expenses_1
Annual Payroll:This Bar
Comparison (Employee vs
Equipment cost : This bubble chart
Advertisement costs : This
Rental machinary : This tree map
Retail Trade 3,461
Food service and drinking places 1,028
Accommodation services 682
Building mat. and garden equip dealers 610
Nonstore retailers 488
Building mat. and supplies dealers 476
Grocery stores 344
Gas stations 234
Food and beverage stores 413
Motor vehicle and parts 337
Accommodation and food services 1,710
Health and personal care stores 375
Electronic shopping 308
Furniture
Other
Pharmacies and drug stores 375
General merchandise
Auto parts

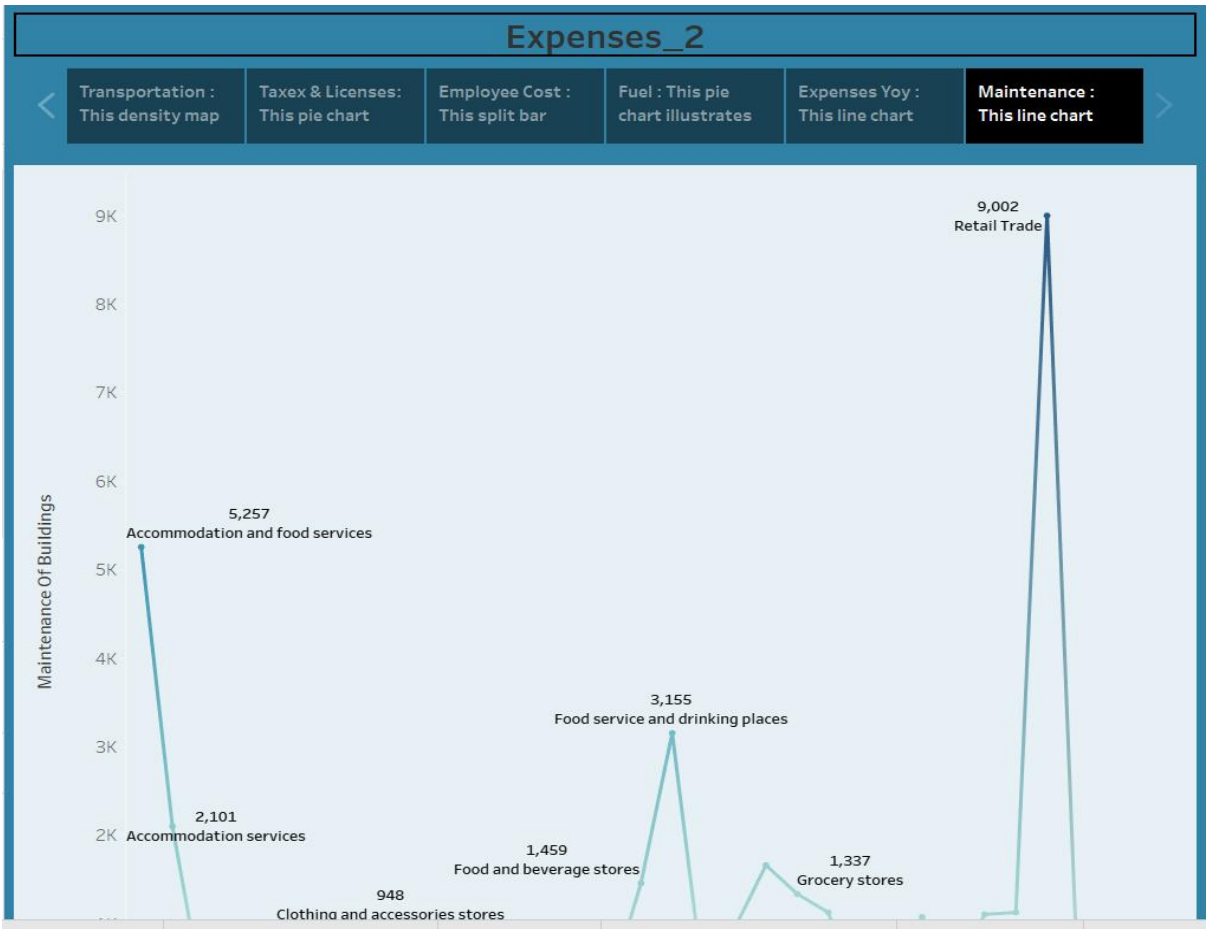

Expenses_2
Transportation : This density map
Taxex & Licenses: This pie chart
Employee Cost : This split bar
Fuel : This pie chart illustrates
Expenses Yoy : This line chart
Maintenance : This line chart
Transportation Warehousing
17K
16K
15K
14K
13K
12K
11K
10K
9K
8K
7K
6K
5K
4K
3K
2K
16,392
6,158
5,781
1,764


Expenses_2
Transportation : This density map
Taxex & Licenses: This pie chart
Employee Cost : This split bar
Fuel : This pie chart illustrates
Expenses Yoy : This line chart
Maintenance : This line chart
31.90%
Accommodation and food services
40.95%
Retail Trade
5.58%
Food and beverage stores
5.82%
Health and personal care stores
4.98%
Grocery stores
10.77%
Food service and drinking places


Expenses_2
Transportation : This density map
Taxex & Licenses: This pie chart
Employee Cost : This split bar
Fuel : This pie chart illustrates
Expenses Yoy : This line chart
Maintenance : This line chart
Retail Trade 32,138
Food and beverage s.. 7,688
Grocery stores
Accommodation and.. 9,472
Nonstore retailers
Electronic shopping 1,954
General merchandis..
Food service and dri.. 5,196
Pharmacies and dru..
Health and personal .. 3,493
Discount dept. stores
Department stores (..
Building mat. and ga.. 3,572
Motor vehicle and p..
Building mat. and su.. 3,313
Department stores
Clothing and access.. 2,157
Accommodation ser..
Automobile dealers 3,008
Clothing stores
Other general merch.. 3,825
Gas stations
Warehouse clubs an.. 3,449
Family clothing stor..
Auto parts and tire s.. 1,015
Furniture stores
Miscellaneous store .. 922
Electronics and appli..
Sporting, book, and .. 701
Women's clothing st..
All other general me.. 376
Shoe stores
Beer, wine, and liqu.. 201
Men's clothing stores
3,250
1,241
1,237
366
366
110
453
179
784
48
44
12


Expenses_2
Transportation : This density map
Taxex & Licenses: This pie chart
Employee Cost : This split bar
Fuel : This pie chart illustrates
Expenses Yoy : This line chart
Maintenance : This line chart
23.38%
Retail Trade
33.30%
Accommodation and food services
5.14%
Motor vehicle and parts
22.70%
Food service and drinking places
10.59%
Accommodation services
4.90%
Food and beverage stores


Expenses_2
Transportation : This density map
Taxex & Licenses: This pie chart
Employee Cost : This split bar
Fuel : This pie chart illustrates
Expenses Yoy : This line chart
Maintenance : This line chart
Clothing stores
Value
65K
60K
55K
50K
45K
40K
35K
30K
25K
20K
15K
10K
2006
2007
2008
2009
2010
2011
Kind Of Business
Clothing stores
Measure Names
2006
2007
2008
2009
2010
2011


Expenses_2
Transportation : This density map
Taxex & Licenses: This pie chart
Employee Cost : This split bar
Fuel : This pie chart illustrates
Expenses Yoy : This line chart
Maintenance : This line chart
Maintenance Of Buildings
9K
8K
7K
6K
5K
4K
3K
2K
5,257
Accommodation and food services
2,101
Accommodation services
948
Clothing and accessories stores
1,459
Food and beverage stores
3,155
Food service and drinking places
1,337
Grocery stores
9,002
Retail Trade

ADVANTAGES & DISADVANTAGES

Advantages:

- ❖ Estimating expenses helps you stay in control of your company's finances.
- ❖ You can allocate funds wisely and avoid overspending.
- ❖ It allows you to create a budget, which helps plan for future expenses and investments, ensuring you don't run out of money unexpectedly.
- ❖ Accurate expense estimates assist in making informed decisions about pricing, expansion, and investments in the business.
- ❖ You can determine if your business is making a profit by comparing estimated expenses to revenue, aiding in long-term sustainability.

Disadvantages:

- ❖ Estimations are not always precise, and unexpected expenses can arise, leading to budget shortfalls.
- ❖ The process of estimating expenses can be time-consuming, diverting attention from other important tasks.

- If you overestimate expenses, you may restrict investments or growth unnecessarily, potentially missing out on opportunities.
- Underestimating expenses can lead to financial troubles and cash flow problems if you can't cover unforeseen costs. Business conditions can change, making initial estimates outdated and requiring constant adjustments.

APPLICATIONS

- Estimating business expenses is like making a guess about how much money a company will need to spend in the future.
- This helps the company plan its budget, set prices for products or services, decide where to invest, and manage its money wisely.
- It's like knowing how much you'll need to spend on groceries, rent, and bills each month so you can plan your finances better.
- Estimating expenses is integral to strategic planning.
- It enables businesses to align their long-term goals with the financial resources required to achieve them.
- Businesses will increasingly harness the power of data analytics and artificial intelligence to improve expense estimation accuracy.

- Predictive analytics models can help forecast expenses more precisely by analysing historical data and identifying trends.

CONCLUSION

Business expenses is a vital financial practice that involves predicting and planning for the money a company will need to spend in the future. It has many practical applications, from budgeting and pricing products to making smart investment decisions and ensuring financial stability. Accurate expense estimation is essential for effective financial management and strategic decision-making in any organization.

FUTURE SCOPE

- Estimating business expenses will involve using smarter technology and data analysis to better predict how much money a company will need to spend.
- It will also consider new factors like environmental sustainability and the costs of working remotely.
- As businesses grow and change, so too will the methods they use to estimate and manage their expenses.

- Economic uncertainty and volatility will continue to affect expense estimation.
- Businesses will need to factor in economic conditions when forecasting expenses and managing financial risks.
- In light of recent supply chain disruptions (e.g., due to the COVID-19 pandemic), businesses will need to refine their expense estimation strategies to account for potential disruptions and fluctuations in supply chain costs .