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## *Supporting Your S/E Customer's Progress – The Magic of Budget Deviation Analysis*

More help for counselors to support their Self-Employment customers!

A new business tracking tool has been added to the BuzVR Tools – an [Excel worksheet](#) that will automatically calculate a Budget Deviation Analysis for any size business.

You and your customer went to a lot of trouble to put together a comprehensive Tier 1 or Tier 2 plan. An important part of the plan was the Profit/Loss Forecast, which estimated the amount of revenue and the related expenses that could be expected each month once the part-time or full-time business was started. The Forecast is an important part of the plan approval process because it shows that the business has a reasonable chance to succeed.

As the business gets going, it starts to generate real sales and expense information. Comparing the actual sales and expenses with the forecast will show if the business is proceeding according to the plan. Differences between the two indicate areas that need attention. This will quickly identify unexpected costs or other speed bumps that may have occurred. It can also be a very important early warning system for problems, especially if the customer is having trouble getting started in selling, yet still generating and spending on expenses. The process of comparing the two is called “Budget Deviation Analysis.”

We have created a new Excel worksheet that will automatically perform all of the calculations once the forecast data and actual performance results are entered. The differences (or deviations) that are revealed, can easily be understood. This new worksheet is posted on the BuzVR site under “Tools.”

Sharing the Budget Deviation Tool with your customer will not only provide a practical way for you and your customer to answer the question: “How’s It Going,” it will also empower the customer to understand that he or she is in fact in control of the operation, and that results occur because of what they did or did not do.

If the plan made sense, then there should be a good opportunity for the business to grow and produce the additional income that was targeted. Tracking progress in comparing actual results to a forecast through budget deviation analysis will go a long way to helping the desired outcome become a reality.

Contact us if we can help implementing the Budget Deviation Analysis with any of your S/E customers.

For more information, visit: <http://www.buzvr.org/>

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