



March 2016

Self-Employment: When do you know you're making money?

When working for yourself, it's easy to lose sight of the forest when all you're looking at are the trees. This is particularly true when it comes to knowing whether, at the end of the day, you're making any money or not.

Thankfully, you've got access to useful tools for helping your customers with comparing what they thought (projected) they would sell, against what they actually sold on a routine basis. This process is called Budget Deviation Analysis.

Taken one word at a time, budget deviation analysis simply means:

- I **budgeted**, or *guessed*, what I would sell and what it would cost me
- In reality, these figures often **deviate** - are *different* from what actually happens
- And so I want to **analyze** – *review* this difference to determine what to do about it

Conducting a budget deviation analysis provides customers with a better picture of what's going on, specifically in terms of whether they are making any money or not. Because it provides a detailed view of both sales and expenses, any differences between what was projected and what actually happens offers valuable insights into what to do about them in order to bring about the desired outcomes.

Thanks to the NHVR [Business Development System \(BDS\)](#) (Tier 1 and Tier 2), there are three different tools for helping customers with this important exercise:

1. The [Bookkeeping Tracking Form](#) (page 2), which provides a printed worksheet for tracking 6 months of sales and expenses to compare projections against actual figures
2. A Budget Deviation Analysis [worksheet](#) (PDF)
3. An [Excel Spreadsheet](#) that helps to perform the deviation calculations between projections and actual figures automatically

Sharing these tools with your customers will not only provide them with a practical way to answer the question: "*How's it going?*" it will also help them to understand that they have choices every day and every step of the way to achieve their vocational goals and income objectives.

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

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