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Jennifer Katrulya • Feb. 20, 2018



Creating a budget is one of the more challenging chores a business owner must undertake.

Right up there on the list, though, is adhering to that budget. If you serve a sole proprietor clients who are trying to personally manage their own business budgets, there are steps you can share with them to help them get better at budgeting.

- **Be diligent about tracking income and expenses.** This is always important, but it's especially crucial when you're living within a budget. is the client using an

accounting application? This would shave time off their bookkeeping and make it

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variance percentage you record. Don't wait until it happens. Get into a paper notebook or electronic file to just this purpose, and add to it when you think of something.

Motivating Others

If you have employees, you lose some control over your budget. This means you must double your determination to stay informed. You must also instill your sense of doggedness in others.

- **Don't keep budget numbers secret.** If your employees have goals, income and expenses will be in the back of their minds as they're purchasing and selling. Don't share the entire budget with anyone since it will contain sensitive information like payroll, but let them know there are numbers they have to hit.
- **Break it down.** Try not to overwhelm your team. Don't give them an annual figure for the budget in their specific areas. Sales teams often work on weekly and/or monthly quotas. Decide what works best for you, and follow up with each employee who has a goal using that time frame.
- **Work budget adherence into performance reviews.** You should absolutely do this for anyone who makes spending decisions and/or has sales goals.
- **Reward employees who hit their targets.** Workers thrive on praise but try to provide at least a small, tangible thank-you item. Lay in a supply of low-dollar gift cards for short-term goal achievers, and do a bit more when an exceptionally challenging objective is achieved (pricier gift cards, an extra day off, event tickets, etc.). Include the cost of these incentives in your budget.

Practice Good Financial Hygiene

Whether you're working alone or with a staff, remember to revisit your budget regularly to troubleshoot.

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