

TARGET AND BUDGET SETTING

Target Setting:

One of our clients commented that target setting may work for sales people, but could not see how it would work in a service business where we respond to customers' needs.

On further discussion he agreed that there were many targets that can be set for team members which can build the business and also provide an objective means of pay review or incentive for staff. Some areas that we discussed were:

- Timely production and dispatch of newsletters.
- Contacting customers when we are not busy to see how they are going.
- Taking the responsibility of the appointment book away from the mechanic, dentist, physiotherapist – to ensure optimum scheduling of work. This is potentially a huge profit generator.
- Setting chargeable time budgets for people who charge time and explaining these to the team.
- Where targets are set, providing feedback to the team – some will be genuinely interested.

All of this will assist in building a more profitable and saleable business.

Budget Setting:

Many small and medium business owners that we have dealt with over the years have resisted the idea of setting a financial target or budget for their business.

For some a budget is just an exercise for an accountant, yet our most successful clients have demonstrated year after year that setting and monitoring a budget is a strong foundation in building their business.

We have found that businesses that implement and monitor a budget will usually achieve an increase in profits of at least 10%.

Another major benefit of budgets is that they provide an effective means of passing responsibility for parts of the business to employees.

This will assist in building a more profitable and saleable business.