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The Cost Reduction Experts

What does your year-end planning process look like?

A year-end planning process is a critical strategic management tool for small to medium-sized businesses. It helps you assess your financial performance, set goals, plan for the future, manage taxes, and address various operational and strategic aspects of your business. By engaging in this process, you can make informed decisions, enhance your financial stability, and position yourself to hit the ground running in 2024.

But the year end is so hectic!

Many businesses struggle to finish the year as efficiently and as focused as when it began. Managing your time and staying focused on the right priorities during the last few weeks of the year is difficult. Between the holidays, increased personal obligations and year-end fatigue, most of us want to push as many tasks as possible into January and beyond. However, by letting procrastination sneak in, we are missing out on a big opportunity to create real business momentum going into next year. It's important for businesses to plan ahead, prioritize tasks, and communicate effectively with their teams. Setting clear expectations, delegating responsibilities, and maintaining a well-structured year-end planning process can help mitigate these distractions and ensure that you are doing more than your competition!

So, what should be your business focus going into year-end?

In my 30+ year career in banking and business consulting, I have seen and supported many businesses with their year-end planning process. I think it's critical to focus on a couple of key outcomes that can realistically be accomplished during this hectic time. While this list is far from exhaustive, it does provide an excellent blueprint for making some real progress before the year's end.

1. Financial Review: Year-end planning allows businesses to review their financial performance over the past year. This review helps in assessing the company's profitability, cash flow, and overall financial health. It provides insights into what went well and what areas need improvement.

2. Budgeting & Cash Flow Management: A year-end planning process often involves budgeting for the upcoming year. Creating a detailed budget allows the business to allocate resources effectively, plan for investments, and ensure that expenses are in line

with revenue projections. Year-end planning can help businesses optimize their cash flow by identifying areas where they can improve working capital management, reduce unnecessary expenses, and make strategic investments.



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3. Employee Performance Evaluation & Engagement: Year-end planning provides a natural point for evaluating the performance of various departments, teams, and employees. It allows for performance assessments, feedback, and adjustments in personnel or strategies if necessary. Involving employees in the year-end planning process can boost morale and engagement. It allows them to understand the company's goals and feel like they have a stake in its success.

4. Tax Planning: Year-end planning is crucial for tax management. It allows businesses to assess their tax liability, identify tax-saving opportunities, and ensure compliance with tax laws. Effective tax planning can result in significant cost savings.

5. Goal Setting: Year-end planning is an opportunity to set clear and achievable goals for the coming year. These goals can encompass revenue targets, cost management, market expansion, or any other strategic objectives. Setting goals helps provide direction and motivation for the year ahead.

As business owner myself, I will be spending time in each of these areas before the end of the year. As a Schooley Mitchell franchise owner, I will be helping many of my clients who are looking to maintain a strategic advantage over their competition with their year-end budgeting and cash flow management review. As I like to remind my clients, starting 2024 fully optimized from a vendor management perspective is an excellent way to free up resources to be ready to make strategic investments in their business and employees.

