

The Value of a Business Wellness Budget

By Monte Zwang

Do you find yourself dreading the time when you need to put together your budget? Do you practically put on a suit of armor and head into battle with your management team? Perhaps the budgeting process is preceded by this sentiment: *we sure messed up last year and we can't afford to make these same mistakes again.*

It doesn't have to be this way.

The value of a business budget is not in its spreadsheets and pie charts; rather, the value of a business budget comes in its creation. The annual budgeting process can be an inspirational and empowering event for your entire company, and one that plants the seeds of success for the year ahead.

Budget n. A budget is a financial plan for the coordination of money in and money out; an itemized summary of estimated expenditures for a given period along with proposals for financing them.
(Mirriam Websters)

The budget process is a creative process that is more important than the resulting financial projections neatly printed on legal paper. This progressive process enables your business to move forward to affect change, initiate better conditions or policies and promote new ideas and methods. At its optimum the process of creating a budget will build a cooperative spirit within your company and will empower all members of your team to be actively involved and vested in the success of the business. This is business wellness.

Simply put, the process of creating a budget is the process of achieving wellness for your business; this is your **Business Wellness Budget**. Your Business Wellness Budget is created annually, monitored weekly and adjusted monthly. It is a flexible tool in which the information changes with evolving events. The process of creating a Business Wellness Budget and achieving business wellness involves the input of all members of your team to define and achieve the ultimate and common goal of business success. Everyone involved will gain a new understanding and come to terms with their role in the progress and success of the business.

Steps to Creating a Business Wellness Budget

- 1.) Assess how you are doing financially and operationally right now
Assemble the current years' data that pertains to financial and operational performance. Review the appropriate data with the person responsible for those results. Discuss positive and negative performance with them before you assemble the group as a whole.
- 2.) Openly discuss the opportunities that exist in the future
Ask your key people for input – what do they feel is important and what do they want to see changed? Learn what their goals are, where they would like to take their area of responsibility within the business, and be specific. Discuss their production, administration, financial and marketing ideas and concerns, and have them outline their thoughts for discussion. Encourage them to evaluate the potential benefit and cost of their proposal.

3.) Gather Your Team

After you review and understand the proposals of the various department heads, schedule a meeting with members of their teams and have each department head present their proposals. Everyone should come with an open mind, ready to discuss the various proposals and options. As a team, decide priorities and how to schedule these goals into a calendar. Discuss any internal conflicts in regards to equipment, capital and labor. You may be refreshingly surprised to see that various departments have common goals and resources can be combined. Leave this meeting with a clear understanding of business goals, costs and a calendar for completion.

4.) Put It On Paper

With your financial person, take these proposals and put them on a spreadsheet. Build your Business Wellness Budget with a conservative projection of revenues, costs and debt service. If it works, you're done. If not, evaluate the capital needs and determine if they can be financially feasible.

5.) Re-Rally the Troops

Bring your team back together and review the budget. Demonstrate what priorities were selected and where they appear in the Business Wellness Budget. Discuss the overall plan and ask for feedback. Once the budget is defined and the twelve month plan is documented in detail, action steps can be defined. Clearly define goals for operations, administration and marketing, and assign responsibility and accountability for carrying out this plan to each member of the team.

Now that you have your Business Wellness Budget you may think you're ready to forge ahead into a successful year – but it's important to know that this is only the beginning – a plan is only effective if it is followed. The success of this budget is dependent on consistent follow-up and management. At this point, a method for monitoring and accountability must be defined. This monthly monitoring involves ongoing team communication where financial and operational variances are discussed. The budget is updated weekly in real time with the actual financial performance of the business as events occur and the Business Wellness Budget is discussed with your key team members on a monthly basis.

The fear and angst experienced by business owners and managers regarding business budgeting is unnecessary. Create an environment where participation of your key employees is encouraged. Don't be afraid to ask and listen. You'll be surprised by their willingness to contribute to the process. By having the appropriate tools to make informed decisions and a work environment where employees are empowered to participate, preparing a Business Wellness Budget is the first step in insuring the success of your business.

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