

Money – Manage it Well and Watch it Grow

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One of the keys to a successful business, or for that matter a successful life, is how well you manage your money. If you are a good money manager or are in a position to hire one then you should enjoy seeing your business and personal assets grow. There are a number of different aspects to money management ranging from the simple task of creating a realistic budget to the not so simple task of sticking to it as well as how to manage your money once you have accumulated it. Money management is important at many different levels.

For a new business it is very important to establish a realistic budget and use it as the business grows. The establishing of a budget is not an easy task, especially if there is no history to base it on. A new business should use their financial professional to help them establish the initial budget. Use your business contacts, family and friends. They can all be an invaluable source of information related to their own business experiences. There are two basic aspects to any budget or financial plan, fixed costs and variable costs. Fixed costs are monthly expenses that do not change such as rent and insurance. Variable costs are monthly expenses that vary from month to month such as material purchases, utilities and repairs. The computation of what your fixed and variable costs are will help you determine how much in sales you need to do just to break even. Once the budget is established it should be adhered to as much as possible to avoid overspending and thus putting a financial burden on the business, which can cause it to fail. Managing a budget and revising it as the business grows and changes will enhance the operation of the business and help you grow the business into a successful entity.

The next logical step in money management is that once you have it, what do you do with it, money that is. How do you make it work for you? How do you make it grow? How do you keep it safe? You can try and do this yourself but there are so many varied options available that it is probably more than the average person would want to or should get involved with. If you want to be able to manage your own monetary assets so that you can get the best return on your dollar then you need to educate yourself as to the different options available and what the ramifications of those options are. It is advisable in most situations to enlist a professional money manager or investment advisor to monitor your assets. A qualified individual will spend the time with you to determine what your financial goals are, what level of risk you are comfortable with and they will put together a proposed financial portfolio to help you accomplish those goals.

Money management is not something that happens by accident, it takes work and dedication towards accomplishing set goals. Whether creating an accurate, realistic budget or managing your investments, in most instances you should enlist the help of a professional who is familiar with the intricacies of what you are trying to accomplish. You need to define your needs and goals and as difficult as it is sometimes, you need to stick to the game plan that is established. These steps will enable you to concentrate on growing your business; accumulating assets and having those assets work for you.