Healthy business checklist

Use this easy-to-follow checklist to guide you through everyday actions you can do now to keep your business strong.

Your healthy business will not only survive, but also thrive through challenges and change.

How the checklist can help

This checklist can help you:

* continue to provide for your whānau and community
* stay operational and retain your customers
* minimise financial losses
* adapt quickly to a changing environment.

All of this has the added benefit of helping you manage stress and create a better work-life balance.

Tick off the tasks in the checklist from start to finish, or just select the ones that suit your business.

Set yourself a regular reminder so that you can complete it bit by bit over time.

# Create a cash buffer

Having enough money in reserve can help you avoid financial difficulties and handle unexpected situations. This might seem difficult for you at times, but creating a simple business budget and taking steps to forecast your cash flow can help.

## A budget can help you keep track of your financial situation and give you the confidence to make important decisions that affect your business.

## A budget can help you prepare for, and identify:

* when and where to cut costs
* opportunities to reinvest in your business.

Forecasting when money will come in and out will help you plan for the future, including how to expand and grow without overstretching your resources.

**Understand your cash flow**

**Step 1:** Watch our short video on understanding your cash flow.

[Watch: Understanding your cash flow](https://www.business.govt.nz/risks-and-operations/tradies/understanding-your-cash-flow/#e-33262)

**Step 2:** Note down your expenses and income.

Have monthly financial statements from your bank, accountant or accounting software handy.

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**Step 3:** Forecast your cash flow using our cash flow forecasting tool.

[Cash flow forecaster](https://www.tools.business.govt.nz/cashflow-forecaster)

Tip: You need monthly figures about your cash in and out, your cash reserves and borrowing. For a more accurate cash flow forecast you can edit months where your cash in and cash out varies.

**Step 4:** To be thorough you could do three forecasts using our tool – a pessimistic, a realistic (most likely) and an optimistic forecast.

Creating more than one forecast better prepares your business for different scenarios. If you’re seeking capital, you can show investors and bank managers that you’re not just planning for the best-case scenario.

**Create a budget**

**Step 1:** Collect the financial figures you need from a profit and loss statement.

This includes your earnings (what you earn by selling your services/products and the money you expect to earn soon) and expenses (fixed and variable costs, one-time spends and emergency “just in case” funds).

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**Step 2:** Subtract all your expenses from your earnings and use this information to track how you spend, prioritise your money and build your budget.

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[What to do if your business is operating at a loss](https://www.business.govt.nz/tax-and-accounting/business-finance-basics/what-to-do-if-your-business-is-operating-at-a-loss/)

**Step 3:** Put a monthly reminder in your calendar to check how you’re tracking against your budget.

Your budget may need to be changed or updated.

**Have a plan to manage your debt**

**Step 1:** Write down all your debts.

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**Step 2:** Prioritise your debts.

You can sort them from the highest interest rates to the lowest. By doing this, you will have a good understanding of which debts you should pay off first based on how high the different interest rates are.

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| Lowest priority debts | Highest priority debts |
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**Step 3:** See if you can make an extra payment for some of the higher interest debts.

[Debt calculator](https://sorted.org.nz/tools/debt-calculator/) – Sorted

**Step 4:** If your debt is unmanageable, seek support.

[Repaying debt: What are your options?](https://www.business.govt.nz/news/repaying-debt-what-are-your-options/)

Prioritising your to-do list

Planning for the future can feel overwhelming or like something you don’t have time for. Break this process down into bite-sized chunks by prioritising your tasks.

[Prioritising your to-do list](https://www.business.govt.nz/wellbeing-support/brave-in-business-e-learning/prioritisation/prioritising-your-to-dos/)