

First, list your product price. In this example, the company charges \$2.75 per taco.

Then, list the number of tacos sold.

Then you will multiply the price by the number of tacos sold to get the total income from tacos this month.

What are my monthly expenses?

First, list the expenses for ingredients for your taco.

Then list the cost of each ingredient.

Then, add up the costs of all the items needed to make the taco

Once you add up all the costs you are left with your product cost or how much it costs you to make each item that you sell. In this example, each taco costs \$0.87 to make.

Then multiply the number of items (tacos) sold this month by the cost per taco. In this example your total monthly cost for taco ingredients is \$4,350.

In addition to the costs to make each taco, you also have other costs needed to run your business. These include costs like staff, vehicles, space, subscriptions, and supplies.

List the first staff position in your business.

List the number of people in that position.

List the hourly rate for that position.

Then list the hours per month that position requires.

Then you will multiply the number of people times the hourly rate time the hours per month to get the total amount of salary expense for that position per month. In this example there is one chef, but you would follow the same process in a business with multiple employees.

For each staff position in your business, list the position, the number of people in the position, the hourly rate, the hours per month, the costs per staff member. Multiply the number of people by hours per month and then by costs per staff member get the cost per staff member position.

Then you will add up the totals for each position to get total staff member costs. In this example, your monthly staff costs are \$5,440.

Next you will list the cost per month of all expenses other than product costs and staff costs.

Then you will add up total non-staff expenses. In this example, the cost is \$2,220.

What is my monthly profit for a product based business?

For the final line (monthly income, highlighted in blue), take your total profit from your product minus total expenses to get the total monthly profit from your business.

3. Service-based business – revenue and costs

Open budget template and click “Tab B- Service-Based Business.”

Here is an example of an income projection for a daycare business.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Monthly Profit (Service Based Business - Daycare)												
2	Income Sources												
3	Dollars per hour	10											
4	Hours this month	160											
5	Number of children enrolled per month	25											
6	Income from children enrolled (dollars per hour*hours this month*number of children enrolled)	40000											
7	Additional income from grants	2000											
8	Total income from children enrolled (income from children enrolled + income from grants)	42000											
9													
10	Monthly expenses												
11	Staff												
12	Position: Child care specialist												
13	Number of people in position	5											
14	Hourly rate	20											
15	Hours per month	160											
16	Cost per staff member (hourly rate*hours per month)	3200											
17	Total staff expenses (cost per staff member*number of people in position)	16000											
18													
19	Non-staff expenses												

What is the monthly profit from my service?

First, list the cost per hour of the service you provide. In this example, daycare is \$10/hour.

Then, list the total time to provide your service. In this instance a child at daycare enrolls for 8 hours per day, 5 days per week, 4 weeks per month at 160 hours per month.

Then you will list the total number of children enrolled in daycare. In this case there are 25 children.

Last multiply the cost per hour times the total time per client to provide service by total number of clients. In this case the total is \$40,000.

If you have additional income to your business, like grants, enter this in line E. In this example, we have an additional \$2,000 to add.

What are my monthly costs to provide my service?

After you calculate how much monthly income you make from your service-based business, you need to calculate the cost of expenses for your business. This includes staff and items like a vehicle, space, monthly utilities, and supplies.

List the first staff position in your business.

List the number of people in that position.

List the hourly rate for that position.

List the hours per month that position requires.

Then you will multiply the hourly rate by the hours per month to get the total amount of salary expense for that position.

Then you will multiply the number of people in position by the per staff member to get the total staff cost. In this example, there are 5 people in the position of child-care specialist and the cost per staff member is \$3,200 dollars per month. *This example only has one staff position, but if you have multiple staff positions, please follow these steps for each staff position as demonstrated in tab A for the product-based business, taco catering.*

Then you will list all non-staff costs per month to run your business. This example includes things like insurance, the cost of your space and vehicle, utilities like wi-fi, food, and supplies.

Then you will add up the total for non-staff expenses.

Finally you will add your total staff expenses plus your total non-staff expenses to get the total expenses. Then add the total non-staff expenses to get the total expenses each month to run your service-based business. In this example, the total staff expenses are \$16,000 and the total non-staff expenses are \$11,970. And the total monthly business expenses are \$27,970.

What is my monthly profit for a service-based business?

For the final line, take your total profit from service minus total monthly expenses to get the total monthly profit from your business.

4. How can you make more money?

After completing this exercise, you may realize that you are not making as much money per month as you would like. So how could you increase your monthly income?

In this example, you could increase monthly profit by raising the cost of your product/service, selling more of your product/service, or trying to cut business expenses.

[Click here](#) to meet with a business coach to get help with your business's financial projections.

5. How would you use this template for a new business or for annual profit?

If you have a business that is in operation already, take the receipts from last month to figure out a projection for this month.

If you have not yet started your business, take the best guess based on research, but know that this will change.

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