



Year-End Business Planning: Now is the Time

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In the recent article, [Plan Year-End Business Tax Strategies Now](#), I described a few year-end tax-planning strategies that could help you save money on your 2017 tax bill when you file your return next spring. But tax planning isn't the only kind of planning you should be doing now.

This is also a good time to conduct overall year-end business and strategic planning exercises. Your goal should be to tie a bow on 2017 and make sure you finish the year strong while laying a solid foundation for a profitable and successful 2018.

Take a Look Back

Start by looking back at this year. What were your main priorities and goals for 2017 back in January? (You did set some business goals for the year, didn't you?) Did you accomplish them? If so, recognize and celebrate your accomplishments with your managers and staff. If you didn't, try to determine why you fell short and what you can do next year to overcome these roadblocks and limitations.

Also look for opportunities to finish this year with a strong closing kick. For example, can you close a new deal or two before the end of the year to boost year-end revenue or provide a jumpstart for next year? Or can you invest in some new technology or equipment that will give you a leg up on the competition? As I discussed in my last article, your business can expense and deduct up to \$500,000 in qualifying fixed assets and equipment that are purchased and placed in service before December 31, 2017.

If you had a successful year in 2017, how will you reward your hard-working employees who helped make it happen? Consider creating a bonus or profit-sharing plan to share the wealth, or perhaps making an additional contribution to your employees' retirement accounts. In addition to rewarding employees for a job well done, these moves could also help your business save taxes.

Manage Your Risk

Events in 2017 reiterated the importance of risk management for mid-sized businesses. Countless businesses suffered severe and sometimes catastrophic damage due to the rash of natural disasters that struck the U.S. this year — from the wildfires that ravaged large portions of our state to the multiple Category 4 hurricanes that swamped the Gulf Coast and East Coast states.

Plan to meet with your insurance broker to review your existing coverage and determine whether or not it's adequate for the unique risks that your business faces. These may include not only natural disasters, but also risks like cybercrime and the theft of sensitive customer information. Once again, data breaches at some of the largest corporations in America dominated the headlines in 2017 — with none bigger than the massive breach at Equifax. Consider adding cybersecurity protection to your business insurance policy, along with business interruption coverage for any downtime you might experience due to a natural or manmade disaster.

Readdress Your Business Plan

Now is a great time to give your business plan a critical look and see if it needs to be updated to reflect changes in your business and your industry since it was first drafted. A business plan should be a living, breathing document — not something that's stored on a shelf and forgotten about. For example, has your business plan been updated to reflect:

- Your new goals and objectives?
- Any new competitors that have entered the market?
- New products and services your company now offers?
- Your expanded workforce?
- New technologies that have impacted your industry?

Make it a practice to reexamine and update as necessary your business plan on a regular basis going forward. Depending on how dynamic and fluid your business and industry are, this might need to happen as often as every few months, or maybe just once a year. Discuss this with your management team and decide what's best for your organization.

Update Your Forecasts & Budget

This is one of the most important year-end tasks for any business, since sales and profit forecasts form the backbone of your financial plan. If you still rely on traditional annual forecasting and budgeting, consider switching to rolling quarterly forecasts instead. This method of forecasting provides much more flexibility than rigid annual forecasting, enabling you to change your forecasts each quarter based on what's actually happening in your business and industry.

Concluding Thoughts

In addition to year-end tax planning, you should also make time now for overall year-end business and strategic planning. Your goal should be to tie a bow on 2017 and make sure you finish the year strong while laying a solid foundation for a profitable and successful 2018. A CFO services professional can help you conduct year-end business planning exercises for your business.

About CFO Edge

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