Walmart Business

Budgeting tips to help your planning

Thought-starters &
worksheets to plan with.

Effective financial management is crucial for business growth

Good financial management is the backbone of a thriving business, regardless of size or development stage. A clear view of cash flow, optimized resource allocation & informed decisions enables businesses to achieve stability & sustainability.

Proper financial management basics such as budgeting & profit evaluation allow your business to not only set challenging yet realistic goals, but also overcome uncertainties & adapt to market changes.

However, the ability to invest in financial personnel varies based on business size, industry, leadership expertise & financial requirements. While larger businesses often benefit from dedicated financial roles, small businesses don't always have that luxury. The tips in this guide serve as foundational elements for those looking to take action with their financial plan.

Tip 1

Set the right goals

Setting—& measuring against—specific business goals is crucial in ensuring growth, communicating internal & external priorities, generating accountability across teams & motivating employees.

Successful short-term goals require specificity & timeliness within the span of a year or less, while reflecting the urgent needs that your business needs to address—such as reducing monthly expenses in a specific quarter or increasing monthly revenue.

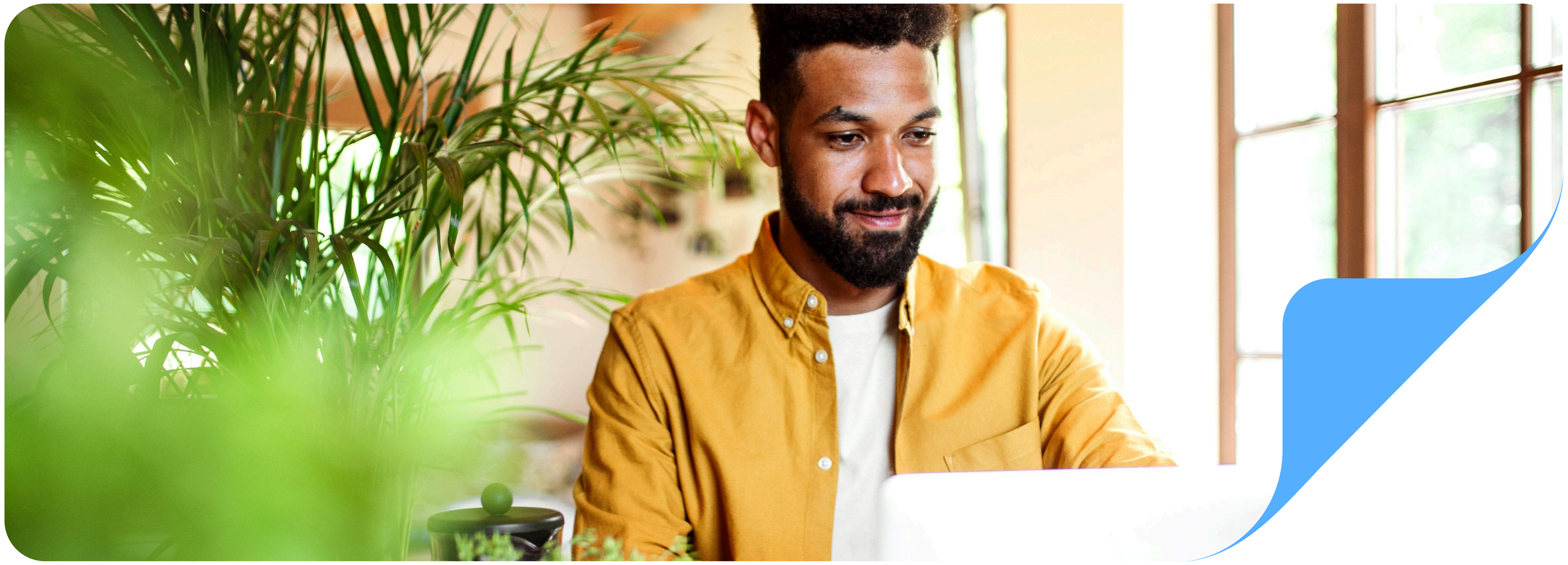
While short-term goals focus on the "now," long-term goals are centered around the bigger picture. They include objectives that take extended periods to accomplish—for instance, increasing your business's income by 10% over the next two years.

Tip 2

Nail down cash flow management

Understanding & effectively managing the cash coming in & going out of your business is necessary for long-term business operations. Cash flow informs decisions, giving insights into the financial health of your business to allow you to take early action.

SMBs may be working with a limited amount of resources & can experience noticeable changes in cash flow. Understanding these fluctuations is essential for your short-term stability & long-term success. It can help you allocate resources efficiently, make informed strategic decisions, thrive in a competitive environment & withstand economic uncertainties.



Tip 3

Evaluate profitability

Profitability is the comprehensive analysis of the relationship between revenue, costs & expenses to determine net gain. It's not just a measure of revenue, but a metric that gives a complete picture of the financial performance of a business by taking into account income & expenditures.

Having a full view of profitability allows you to make informed decisions about pricing strategies, resource allocation & cost management. It also enables you to identify your most profitable products or services, optimize your operations & enhance overall business efficiency.

Tip 4

Establish a realistic budget

Setting a budget doesn't just help identify ways to eliminate wasteful spending—it also lets you monitor your business's performance, supports decision-making & more.

Start by gathering your revenue and expense data from previous time periods to identify performance patterns. Differentiate between fixed & variable costs & remember to account for contingencies. Involve key stakeholders in the process to ensure you capture every metric. Create a comprehensive & realistic financial plan, including revenue projections, fixed costs, variable costs, operating expenses & taxes.

A budget for SMBs is flexible & can be adjusted as circumstances change. Regularly review & revise your budget to reflect actual performance & changing conditions.

Tip 5

Measure, assess & repeat

To ensure the financial well-being of your business, regularly evaluate key performance indicators (KPIs) such as revenue growth, profit margins & cash flow.

Effective financial planning requires continuous measurement & assessment. Performing budget analyses can uncover discrepancies & help you make necessary adjustments.

The Walmart Business+ advantage

Managing finances can be stressful, but stocking up on your business necessities shouldn't be. Try Walmart Business+ to unlock more ways Walmart Business can help you save time, money & hassle.

Benefit	Walmart Business	Walmart Business+ Core
Everyday low prices	✓	✓
Up to 5 users per organization	✓	✓
Free delivery from store, $35 minimum[1]		✓
Free shipping, no order minimum[2]		✓
Earn 2% back in Walmart Business Rewards[3]		✓
Access to Spend Analytics		✓
Limited-time offers		✓
Scan & Go in-store		✓

[1] Restrictions apply.

[2] Excludes most Marketplace items, freight and certain location surcharges.

[3] Earn 2% in Walmart Business rewards on orders $250 or more. Rewards can only be used towards future purchases on Walmart Business. Exclusions apply. See full terms for details.

Averages for understanding sales trends

Reviewing sales averages & trends can allow you to forecast future sales not yet made by your business & may help you manage your budget more efficiently. Using averages instead of actuals helps you forecast smoothly by removing outliers that may exist in certain months or years.

Assign a previous year to the date cell & enter the corresponding total sales for that specific year within the Sales form—you can add up to 10 years of sales history. After that, use the instructions to calculate three or five-year moving averages.

Sales

Fill in your sales for each date.

Year 1:	$
Year 2:	$
Year 3:	$
Year 4:	$
Year 5:	$
Year 6:	$
Year 7:	$
Year 8:	$
Year 9:	$
Year 10:	$

5-year moving average

To calculate, take the sum of the dates and then divide by 5.

Year 3 (Years 1–5)	$
Year 4 (Years 2–6)	$
Year 5 (Years 3–7)	$
Year 6 (Years 4–8)	$
Year 7 (Years 5–9)	$
Year 8 (Years 6–10)	$

3-year moving average

To calculate, take the sum of the dates and then divide by 3.

Year 2 (Years 1–3)	$
Year 3 (Years 2–4)	$
Year 4 (Years 3–5)	$
Year 5 (Years 4–6)	$
Year 6 (Years 5–7)	$
Year 7 (Years 6–8)	$
Year 8 (Years 7–9)	$
Year 9 (Years 8–10)	$

Understanding financial goals

Be specific when developing your financial goals. Organize them by fiscal year & month & detail sales goal objectives.

Use this worksheet to get an understanding of your estimates vs. actuals. You can monitor your percent of change over time and start to set sales goals closer to your actual sales.

For this year, indicate the previous year’s sales goal & actual sales per month in the firs two rows. Then, calculate the percent difference between last year’s goal & actual sales to find your percent of change. Set your total sales goal for each month this year.

In the following years, continue this practice to help you evaluate your year-over-year progress.

Fiscal Year Start Date	

Year		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
	Last year goal													
	Last year sales													
	% of change													
	This year goal													
	Last year goal													
	Last year sales													
	% of change													
	This year goal													
	Last year goal													
	Last year sales													
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	This year goal													
	Last year goal													
	Last year sales													
	% of change													
	This year goal													

Product profitability evaluation

Input the total sales of a product then reduce expenses to calculate the item’s potential profitability. Variable expenses are costs that may change based on the volume of your sales while fixed traditionally remain the same.

Find the profit ratio by dividing profit by sales.

Example	
Product name Custom Coffee Mugs	
Sales	$1000
Expense variable	(500)
Expense fixed (allocated)	(100)
Profit	$400
Profit ratio	40%

Product 1	
Product name	
Sales	
Expense variable	
Expense fixed (allocated)	
Profit	
Profit ratio	

Product 2	
Product name	
Sales	
Expense variable	
Expense fixed (allocated)	
Profit	
Profit ratio	

Product 3	
Product name	
Sales	
Expense variable	
Expense fixed (allocated)	
Profit	
Profit ratio	

Industry benchmarks: financial ratios

Financial ratio analysis is a method used to evaluate a company's financial performance & health. It provides insights into a company's operations, profitability, liquidity, solvency & efficiency. Here are some common ratio names and definitions.

Liquidity Ratios

Measures a company's capability of paying off short-term commitments through the amount of available cash or most-liquid assets on-hand.

Leverage Ratios

Also known as "solvency ratios," these asses the degree to which a business relies on debt to fund its operations, as well as its ability of managing that debt.

Efficiency Ratios

Helps determine how well a business utilizes its capital to maximize income.

Coverage Ratios

Assesses a company's capacity to carry out interest payments & additional responsibilities associated with its debts.

Profitability Ratios

Gauges a business's efficiency in generating profits related to its revenue.

Return on Investment (ROI) Ratios

Verifies how well a business is converting its investments into profits—a higher ROI essentially means that a company is getting a good bang for its investment bucks.

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