

What's Your Budget Planning IQ?

Take the franchise budgeting IQ self-assessment. Read each statement and if you agree that it is true, check the box. Be honest with yourself. Be a hard grader. At the end, we'll show you your Planning IQ score.

✓	PLANNING TOPIC
	I have a long-term goal for the wealth I aim to build through my franchise ownership
	I have a long-term growth plan that would create the wealth I aim to build
	I know my company's breakeven sales amount on a monthly and yearly basis
	I have a plan for how much debt I will repay in each of the next 3 years, and how much additional financing I may need for expansion, equipment, facilities, or improvements
	I have a written budget that details monthly forecasted sales and expenses for the coming year
	I have budgeted for adequate sales and marketing activities and I have not cut out costs that impair salespeople's ability to sell
	I compare my actual income statement to the budget each month
	Each month I discuss how the business is trending as compared to budget with my leadership team/trusted advisors/field business consultant.
	I know how much cash my business will need in the next week, month, and three months and have taken appropriate action so these cash needs can be met
	I pay all federal, city, and county taxes on time
	I take all trade discounts available and/or pay all invoices within the stated terms
	I do not use credit cards to finance business expenses for more than a month
	My banker knows what is happening in my business because I keep him/her updated with financial statements that we discuss regularly
	I understand what is on my balance sheet
	TOTAL BOXES CHECKED

Based on the score above, you are a:

- 0-4 Reality Avoider:** Stop whatever you're doing and seek professional help now.
- 5-7 Lemonade Stand:** Your heart is in the right place (because you took this assessment after all), but your budgeting game needs an extreme makeover. Try starting at the top of this assessment list and knock off one item a month for the next six months. This should have a huge impact on your financial health in a relatively short period of time.
- 8-10 Shop Apprentice:** You are not completely unprepared in your budgeting processes, but you probably have some easily addressed gaps. If you can focus on one item a month for the next three months, you should move up into the Market Leader category.
- 11-12 Market Leader:** You are doing most of the right things to be prepared year-in, year-out. In order to reduce your risk, take a look at the things from this assessment that you aren't doing right now and figure out how you can do two of them in the next 60 days.
- 13-14 Titan of Business:** You are a true financial planning guru in near-complete control of your financial planning world. Even if surprises do occur, you have contingency plans in place.

If you want more detail on how to get your budgeting right, download [FranConnect's Franchise Budgeting Playbook](#)