

End Of Year Planning: A Business Owner's Year-End Checklist

7 min read



Key Takeaways

- **Review Financial Reports:** Taking the time to review your financials is essential to making data-driven decisions to achieve business success.
- **Year-End Tax Planning and Strategy:** With a focus on taxes, take a look at where your business stands, income-wise and expense-wise, at the end of the year.
- **Consider Year-End Incentives and Future Staffing Needs:** This is the time to focus on setting goals and coming up with specific strategic plans to achieve those goals.

The end of the year marks a time of celebration and festivity. But for business owners, this time means much more than that: year-end planning is here.

This time of the year when it is necessary to focus on a list of important year-end tasks designed to keep your business compliant, help you reflect on and learn from the past

year, and ensure you're well prepared to continue leading your business in the coming year.

As you hurry to mark off the items on your personal holiday to-do list, be sure you set aside enough professional time to also mark off the action items on your business's year-end checklist.

Small Business Financial Checklist and Year-End Planning Tool- 11 Steps

1. Reconcile Your Accounts

Before you can address any other year-end concerns, you must first ensure all of your bookkeeping records and accounts (bank accounts, accounts receivable, and accounts payable) are up-to-date and reconciled.

Read More: [Your Business Audit Will Cost You, Unless...](#)

If you keep up with this throughout the year, as you should, then this process shouldn't be too demanding. Basically, you'll just need to look through the last few weeks, making sure everything is current. Take account of any unpaid receivables and any payables you still owe. Make sure all items have been accounted for, recorded, and paid for the year.

Pro Tip: Automate, Automate, Automate. Automating the process will guarantee your records are always organized and accurate with only a small amount of your time and attention.

2. Review Financial Reports

Now that your books are caught up, you can begin reviewing your financial reports for the end of the year.

Taking the time to review your financials is essential to making data-driven decisions to achieve business success.

These reports include your income statement (profit and loss statement), balance sheet, and a statement of cash flow.

In addition to basic financial reports, it's important your finance department provides you with the right management reports to make decisions. (if you still aren't sure what these look like- [this article sums up what types of reporting you should be getting!](#))

Looking at these reports will help you make informed decisions for next year- that maximize revenue, minimize your costs, grow profit margins, and accelerate success.

3. Analyze Cash Flow Statements

Take a close look at last year's cash flow statements.

While you assess these statements, you should be looking for challenges (cash flow shortages) you encountered and trying to determine the reasons why these pitfalls occurred.

You should also be looking to identify any noticeable patterns that can better inform your cash flow forecasting and strategic planning for the upcoming year. Did your business encounter a seasonal cash flow shortage due to slow demand, supply chain issues, or another problem that could potentially recur in the future? If so, make plans now to prepare for these challenges so that they won't be a problem when they recur in the future.

4. Year-End Tax Planning and Strategy

With a focus on taxes, take a look at where your business stands, income-wise and expense-wise, at the end of the year. You might be able to make some last-minute maneuvers to lower your taxable income and improve your business's tax position before the year ends and your financials are set in stone.

Read More: [End of Year Planning – How to Stay Audit and Tax Ready](#)

For example, you could consider splitting income or taking advantage of maximum depreciation claims. You can expedite expenses, making necessary purchases on this financial year, rather than waiting until after January 1st. If you can afford to wait on some of your receivables, consider delaying your invoices and not billing customers until after the end of the fiscal year.

5. Reflect on Your Business and Review Last Year's Goals

Set aside time to reflect on your financials, review your last year's goals, and compare how your year turned out with respect to your budget and actual numbers.

Ask yourself:

- How did you stay on track?
- In what ways were you successful?
- Where did you go astray and why?

6. Identify Shortcomings and Solutions

If you identify any pitfalls, failures, or other marks you missed over the previous year, really take the time to figure out what happened and how you went wrong. **Looking over these types of shortfalls will help you identify limiting factors inside your business (i.e. the things that hold you back).**

Ask yourself what you would need to do differently to eliminate the limiting factors inside your business. Then choose the solutions that seem most attainable or most likely to be accomplished, and make a point to implement those solutions in the upcoming year.

7. Consider Year-End Incentives and Future Staffing Needs

At the end of the year, you should be able to see a growth rate for your business and set goals for the growth you want to achieve in the upcoming year and several years after that.

With that in mind, take a look at your staff and determine which positions you're going to need to fill and how your staff might need to grow in the near future to help your business grow as well. This can help you predict when you should hire new staff to ensure they're well-trained and ready to take on new challenges just as soon as your business needs them to be

Read More: [How To Maximize Profit and ROI From Your People](#)

While your mind is on your people, don't forget to be grateful for them and to express your gratitude with both monetary rewards and public recognition. Now is the time to consider year-end gifts and parties in addition to raises and incentive programs for the upcoming year.

8. Set Goals, Strategize and Write It All Down

All too often SMB owners get too caught up in the hectic schedules of their daily lives to remember that their visions for their businesses need to extend beyond the current workweek.

With your financials at hand and a thorough understanding of the last year's performance, the end of the year marks the perfect time to focus on setting goals and coming up with specific strategic plans to achieve those goals.

Take the opportunity to imagine the ideal future or five-year plan for your business (long-term goals). **Then work backwards to identify the short-term goals that will help you achieve the long-term ones**, and devise operational plans that will ensure your people and business are all oriented around the same vision and working toward common goals.

Be sure to write it all down, communicate the plan to your people, set deadlines, and implement a plan for measuring your progress.

9. Create a Budget

You can't future-plan, set goals, and achieve them without budgeting for your business's future. Start by looking at your last year's budget and comparing it to your actual numbers.

Make any necessary adjustments and then think about the goals you want to achieve and the resources you'll need financially to achieve them. Build these items into your upcoming budget. Plan to revisit your budget and other financial statements each month going forward in the next year so that you can make adjustments as you go along.

10. Evaluate and Improve Leadership

In addition to reflecting on your business's previous year, take some time to reflect on your own leadership performance over the past year. Do your best to evaluate yourself objectively. Where do you think you fall short?

Try to identify things you can improve such as:

- Time management
- Communication
- Workplace culture
- Employee recognition
- Financial savvy
- Business acumen
- Industry knowledge

Next, implement a self-improvement plan for the upcoming year, scheduling time for yourself to continue learning and improving your business leadership skills.

11. Celebrate Successes

At the end of the year, **you should also take the time to pat yourself and your employees on the back and congratulate yourselves for surviving (crushing) another year** – and an exceptionally challenging one – in the business world.

Take account of all the goals you achieved and the expectations you either met or exceeded and look closely at what worked and how you did it to focus on replicating these successes in the future.

Does Your Back Office Support Your Business's Operating Framework and Goals?

Most importantly- once you've completed your year-end checklist, take a moment to evaluate how the year-end process went for you.

Ask yourself whether your back office is supporting your year-end planning, tax planning, business strategy, and operating framework. Was it simple to pull financial reports or did manual processes slow you down or even lead to reporting errors?

If you find that your back office is taking your time, rather than saving you time, then you should add another business goal to your list for the upcoming year, and that is to shore up your back office and automate your manual bookkeeping, accounting, and reporting processes to improve operations while better supporting your overall financial goals and business strategy.