



## Manage Your Business Expenses

- **Categorize expenses**
- **Create a review schedule**
- **Establish goals**

The consequences of a smaller company spending too much are far greater than for larger companies. If you own a small business it's especially important to control expenses. Here are some tips for taking an organized, logical approach to managing your expenses:

**Categorize your expenses** as short-term, long-term or fixed. What's the difference between the three?

- **Short-term** items are things like wages for part-time and seasonal workers, because these may change within a six-month period.
- **Long-term** expenses are items such as leases and contracts with vendors, which may last up to a year.
- **Fixed** costs, such as mortgage payments, rarely change.

After categorizing your expenses, rank them in descending order of cost within each group. This process will help you see more clearly where your money is going.

**Create a schedule** to review the items in each expense category. Look at your short-term expenses more frequently than your long-term costs because you can make changes to these more easily. If you are successful cutting costs in one area, see if you can transfer your strategy to another area of your business.

**Establish goals** for reducing each expense category by a manageable percentage. If you have employees, assign someone to meet each cost-cutting goal, or consider rewarding employees for finding ways to cut costs.

We invite you to contact Wells Fargo for further information and assistance. Visit our Web site at [www.wellsfargo.com](http://www.wellsfargo.com) or any Wells Fargo store.