

# Financial Goal-Setting

Use this worksheet to set your financial goals for 2019, **starting** with setting a goal for how much you want to be able to pay yourself from your business this year.

Take-home pay is the amount you would like to literally withdraw from your biz bank account and transfer to your personal funds. A good + common example is having a goal to replace your full time job's salary with your business' net income.

Take home pay goal =	
Total net income goal =	

This number (plus maybe a small cushion to keep in your bank account) becomes your business goal for net income. Remember that **net income** is your total sales minus your total business expenses. You can think of your net income as the total amount you have left over from which to a) pay yourself, b) re-invest in your biz's future, and c) just leave in your bank account for a rainy day.

## If you want to make that much in net income, how much do you have to make in sales?

We can work backwards from your net income goal to figure out your sales goal, expense budget, and orders goal for the year. We will do that using prior year data (or you can use an estimates if need be). Fill out the table below with 2018's financial results. We'll use past results to set realistic goals for the future. (Psst - if you need help catching up on your 2018 books, check out the [Bite-Sized Bookkeeping Bootcamp!](#))

2018 FINANCIAL RESULTS	
Total sales	
Total expenses	
Net income or loss (sales - exp)	
Profit margin % (net inc/sales)	
Number of orders	
Average sale \$ per order (orders/sales)	
Number of Visitors to Site/Etsy Shop in 2018	
2018 Conversion Rate (orders/visitors)	

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We'll use the numbers you just crunched for setting smart + achievable goals for 2019. If you had a loss or you don't have many sales to base your goals on - that's totally ok. You can use a profit margin percentage "goal" of 30-40% for the next exercise.

Re-write your net income goal below, and calculate your sales goal and expense budget for this year.

Total 2019 net income goal	
2019 Sales goal (net income/2018 profit margin %)	
Estimated 2019 expense budget (sales - net income)	

How many orders will it take to reach your sales goal?

2019 Sales goal	
2019 Orders goal (sales/avg per order)	

How much traffic do you need to drive to your site to get that many orders?

2018 Conversion Rate	
2019 Orders goal	
Visitors required (orders/conversion rate)	

As you crunch these numbers, continue to ask yourself if they seem realistic. You want to set goals that are motivating and take you out of your comfort zone, but not so far out there that you get discouraged and scrap your plan.

This may lead you to see some cracks in your **pricing strategy or your marketing**. Make sure your profit margin per product is in line with your goal profit margin...in fact it should be higher! You may see you need to focus your efforts on increasing your profitability. Or you may see your focus should be on marketing and driving more traffic to your shop. Let your financial goals guide your daily work. Make sure the majority of your energy is spent on working towards these!

Learn more about financial goal-setting and check out my bookkeeping templates & financial resources for makers at [paperandspark.com](http://paperandspark.com)