



Better budgeting

3 – Linking objectives to your budget spend

Successful budget management isn't about staying within the allocated budget; it's about achieving your objectives whilst staying within budget.

This means you must have a clear link between your objectives and your budget, which will probably involve working through the following four questions.

1 What do I have to achieve?

This is about objectives and detailed tasks. The objectives are the budgetholder's high level aims, the detailed tasks are the day to day things we do to achieve those objectives.

2 How will I achieve it?

Here we are looking at processes. It's the question about how we will achieve the detailed tasks that need to be done.

For example, an HR department could outsource recruitment to a specialist company; do the recruitment itself; or provide help and support to other departments that want to recruit.

3 What resources will I need?

Once we know what we are trying to achieve, and how we intend to achieve it, we can look at the detailed resources we need. Those resources will vary enormously depending on how we intend to achieve the objectives.

4 What will the resources cost?

This will be the budget we need to achieve our objectives in the way we have planned. It's the only financial question in the process. The quality of the budget will depend on the thought that's gone into the first three questions.

By the end of this process you should be clear about:

- your budget
- what you'll deliver
- your action plan for success

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