



## *Better budgeting*

### **5 – Profiling the budget**

So now you've agreed that you can achieve your objectives within your budget allocation, and you've worked out what your priorities are.

You know how you'll achieve your objectives, and you've planned what needs doing, and when it needs to be done.

The next stage is to plan when you'll spend your budget. This is called profiling or phasing the budget, and it makes the budget into a useful "roadmap" for assessing your spend throughout the year.

Imagine travelling from Leeds to central New York. It's about 3,500 miles, with an 8 hour flight. Door to door it's about 12 hours: an average speed of roughly 300mph. Except you'll spend a long time stationary, and a long time going considerably faster than that.

Your average budget spend is about as much use as a guide as that 300mph. It won't help you come in on budget by the year end.

Profiling the budget involves planning when you will do things, and therefore when you will spend your budget. Some costs might be spread evenly throughout the year. Others may be quarterly (utility bills?), and others may be one off payments (insurance?). Others will depend when you intend doing certain things.

Now your budget has become a powerful tool for measuring whether you are doing what needs doing, within your planned timescale for when it needs doing, and whether it's being done within your allocated resources.

In contrast a budget that hasn't been profiled is a weak, unhelpful tool.

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