



Better budgeting

7 – Refining your budget

How do you reduce your budgeted costs?

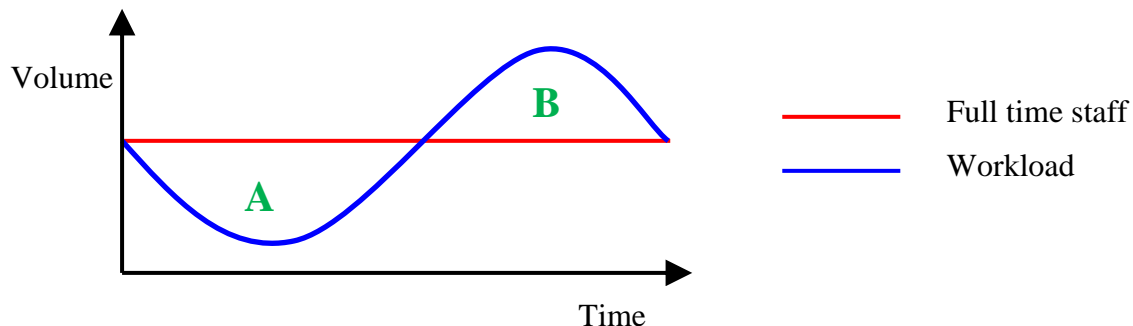
First, look for wastage. This is “stuff” that gets wasted: thrown away; broken; gone out of date; never used; etc. But it’s also time that gets wasted: waiting; doing things that don’t need doing; doing things that somebody else does anyway; doing low priority tasks; etc.

In a training centre I worked for, we used to feed all the course evaluation results into a database. But then we never referred to that information: a waste of time!

A hospital client cut admin support (a very visible cost) for consultants. The result: highly paid consultants could see fewer patients, as they were laboriously writing up the results of previous consultations.

Quality is a budget issue. If quality is too low we incur costs putting things right: it’s cheaper to do it right first time! But quality can be too high, and this wastes time and money. What’s the appropriate level of quality in your area? If you’re a perfectionist, get a second – and third – view on this!

We often have to deal with seasonal work:



A is as much of a problem as **B**. **B** needs expensive overtime: a very visible cost. But **A** involves wasted time. The workload will probably expand to fill the time available, but your budget is being wasted!

And again: priorities. Know what the important things are that need doing. What are your priorities? Are they reflected in your budget?

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