

Financial training For non financial staff



The financial training specialists

What do I get for my money? (budgeting)

I'm writing a module about personal debt for a client.

The problem with debt is that the interest and repayments consume significant amounts of current income. We're spending this year's salary on what we bought last year. Now if it's our mortgage or car finance, we're still getting a current benefit from the payments.

But it's easy to incur personal debt to pay for things we consume immediately (have you ever come back from holiday with more on your credit card than you expected?). Or to pay for things that we barely use.

Unless that credit card bill is paid in full at the end of the month, we end up still paying for the holiday long after it's just a memory!

Now apply this to business costs!

Your budget is a list of the costs you incur to carry out a number of tasks. Within my marketing budget, for example, I've got a dozen or more marketing activities.

But some of those are more effective than others. The key is to understand which of our activities give us the biggest results. In the case of my marketing budget, which activities are most effective at bringing new work in?

With this understanding we can stop doing things that we do because we've always done them, and free up resources to focus on doing the things that are most effective in achieving our goals.

What do you spend your budget on, and which activities contribute least to your goals and objectives?