

Financial training For non financial staff



The financial training specialists

Miles per gallon (budgets)

My last couple of cars have told me my average miles per gallon. I thought this would be useful information, I never realised it would change the way I drive. Having the information has taught me how my driving style affects my fuel consumption. Each month I try and get more miles per gallon: my best has been about 63mpg.

Our monthly budget information is similar. The monthly report tells you how you are doing against budget. Do you need to improve, or is there some slack?

Of course, you're spending money so you can achieve your targets, so always look at your budget spend in the context of what you've achieved! Without that context your spend against budget can be very misleading.

But it's what you do that drives what you spend. What are the things you do that spend your budget unnecessarily? In your personal life for example, if you buy a £2.50 cup of coffee on your way in to work every morning, you have to earn almost £1,000 a year (before tax) to pay for it!

At work what could you do to spend less, whilst still achieving your objectives? What things don't need doing at all? What could be done more efficiently? What could you buy more cheaply with no noticeable impact on quality? Where could you cut corners with no adverse impact?

Understand your costs – and what drives your costs – in more detail, and you'll save money and get more out of your budget!