

Financial training For non financial staff



The financial training specialists

Being unreasonable (Budgeting)

I always enjoy [Jo Owen's column](#) in *Economia* magazine. This month was about how good managers are unreasonable about their: goals; people and budgets. He expanded on the first two in his usual inspirational, challenging manner, but with only a brief paragraph on budgets.

For many managers, our budget is "just another target to hit". But they're much more than that. Our budget is the money allocated to us, to finance the resources that we need to achieve our objectives.

So if the right budget isn't in place, we won't have the resources we need, and we'll fail to hit our objectives - and fail as a manager.

You'll know what your budget is, I hope! But what resources is that budget financing? Your team, obviously. But also temporary experts (consultants, contractors etc). Goods and services that you're buying in. Equipment.

When and how will you deploy these resources? What are your people doing? Exactly how do they help you achieve your objectives?

Suddenly the budget isn't a list of numbers with a pound sign in front. It's an action plan of how you'll achieve your objectives with the resources available to you.

And having the right resources comes down to good budget negotiation in the first place. When we're negotiating budgets it's not in the context of "This is how much I spent last year", but "This is what I'm doing next year." We need to be crystal clear about the link between our objectives, action plan, resources and budget.