

## *Financial training For non financial staff*



*The financial training specialists*

### **Scrooge? (budgeting)**

I hate to sound like a Scrooge, but over the Christmas period did you find yourself struggling to find something to give So & So? There isn't anything they need, but you needed to give them something, because you knew they'd give you a present.

Buying presents for children can be easy: children enjoy so many things. And when we know someone really needs something, buying a present is easy. But as I get older I increasingly find most of my friends already have everything they need.

So how does this apply to budgeting?

Our budget finances the resources we need to do the things we plan to do. So if we do more, we'll spend more; if we do less, we'll spend less.

So budget management is all about looking at what we will do, because that drives what we spend.

So within your area of budget responsibility what are the things you absolutely have to do to hit your objectives? After you've listed these, list all the things your team actually does. Where are the differences between the two lists? If the essential things aren't being done, you've got a problem.

If you're doing lots of things that aren't essential, you've potentially found some areas where you can do less and therefore spend less.

This analysis becomes even more powerful if you can cost the resources needed to do the non-essential tasks. The most expensive of these is your biggest potential budget saving, with little loss or pain.