

Financial training For non financial staff



The financial training specialists

Warning signs 4 (Budgeting, Cashflow, Profit)

At the start of a finance course I often ask "What's your financial impact on the business?"

This is often a totally new way of thinking for people, and that's a worrying warning sign.

Every business is ultimately in business to make money: if we don't cover our costs, we will fail. We have to have a good product or service; satisfied customers; loyal and committed employees; effective marketing; etc; but if we don't make money we'll fail. Even "not for profit" organisations have to make money. And we have to have enough money in the bank to pay our bills as they fall due.

So if financial success is an imperative, and our people haven't thought about what financial impact they have on the business, that's scary!

Start asking your colleagues this question. Begin with the directors! How many don't have a coherent answer?

This ties in with the first warning sign we looked at: managers glazing over when finance is on the agenda. It displays a general lack of awareness about the most fundamental requirement of our business.

So what financial impact do we have?

Well, we all take a salary out of the business. If we're in service delivery or production, we're making money as well. But if we're an overhead we're a financial drain. So how do we add value to the business? How do we help make more money, or reduce costs elsewhere?

If we don't know, are we worth our salary?