

## *Financial training For non financial staff*



*The financial training specialists*

### **What's caused it? (Budgeting, Cashflow, Profit)**

I always read something when I'm having breakfast. Usually I'm reading for pleasure, but this morning I was reading *Economia*, my professional journal. Not usually an exciting read, but this month it contained an article about the gender pay gap. The article couldn't announce much progress, but it did contain an interesting phrase.

"Employers need to be analysing their figures to identify causes of their pay gaps."

The phrase resonated with me, as it's such a fundamental approach to financial numbers. We look at financial reports of various kinds most months, and need to keep this question in mind: "What's happening to cause these numbers?"

Our financial numbers (whether they're in our monthly budget report at work, or our credit card statement at home!) come out of what we do. We need to understand what we're doing that causes these numbers.

Domestically that might be as simple as "I don't have time in the evening to make sandwiches for tomorrow's lunch, so I spend £7 a day buying lunch, which is £150 a month." If we don't know the cause, we can't fix it!

One client I was working with hadn't realised how much his company's printing costs had escalated. He solved the problem by switching the photocopier and printer defaults to mono printing rather than colour. But he couldn't do this until he'd seen that there was a financial problem, and worked out its cause.

So what issues does your financial report highlight, and what causes those issues?