

## *Financial training For non financial staff*



*The financial training specialists*

### **Managing costs? (profit)**

We had a friend to stay last week. He's struggling with money so we talked about budgeting. Although we talked about personal budgeting, the same issues apply to cost management in business.

First we talked about "have to; need to; want to." Have to: mortgage, utilities, food, etc. The stuff we have no choice about. "Need to" is what we can choose not to do, but they're important (savings; pensions). In business it's often training, maintenance, etc. The things that were cut in the 2009 recession. Finally there's "want to": holidays; leisure; etc. In business this is often development for the future.

Then we talked about reducing costs (in all three categories). We can reduce fuel costs by changing suppliers, turning the heating down & wearing a jumper, or having the heating on for less time. We can take similar approaches with business costs.

Then priorities. There are lots of things we do just because we do them, although they add little value. I often see people buying a coffee and drinking it as they walk to work. Habit? How does the benefit (the enjoyment) compare to spending money on a coffee when there's time to sit in the coffee-shop and enjoy it properly?

And we talked about planning. Having food in the house, or cooking a spare portion for the freezer, so there's no need for that expensive take-away or ready meal.

Over to you. How can you manage the cost of what you do at work better?