



## ***Better budgeting***

### **1 – Why budget?**

Welcome to a series of articles about budgeting. Not a subject to get the pulse racing, but important. We'll be looking at why we budget, what budgeting is, and how we manage our budgets.

First: why do we bother budgeting?

From the organisation's point of view, budgeting is about making sure there's enough money being allocated to everyone; to ensure everyone has the resources they need; to do what needs doing; so the organisation achieves its aims.

And it's also about making sure the organisation lives within its income!

We'll look at how budgets might get allocated in the next article.

From a budgetholder's viewpoint, budgeting is about how we spend the money we've been allocated; to provide the resources we need; to fulfil our objectives.

That link between *budget – resources – objectives* will be a key theme of these articles: hang on to it!

So why budget?

Clearly your organisation has a budgeting structure to ensure it gets to where it wants to get to, without going bust.

As a budgetholder there are several "wins" for you in budgeting better.

First, it'll help you achieve your objectives each year. You won't achieve your objectives without the right resources in the right place at the right time.

Second, it will help your team. They are (probably) your most expensive resource and they'll bear the brunt of insufficient resources to do the job.

Third, it will help your career. The manager who achieves their objectives and stays within budget will go far!

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