



Better budgeting

8 – When your objectives are added to...

Our budget setting model (article 3) linked our objectives, processes and resources to our budget.

Obviously the budget – once agreed – will be recorded, and you need to hit it.

That's why it's so important to agree your objectives (article 6). If your objectives keep expanding, but your budget doesn't, you'll probably exceed your budget.

That's fine in theory, but in the real world we're given additional tasks. How do we deal with these?

We must always highlight the budget implications.

The first step is to know how you'll achieve the additional objectives. Maybe you can achieve them within things you already do. Maybe you need to do more things.

So the next step is to calculate the cost of the extra tasks. They may be quite cheap, and we can absorb the cost. Perhaps someone else can do them for us (we save Tesco millions by doing our own checkout!).

If we can't absorb the cost we need more budget; or we need to refuse to do the extra work; or we need to drop something else instead. So it's back to priorities. Remember the cost/benefit matrix in article 4.

If there is no more budget, a powerful response can be "If I do this, I'll have to stop doing that – is that okay?" (But make sure the person giving you permission has the authority to do so!).

It's back to priorities and communication again. These are two of the most powerful weapons in the budgetholders armoury.

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