

Financial training For non financial staff



The financial training specialists

Where are you going? (budgeting and planning)

Economia (the house magazine of the Institute of Chartered Accountants) profiled [six rising stars](#) in the business world this month.

They asked everyone the same questions, and one answer in particular struck me: “You really want to think about what it is you want to achieve, and then make sure you’ve got a plan to achieve it.”

I’m doing my business planning for next year at the moment, and that comment is fundamental to any business plan.

From a business planning aspect we need to be very clear about where we are aiming for, otherwise we might find ourselves getting there and then thinking “But this isn’t where I want to be”. But then we need to understand how we are going to get there. It’s no good having a goal if we don’t know how to achieve it. And of course the goal and the journey plan need to be widely communicated.

Last week I was working with some budget managers, and the same comment is equally applicable to budget management.

Budgeting is the detailed part of business planning. It’s about who is doing what to achieve the goal. All too often budget setting is backwards looking: “What did we do last year? We’ll do more of that.”

Instead, it needs to be forward looking. “Where are we going, and what do we need to do to get there?”

So when you start thinking about next year’s budgets, think: “How am I helping my organisation achieve its goals?”