***Refining your budget***

“Refining your budget”. That’s probably a euphemism for “reducing your budget”. t’s not often that we’re asked to go away and come back with a more expensive budget!

So what are our options if we’re asked to reduce our budget?

**Is there a different way of achieving the same objectives?**

Remember, the purpose of the budget is to finance the resources we need to hit our objectives. Sometimes we get too hung up on how we do things, rather than what we’re trying to achieve.

For example, Skype calls could replace face to face meetings and the expensive associated travel.

What are the alternative ways of achieving the same objectives, and are they cheaper?

**Use cheaper resources**

If we can replace planned resources with cheaper resources that may help.

Remember the days when employees could go first class on the train, or fly business class?

Of course, cheaper resources may have a downside, and we need to ensure we understand the implications.

**Reduce quality**

Quality costs, and sometimes we need to decide what level of quality we can afford. We make this compromise all the time in our personal lives. How many of us would like to drive a Mercedes, but settle for a Mondeo?

**Do less**

If we’re pushed for cash, perhaps we drop some of our objectives. Of course, we can’t do this unilaterally, we’ll probably need agreement from others.

And we’ll need to prioritise our objectives, and make sure we’re dropping the least important ones. And make sure we understand the implications of what we’re no longer doing.

But the question “Would you rather I did X, or saved £10,000?” gives clarity in the decision making process.

**Raise more income**

This isn’t always a possibility, but it may be an option. Consider the subsidised staff canteen. If costs have been cut as far as possible, but more is demanded, raising prices could be the answer. But make sure you consider the impact!