***Financial information: preparing for the discussion***

In this article I’m thinking about preparing for the management meeting when you know finance will be on the agenda. You’ll need to do a lot more work if you’re preparing for a meeting with your boss about your budget! See section C *Managing your budget* for more detail.

**Why prepare?**

Good question. Surely it’s Finance’s responsibility, and they’re just reporting their progress? It’s just information, nothing really to do with me?

That’s how lots of people see financial information in a management meeting. That’s why the discussions in this bit of the meeting can be insipid, with most managers not really engaged.

But it’s about the future of your company – and your job! And individual involvement (or disengagement) gives a powerful message about whether managers are operating just within their own bubble, or whether they’re interested in the wider success of the whole business. What message do you want to give about yourself?

So how can we prepare?

**Remember what happened last month**

What were the financial issues last month? What things were getting worse, what was getting better? You’ll want to add those trends to the list of things to look for in the report. If a trend reverses – for better or for worse – it’s important that we understand why, and what we need to do about it.

What actions had been agreed last month, and by whom? Have you done what you committed to do? If the key actions haven’t been completed, we can’t expect to resolve the problem, or to continue to reap the rewards.

**Think about what has happened this month**

What has happened in the business this month, and how do you expect to see that reflected in this month’s numbers? Thinking about what we expect to see in the numbers, rather than simply reacting to what we actually see helps make our analysis of the numbers far more effective.

What have you seen this month that may affect the numbers at some stage in the future? This may be a key, expensive, machine that’s nearing the end of its life and is becoming unreliable. Or the latest large business failure: we’re doing a long term contract for a customer who is a major supplier to the failed business – what are the implications? A competitor who has just brought a new product to market that knocks the spots of our product. A key supplier who has just raised their prices. A customer who has identified a gap in our product range.

The thing is that every issue has a financial implication. A production problem isn’t just a production issue, it will impact the financial numbers sooner or later. So it may need raising in the finance part of the agenda. And before you raise it, think about what the financial opportunities and threats may arise as a result of this issue.