

# Episode 73: How should I go about managing a budget?

With authority comes responsibilities and one of those is managing budgets.



## 1. The Basics

In most organizations there are many types of budgets. Here are a few:

- ♦ The first is the budget for people, sometimes called headcount or functional
- ♦ Second is money they spend on things they do, your program budget
- ♦ Next, maybe a sales incentive budget, designed to motivate sales or a channel
- ♦ Finally, there is budget you spend on assets, often called Capital budget

Each of the budgets are managed differently and are often accounted for differently

## 2. The Dos

The first thing you need to do is both know your budget and how often it is updated

Your approach to managing it will depend on how often you know how much is left

Then, make sure you have finance explain how it is accounted for

They will tell you who watches that budget – someone is focused on it, know who

Next you should commit to keeping to your budget, it's a sign of integrity

Lastly, make sure the people who spend your budget understand the budget too

You can't expect people to manage a budget they don't understand

## 3. The Don'ts

Don't overspend your budget – if there is not enough, ask for more

If you can't get more, whatever your business case is, then you're meant to live with it

Don't spend it if you don't need it – you can always give it back

While I understand that this can affect your 'going rate', explain and get an exception

Don't expect that someone else will be able to overcome your overspend

Someone will transfer the budget? Don't forget to get finance to agree and plan for it

Bottom Line: Start to think of the money as yours not the company's. If you wouldn't spend it, don't make the company – people will notice.