




The Budget Buffer

Sound
familiar?



They cut our budgets by 10% last year so we need to add that to our submission this year.

When all budget goals are developed from **the top-down**, you risk a **lack of engagement** from those on the “shop-floor”. Your front-line people will not be interested.

When this occurs, your people will **add a buffer to their budget** submission. It will **not be supported** by a resource plan. It will not be supported by a risk assessment or a priority of works.

This is a **reaction** to a top-down approach where a reduction in budget **has not been explained** to the lower levels of the organisation.

Understanding and overcoming this reaction to budgeting will improve the quality and accuracy of your budget.

I'm Robert Bihar. I write about Finance for Operational Leaders and their teams.
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