



The Budget Balancing Act

We are going to be over so don't book that out this month

Heard this before?

We don't want to carry that cost into next year. Book it now

When your **measures are one dimensional**, you risk your budget owners overlooking the impact that their decisions will have on other areas of the business.

The **short-term focus** on balancing the budget will take precedence over the longer-term effect.

This is a **reaction** to being **measured on short-term outcomes**. Nobody likes to see their numbers in red. Especially when they are being judged by their bosses and peers.

The more ambitious the budget target, the more likely other factors will be overlooked.

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. Subscribe to my [Behind the Numbers](#) newsletter to learn more.