

Cost control tips for budget owners

Tip 3: Can't Predict

This is the third challenge that all budget owners face.

Most forecasting metrics focus on accuracy.

I can't predict with any level of confidence.

I was right or I was wrong.

This encourages people to add a buffer, e.g. 10%.

What if you included a measure around quality by asking this question:

What is something we didn't know that we can include in the next forecast?

The quality **of your next forecast** will be better.

Ask this same question every time you need to predict costs.

And your confidence will increase.

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