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How to Prepare and Defend Your Training Budget

Lianabel Oliver
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Today's Presenter

Lianabel Oliver, MBA, CPA, CMA
CEO, OBALearn

Lianabel Oliver is the Founder and Chief Executive Officer of OBALearn, an educational technology venture aimed towards a global market. She has over 25 years of experience and is a recognized expert in the fields of strategic planning, cost management, and management accounting. She has extensive industry experience in the areas of accounting and management.



Interaction During the Program

Use the general chat to communicate with anyone in the class.

Feel free to ask questions and make comments at any time.

Participant Introduction

In the general chat window, please

INTRODUCE YOURSELF

with your name and location.

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Our Learning Objectives

Analyze your **operating environment**.

Prepare your **work plan**.

Prepare and **defend** your training budget.

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Audience Poll

How would you rate your knowledge of the planning and budgeting process?

CHOOSE ALL THAT APPLY

- I have been formally trained.
- I have learned through experience.
- I have attended in-house training programs.
- I have attended public seminars.
- I have completed an online course.
- I have read books on this subject.
- I have very little knowledge of this process.



Audience Poll

What are the most Important functions of the planning and budgeting process?

CHOOSE ALL THAT APPLY

- Allocate resources.
- Control spending.
- Provide feedback on resource utilization.
- Communicate and coordinate efforts.
- Satisfy external demands for information
- Perform simulations.



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Why Plan?

Resource allocation

Control

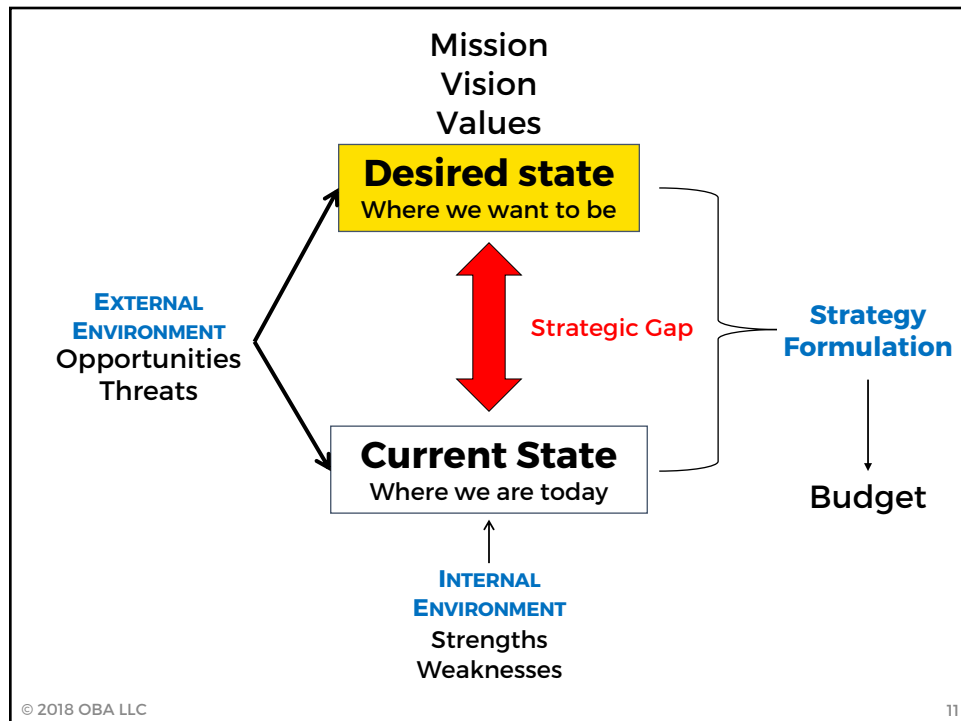
Feedback
mechanism

Communication
and coordination

External demands

Simulations

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Strategic Analysis

EXTERNAL FACTORS	INTERNAL FACTORS
Customers	People
Industry	Business processes
Technology	Facilities
Economy	Information systems
Government	Policies and procedures
Society	Financial condition

Strengths
Weaknesses
Opportunities
Threats

Audience Poll

How do you participate in the planning and budgeting process?

CHOOSE ALL THAT APPLY.

- I lead for the process for my area.
- I provide data to my manager and other areas.
- I attend the planning meetings.
- I prepare presentations and other schedules.
- I am not involved at all.

Strategy Formulation

identifying the **strategies** required to achieve the organizational goals and objectives

Developing an **actionable plan**

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Strategies

Mid to long-term plans defined for a specific period of time, usually 2 to 5 years.

Should be **limited** in number.

Your plans for the training department should support an organizational strategy and meet the expectations of your internal customer.

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ACTION PLAN

1

What will be done.

2

Who is accountable.

3

When it will be completed.

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Putting Together Your Training Budget



Work plan

Headcount

Spending

Capital

DOCUMENTATION

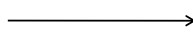
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Preparing Your Work Plan

Develop plans

Specific and short-term
Aligned with strategy



What?

Who?

When?

Define metrics

Measure your progress



Quantitative

Qualitative

Headcount

Drives labor and other related costs

Current employees

New employees

Labor expenses usually calculated by Finance.

Question your current structure!

How is your department organized?

Are you meeting your customer needs?

What is their level of customer satisfaction?

Are there programs that can be consolidated, eliminated, or delivered in a more cost-effective manner?

Spending

Understand the cost structure

Recurring costs

Incurred on a regular basis.

Non-recurring costs

Incurred infrequently.

Discretionary costs
At the discretion of the manager

Committed costs
Contractual obligations or past actions

Developing the Numbers

BUDGET LINE ITEM

ESTIMATION BASE

Labor



Headcount

- Salary and wages
- Payroll taxes & fringe benefits
- Temporary employees
- Overtime

Employee-related



Headcount
Historical spending
Estimates

Depreciation



Fixed assets
Capital budget

Other expenses



- Course development
- Training materials
- Multimedia production
- Equipment or facilities rentals
- Software licenses

Development hours
Cost per participant
Vendor quotes or billings
Cost per user

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Documentation



Assumptions

Risks

Opportunities

Keep all source documents and backup calculations!

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Audience Poll

What is your biggest challenge during the budgeting process?

CHOOSE ALL THAT APPLY

- Preparing the budget.
- Aligning the budgeted resources to the work plan.
- Getting input from internal clients.
- Defending the budget to my manager.
- Managing budget cuts.

Tips for Defending Your Budget

Know your **audience**.

Tie resources to **specific programs**.

Don't sweat the **small stuff**.

Document, document, document.

Know **your numbers**.

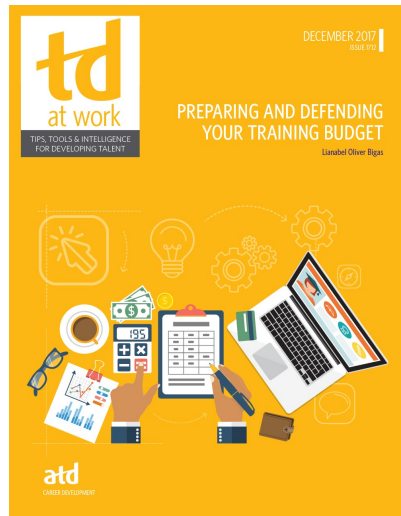
Prepare for the review.

Avoid getting **defensive**.

Have **Plan B**.

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