

The Quick 10-Step Guide for Your Budgeting Challenges



ATD Webcast

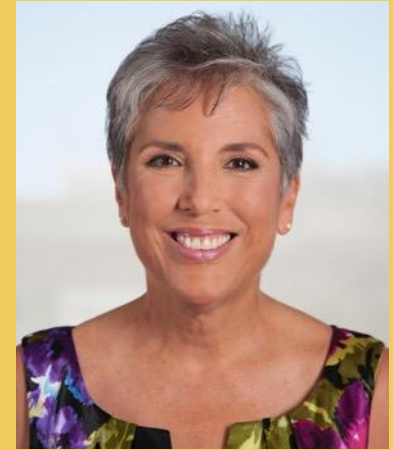
April 26, 2019

Today's Presenters

Lianabel Oliver, MBA, CPA, CMA

OBA Learn

Lianabel Oliver is the founder and CEO of OBA Learn, an online learning company that empowers professional with financial concepts to make better business decisions. With more than 23 years of experience in management training and consulting, she is a recognized expert in the fields of strategic planning, budgeting, cost management, and accounting. Over the years, she has designed and facilitated financial training programs for many Fortune 500 companies, professional associations, and nonprofits.



Eduardo Nin, MBA, CPA

Nin Consulting

Eduardo Nin is a seasoned financial expert and consultant with experience in high-volume manufacturing ,process improvement, strategic planning, business start-ups, and personal finance. He as worked with organizations such as Hewlett Packard, Baxter Healthcare, and Coopers & Lybrand, among many others. He facilitates courses on planning and budgeting for season executives, entrepreneurs, and nonprofits.



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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.

Learning Objectives

Evaluate your **budgeting process**.

Assess the **gaps** that create major challenges.

Identify **specific actions** you can take to improve the process.



7

Please write in the general chat window.

What are the major challenges that you face during the budgeting process?

The 10 Steps to Successful Budgeting

Plan	<ol style="list-style-type: none">1. Know the purpose.2. Know the planning and budgeting cycle.3. Know the elements of an operating budget.
Organize	<ol style="list-style-type: none">4. Communicate budget requirements.5. Analyze the operating environment.
Prepare	<ol style="list-style-type: none">6. Develop short-term objectives, strategies, and tactical plans.7. Prepare your departmental budget.
Defend	<ol style="list-style-type: none">8. Obtain approval.
Deploy	<ol style="list-style-type: none">9. Communicate plans.10. Review performance.



Plan **FIRST**,
budget later

Plan

Step 1. Know the purpose of planning and budgeting



Resource allocation

Spending control

Feedback

Communication and
coordination

Simulations

External demands

Plan

Step 2. Know the planning and budgeting cycle

Know the major elements.

Be clear on the roles and responsibilities.

Establish the timeline.

Understand the interdependencies.



Plan

Step 3. Know the elements of the operating budget.

Revenue or sales

Production plan

Cost of sales

Operating expenses

Supporting documents

Headcount plan

Capital budget

Understand how these are calculated

Organize

Step 4. Communicate budget requirements and obtain commitment.



Poll

Are you familiar with your company's business plan?

- I am not familiar with it.
- I am familiar with it, but do not participate in its preparation.
- I participate in its preparation and review.
- My company does not prepare a business plan.

Organize

Step 5. Analyze the operating environment
for your areas of responsibility

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

Organize

Step 5. Analyze the operating environment for your areas of responsibility

<u>S</u> trengths	<u>W</u> eaknesses
<u>O</u> pportunities	<u>T</u> hreats

SUMMARIZE key issues in a SWOT matrix.

Poll

Are you involved in the preparation of the budget?
[Choose all that apply]

- I am not involved at all.
- I provide information to my manager.
- I am involved in developing the short-term plans for the budget.
- I am involved in the preparation of numbers.

Prepare

Step 6. Develop short-term objectives, strategies, and tactical plans



Don't forget your key performance measures!

Prepare

Step 7. Prepare your departmental budget

Analyze the key activities

Determine headcount

Analyze your cost structure

Calculate major spending categories

DOCUMENT YOUR ASSUMPTIONS!

Defend

Step 8. Obtain approval for your budget

Understand the review process.

Review the budget with your manager.

Come to grips with budget cuts.

ALWAYS HAVE PLAN B!



Deploy

Step 9. Communicate plans and priority projects



Poll

Do you take actions based on a review of the actual vs. budget report?

- I review and act on this information.
- I review but I do not act on the information.
- I do not understand the report that I receive.
- I do not receive any actual vs budget report.

Deploy

Step 10. Review performance against plan and ACT!



The 10 Steps to Successful Budgeting

Summary

Plan	<ol style="list-style-type: none">1. Know the purpose.2. Know the planning and budgeting cycle.3. Know the elements.
Organize	<ol style="list-style-type: none">4. Communicate requirements.5. Analyze the operating environment
Prepare	<ol style="list-style-type: none">6. Develop short-term plans7. Prepare your departmental budget
Defend	<ol style="list-style-type: none">8. Obtain approval
Deploy	<ol style="list-style-type: none">9. Communicate plans10. Review performance

Calculate for business success!

Order the book now

<https://www.td.org/books/10-steps-to-successful-budgeting>



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Questions?
Feel free to contact us.

lianabeloliver@obalearn.com
ednincpa@gmail.com

www.obalearn.com