

# CRITICAL TRAINING SOLUTIONS, L.L.C.

## The Art and Science of Budgeting



There is a science to budgeting. We begin with data. We establish the mechanism to capture the data we need, we gather it, and then analyze it to establish a baseline. We monitor the data as measured against the budget and then analyze significant variances.

There is an art to budgeting. We explore the assumptions we used to forecast the future. We ask questions to re-interpret the budget variances. We step back and employ critical thinking techniques to add texture to our analysis. And then we use our budget variance analysis to put our management team on steroids.

### Learning Objectives

- Understand 4 alternative budgeting techniques, and when to use them
- Identify the differing budget models for revenue, expenses and projects
- Use variance analysis as a call to action
- Learn how to budget time and quality as well as money
- Explore and own 3 forecasting models
- Spot trends, and use them to answer questions before they're asked

### Agenda

1. Why do we budget? What do we do with it?
2. Gathering Useful Historical Data
3. Budgeting for Expense; Budgeting for Revenue
4. Develop Budget Assumptions; Then Challenge Them
5. Consolidating Departmental Budgets
6. The Budget Variance Analysis
9. Using 4 Critical Thinking Approaches to Budgeting
10. Forecasting in a Changing Environment
11. Budget Monitoring and Adjustment