



Budgeting for Managers

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Preface

I remember the first time I made a budget. I had just started a new job, my first time as a manager. My boss, the dean of the school, said, “Sid, we have \$50,000 to spend on computer systems this year. Please prepare a budget.”

Wow! All the exercises in school, all my thinking as I started the job and wrote out a plan for my work, hadn’t prepared me for that. *\$50,000 for my first budget.* And it was up to me to plan it well. If I did, then the computer labs for students would run well for the year, professors would be able to do research on their new computers, and—most challenging of all—I would build a network for the school’s administrative staff. I don’t think I need to tell you how nervous I was.

This book is written for the young manager I was then, just a few years out of college with a liberal arts degree. It’s the book I wish someone had dropped into my hands on that day. It’s also written for you if you’re working your way up from line supervisor to manager, or if you’re working day and night to make your small business succeed, or if you’re setting up a new department. It will help you if your business is growing, or shrinking, or launching a new venture. Managing our money well is a key ingredient for business success.

My first budget succeeded and, three years later, I launched my own business. Since then, I’ve been training new managers and consulting for all kinds of businesses. I’ve learned a lot from my large customers, written books on best practices, and taught these methods to the new managers and small business executives who are willing to learn and want to succeed. I hope I can do the same for you.

x Preface

My co-author and I were careful to include all the aspects of budgeting: income and expense, production work and projects, preparation, and presentation. We have chapters that will help you work with the accounting and finance departments if you are in a medium-sized or large company and a chapter that will help you if you're going it on your own. Whatever kind of budget you need to make, this book is for you.

Eric Dunbar, my co-author, has the training that I didn't have. He has an M.B.A. and excels at setting up financial systems for small businesses. I learned while flying by the seat of my pants, while he learned in more formal settings. Together, we've put together a realistic, practical book that is also precise and clear. It's now in your hands.







Please do more than read this book. Work with it. Set up your budget next to our examples and try out all the ideas. A lot of creative thinking goes into making a good budget: we want you to do your best in your own way, while learning from those who specialize in accounting and finance.

A budget is more than just numbers; it supports success and teamwork for you and your department. In preparing your department's budget, you secure the funds and resources your team needs to succeed. In managing the money and allowing your team to make spending decisions with you, you empower your team to plan well, work well together, and succeed.

Your team's success is yours, and success for your company as well.

Special Features

The idea behind the books in the Briefcase Series is to give you practical information written in a friendly, person-to-person style. The chapters are short, deal with tactical issues, and include lots of examples. They also feature numerous boxes designed to give you different types of specific information. Here's a description of the boxes you'll find in this book.

 <p>Smart Managing</p>	<p>These boxes are designed to give you tips and tactics that will help you more effectively implement the methods described in this book.</p>
	<p>These boxes provide warnings for where things could go wrong when you're undertaking your budget.</p>
	<p>These boxes highlight insider tips for taking advantage of the practices you'll learn about in this book.</p>
	<p>Every subject has its special jargon and terms. These boxes provide definitions of these concepts.</p>
	<p>It's always important to have examples of what others have done, either well or not so well. Find such stories in these boxes.</p>
	<p>This identifies boxes where you'll find specific procedures you can follow to take advantage of the book's advice.</p>
	<p>How can you make sure you won't make a mistake when dealing with a problem? You can't, but these boxes will give you practical advice on how to minimize the possibility.</p>

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Lastly, my wife, Kristen H. Lindbeck, and my mother, Edie Kemp, were extremely patient and supportive as I wrote this book.

About the Authors

Sid Kemp is a trainer and consultant, and the author of several books in the *Project Success*[™] management series. He is a successful entrepreneur dedicated to learning the best practices of *Fortune* 500 companies and other industry leaders, improving them, and making them available to mid-level and entry-level managers and to owners and managers of small businesses.

Sid's company, Quality Technology & Instruction, L.L.C., offers keynote speaking, training, consulting, facilitation, coaching, and workshops to managers in business, the non-profit sector, and government. QTI's mission is to help our customers succeed by helping them do their work in the best way possible and to introduce methods of win/win success to the business community.

QTI operates from the *Partnering Perspective*[™], creating teams of experts who deliver higher quality than anyone could do alone. And each team member grows by participating in success. We succeed along with our customers. In the spirit of partnering, Sid has co-authored a number of books with others, bringing their expertise to readers.

Sid always enjoys talking to his readers, helping them, and learning from them. You can reach him by e-mail at sid@qualitytechnology.com or learn more about the services his company offers at www.qualitytechnology.com.

Eric Dunbar, M.B.A., J.D., is an expert at setting up financial systems for small businesses. He is gifted in explaining accounting practices and issues to managers. Eric contributed his expertise to every chapter of this book; he made sure that the termi-

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nology was correct and also that all the numbers added up.

Eric brings a wealth of management experience to this book, not only from his work at QTI, but also from managing a private investigation firm and working as a legal intern for a prestigious private firm. He holds a degree in law from Seattle University and an M.B.A. in international business and a B.B.A. in accounting from University of Texas at San Antonio.