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Changing the Budgeting Paradigm—Budgeting as a Key Strategy & Finance Intersection Point

Prepared for the Canopy Advisory Group

April 17, 2019

A bit about the speaker

I specialize in applying financial discipline to achieving strategic aspirations—the intersection of Strategy and Finance

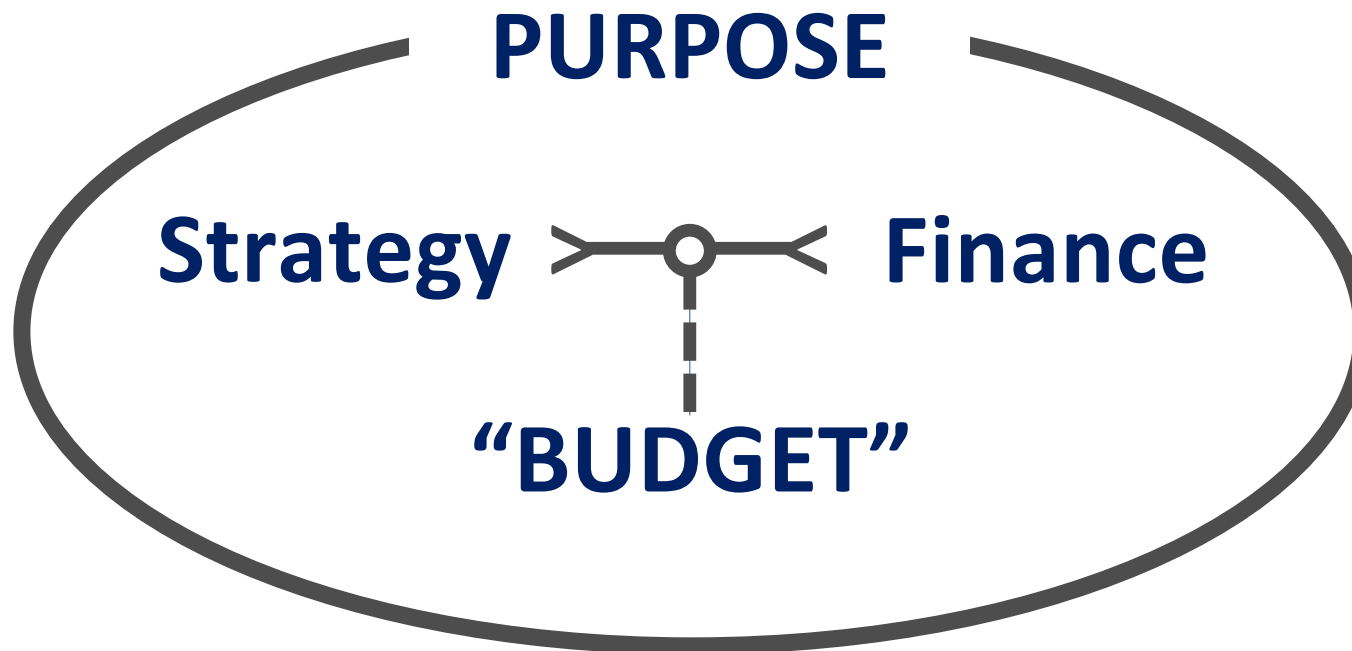


Based on 30 years of advising Fortune 50 to start-ups, I believe: *Without finance, strategy is just a dream. Without strategy, finance is a story without a plot.* I'm especially adept at clarifying strategic direction, financial priorities, and key business performance challenges & opportunities. I partner with key decision makers to uncover business advancing insights. My goal is to improve domestic and international performance and/or position companies for M&A or capital market activity.

Without finance, strategy is just a dream. Without strategy, finance is a story without a plot.

Budget as a Key Intersection

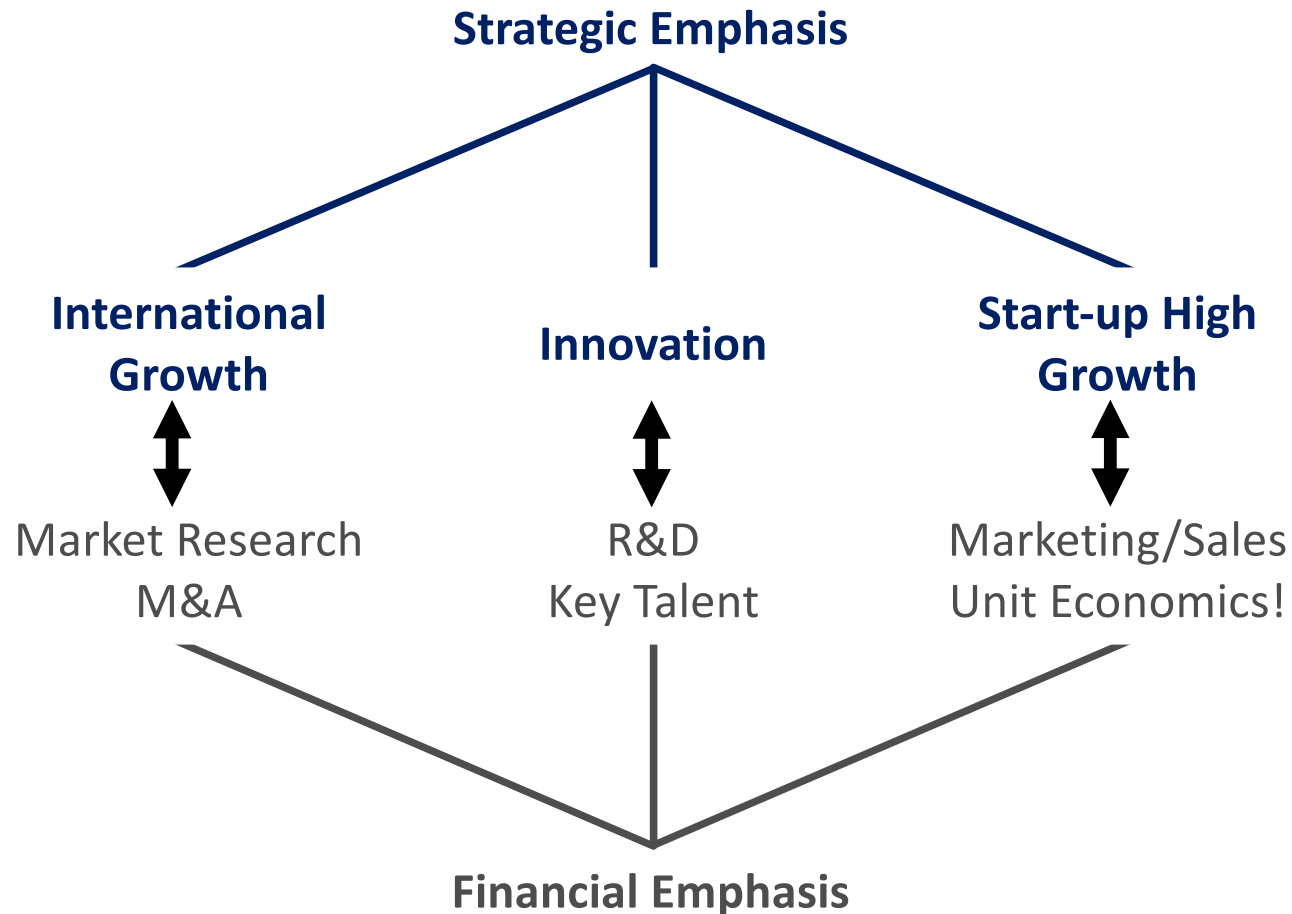
Key way to ensure strategic aspirations become a reality—manifestation of the strategy in common, numeric “terminology” and emphasis points



**It's about investing and
understanding**

Investing NOT what I have to do

“The budget must be the means to achieve objectives, not an end in itself.”—Peter Drucker



“Top-Down Approach”

“Negotiations”

“Bottom-Up Approach”

Thoughtfulness

It means consideration. It means evaluation. It means tradeoffs.



How do you do it?

Basic “elements”

Creating a budget will depend on the size, nature and other factors unique to a given organization



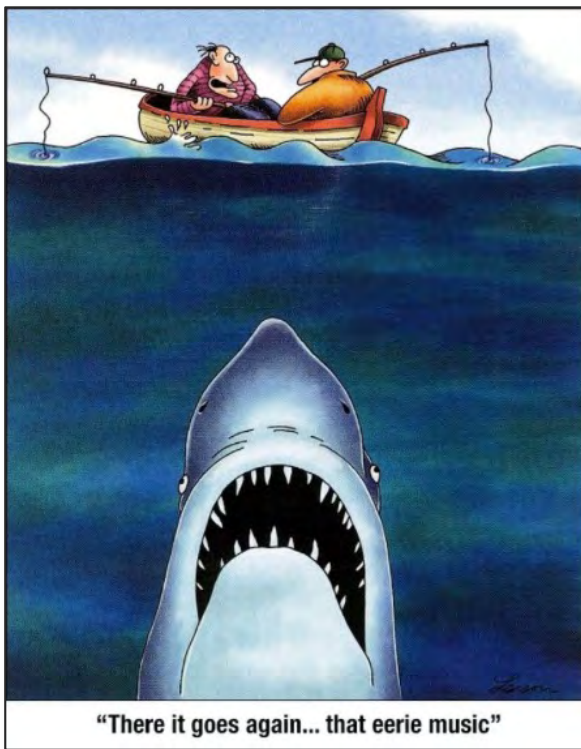
Notes: (1) Financial advisors, consultants, and educational resources are all available to help at any stage of the budgeting process
Confidential & Proprietary

So why does everyone despise budgeting?

Why does everyone despise budgeting?

They are normal feelings...and hurdles

Anxiety



Getting it "Wrong"



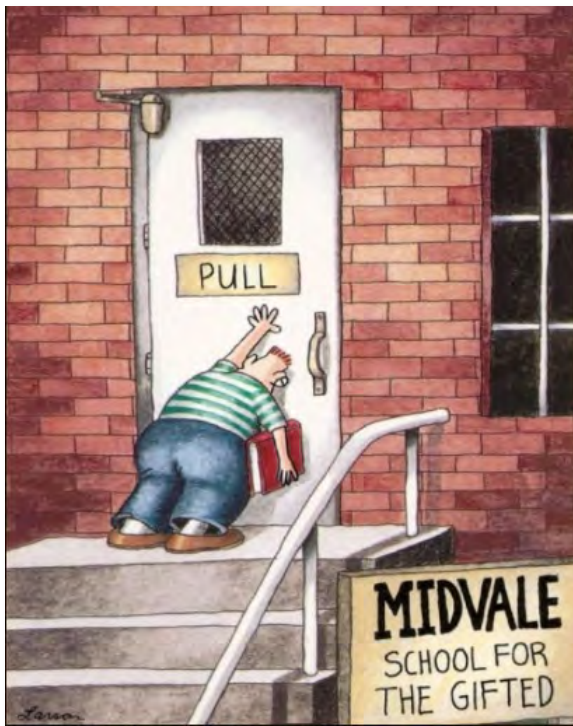
Not my job



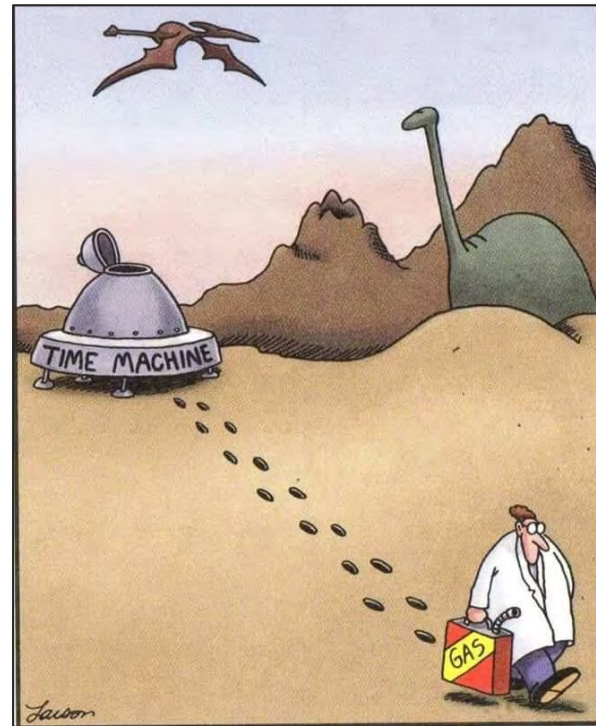
Why does everyone despise budgeting?

They are normal feelings...hurdles

Haven't done it before



Too time consuming



Boring



How can we alleviate the stress?

Why does everyone despise budgeting?

The Trick is to keep it in perspective and, most importantly, find balance

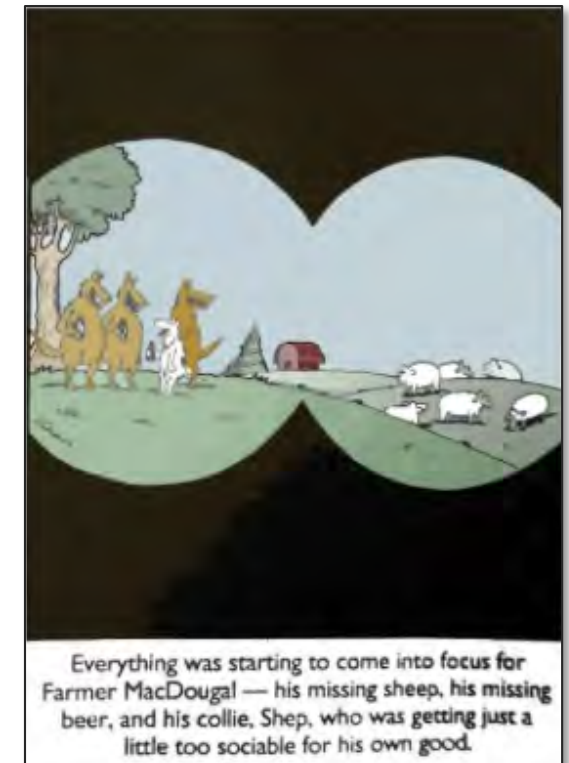


Lowering the Temperature for Budgeting

Emphasize positive orientation and habits



Evaluate the investment...
NOT the person

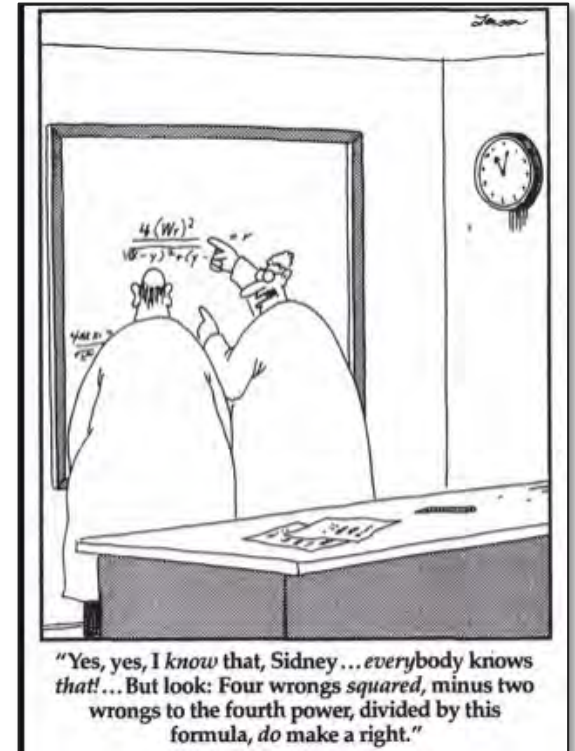


Talk to each other!

Lowering the Temperature for Budgeting

Beware of these related pitfalls

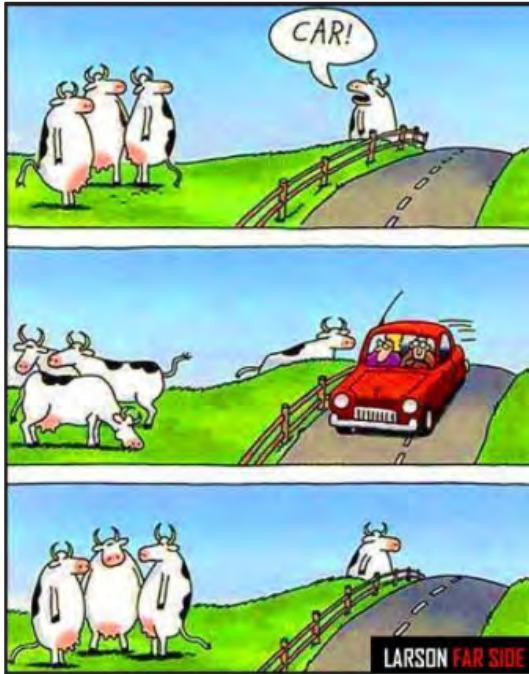
Beware of the *Artificial Level of Precision*



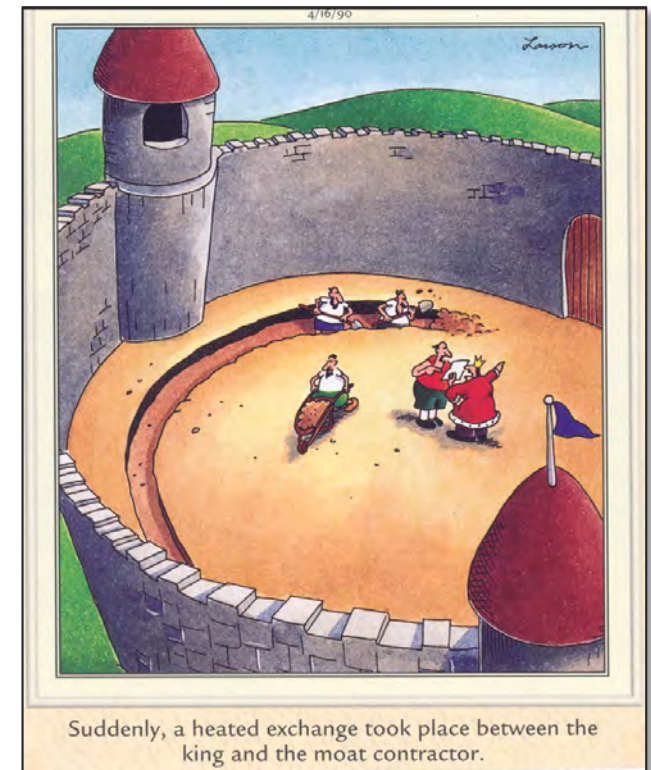
Reasonableness and materiality—
will it change the answer?

Lowering the Temperature for Budgeting

Communication and teamwork are key



Share templates and feedback and teamwork



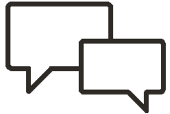
Communicate expectations, timelines

Tips for budgeting effectively

Remembering these points will help maximize the budgeting benefit

- ✓ **Start and End with Strategy—What are you trying to accomplish?**
- ✓ **It's about the journey...not as much the answer**
- ✓ **Remember, “Culture eats strategy for breakfast”**
- ✓ **OPEX is the *Silent Killer***
- ✓ **After Effects—Reporting isn't (or shouldn't be) about defending yourself**
- ✓ **The Standard...is that there is NO standard**

Discussion/Q&A



What are your overall thoughts?



Does everything make sense?



Do the comments hit the mark, and were you surprised by anything?



What's missing?



Where we go from here...

Let's Discuss

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