



Tips for Innovative Meetings and Events (T.I.M.E.)

Topic: Break Ahead Budgeting

Date: April 2004

Written and Published by Sue Tinnish, 847.394.9857, stinnish@ameritech.net  
U. S. Library of Congress ISSN: 1539-1833

---

## Welcome

On the surface, budgets are all about the numbers. Budgeting and "working the numbers" are important skills. But budgeting goes beyond the Excel worksheet.

We have all had to live with shrinking or shrunken budgets. The question is how can we manage our budgets while protecting the things that are most important to our meetings and events? How do we defend what we need? What criteria might we use to guide us? Overall, how can we be strategic about our budget decisions?

Strategic budgeting is an essential tool for meeting professionals. Strategic budgeting allows you to improve your resource allocation, create influential meetings, demonstrate more value, and gain a competitive edge for your organization. And you'll be empowered to assume a more important role in helping your organization meet its objectives.

Get ready for budgeting by reading this issue's topic of "Strategic Budgeting". I was pleased that this information also appeared in article form in the Spring/Summer 2004 issue of Midwest Meetings.

Sue

[Sue Tinnish](#)

---

## Table of Contents

1. The Process of Strategic Budgeting
  2. The Underbelly of Budgeting
  3. Detailed Look at the Process
  4. How to Cut
  5. Freebies
  6. Future T.I.M.E.
  7. T.I.M.E. Gone By
- 

## The Process of Strategic Budgeting

Strategic budgeting is top-down, starting with the outcomes the organization wants to achieve and allocating resources in proportion to priorities. Here are the steps in

strategic budgeting:

1. Develop clear goals and objectives for your meeting
2. Prioritize those goals and objectives
3. Determine alignment with overall strategic plan
4. Spell out tactics/elements to implement the goals and objectives
5. Budget tactics/elements
6. Review, monitoring and analyze

---

## The Underbelly of Budgeting

How difficult can budgeting be, strategic or otherwise? The process, as written out, is fairly straightforward.

Insert people into any process and it always becomes a lot more complicated. I have coined the phrase “the underbelly” of budgeting. The deep, dark side of budgeting that exists but no one talks about. Until now...

Being strategic means managing the people in the process too. There are four key areas to delicately query and assess in strategic budgeting:

1. Identify the Final Decision Maker. At the beginning, be clear who will make the final budget decision. Is it the meeting planner? The meeting leader? Or is there some one else who controls the purse strings?
2. Connect the Purse Strings to the Strategic Plan. Is the person controlling the budget also fully aware of the meeting objective? What tends to happen in organizations is that the budget usually exerts more influence on what gets done than a strategic plan. If an organization is truly committed to its strategic plan then create linkages between the strategic plan and the budget.

Oftentimes, organizations give in to budgetary constraints and sacrifice their strategic goals. That may be the right decision at the time. Just make sure it is a conscious decision!

3. Identify the Budget Drivers. What criteria will be used to determine the budget? Is the organization focused on quality? Is the meeting important to the organization’s mission and strategic plan? Will this event fall under the “use or lose it” budgeting mantra? Will a future event be relegated to “what is left over” in the budget at the end of the fiscal year?
4. Amount of Change. Will the scope of the meeting or event change? Will the requirements change?

Will the budget change? Could the budget be subjected to a series of ongoing negotiations and cuts? This iterative process is damaging as each negotiation impacts future discussions. Some potential side effects of this process are:

- o A focus on the budget and not on the strategy
- o Places different elements of the meeting in competition for resources

- o There is a sense of arbitrariness in the decisions because strategy is not leading the decision making
- o Games are played

---

## Detailed Look at the Process

Here is a step by step guide to the Strategic Budgeting Process:

### Step 1: Develop clear goals and objectives

The foundation of your budget is not a number! The foundation is the meeting objective(s). The more you can tie every element into the meeting objective the more likely you can justify the meeting and its respective costs.

Engaging participants, piquing their interest, interacting with them are all ways to better meet the purpose of the meeting.

This entails the elements that satisfy the basic needs of the participants and for the meeting:

- A place (meeting space, sleeping rooms)
- Food
- Delivering the message (AV, handouts, agenda)

But also spills over to elements including:

- Pre-event mailings
- Registration materials
- Branded promotional products
- Music
- Color
- Linens and Table Decor
- Entertainment

A meeting has an objective. Then the meeting has a budget. Can the objective be met with that budget?

If not then something must change, either the objective(s) need to be scaled back or the budget must be increased.

When talking with a stakeholder about a meeting objective, start with the basic question:

What is the purpose of the meeting?  
What is the objective of gathering the participants together?

Then you must probe deeper to understand what does this objective really means. Understanding the objective won't necessarily give you sufficient information to "sell"

the meeting elements and the corresponding budget.

Some questions that may be appropriate include the following:

- What do you want people to do differently as a result of this meeting?
- What new attitudes do you want people to have?
- What new skills do you want people to possess?
- What emotional connection must participants have to the meetings' message?
- What is the inherent call to action?
- What are the obstacles for participants to actually develop these new skills, attitudes or take a different action? In other words, what must this meeting overcome in order to be successful?

Another key area of questioning is

- Why is a meeting the best solution? Are there other methods of achieving your outcome that are superior? Why is a meeting the optimal method of meeting these objectives?
- Does a meeting offer unique ways of overcoming the particular obstacles?

These discussions allow you to be a strategic partner. You are not simply executing but you are working with your stakeholder to ensure that the outcome is achieved in the best manner.

Understanding the obstacles allows you to strategically plan around those barriers to success. As you plan the meeting you can build in elements that will overcome those barriers. And later, if there is resistance, you are better prepared to defend your decisions and budget.

Step 2: Prioritize goals and objectives

What functions, programs, or elements are most important to the meeting? What objectives are "must have" versus "nice to have"?

You can list objectives in priority order. Or you may opt to assign them into categories (Critical, High, Medium and Low).

Step 3: Determine alignment with overall strategic plan

Meetings are a key component of business life. And their importance to achieving the overall strategic business objectives is often overlooked.

What are the elements that make up an organization's strategic plan?

**Vision** - an inspiring long term picture of the future desired state

**Values** – the essential and enduring principles that guide our work and relationships

**Mission** - our markets, their needs, our products/services

**Business Objectives** – organizational targets that satisfy our constituents (customer, shareholders, employees, management, investors, the community, etc.)

**Environmental Audit** - key opportunities, threats, competitors, environmental forces, etc. that impact our future

**Business Strategies** - how to achieve the Vision, Values, Mission and Objectives

Here are some questions that allow you to assess alignment with the organization's strategic plan:

- To what extent is the meeting or event a priority in the organization's overall strategic plan?
- How critical is the meeting or event to our overall mission or purpose?
- How closely aligned are each of the meeting objectives with the overall business objectives?
- How will the meeting support the business strategies?
- Assess whether the meeting supports your Strategic Plan either Peripherally, Somewhat, Modestly, or Strongly.

#### Step 4: Spell out tactics/elements to implement the goals and objectives

Each element or different supplier for your meeting is like a different department. Your job is to manage the Floral, Décor, AV, and Speaker Departments. Create departmental objectives that are tied to the objective of the meeting.

Design the meeting elements to help you meet your objective. Will the sum total of these objectives meet your goal? Do these individual elements drive and help create the objective or are they simply justified under the goals and objectives of the meeting?

By applying these questions to your budget you will be rigorously testing each line item of your budget.

#### Step 5: Budget tactics/elements

Now it is time to assign a budget to each element of the meeting. But budgeting is not only arriving at the total budget (or working to get each element to add up to the assigned budget).

Now is the time to assess the impact of your dollars against the meeting objectives. Assess the following four areas:

**Viability:** Does the budget meet basic requirements including legal and safety requirements? Can we realistically execute the meeting or event with this budget?

**Optimal Balance:** Does the budget represent the best way to carry out activities and achieve the mission? Do we have the best balance of individual objectives and dollars? For the meeting objectives? For the Strategic Plan?

**Be Customer Centric:** What do my "customers" consider important? Consider what your meeting participants find important. Determine where to strategically place your dollars from your budget – taking into account the various stakeholders' needs, desires and requirements. Scale down your budget in areas where your stakeholders do not place much importance.

**Impact:** Considered where the dollars are going to show and allocate your budget there. Balance impact with "dollars" so you spend your money on things that will show.

#### Step 6: Review, monitor and analyze

Strategic budgeting provides us with the knowledge that allows us to create excellence in our meetings through reallocation, substitution, and choices. With a Strategic Budget, you should be able to read the mission between the lines of the budget document. You should be able to see the vision for the organization unfolding. You should be able to experience the organization's values within the meeting. Finally, you should be able to look back and measure progress.

---

#### How to Cut

Discuss how essentials could be done more efficiently or with fewer resources. How could technology create efficiencies? Is there leverage or synergy for specific items? For example, some organizations look to book a speaker back-to-back so their travel expenses are split among two organizations. Can you streamline a process resulting in savings?

What opportunities are there for partnering or consolidation? Ask the hotel if they have any décor or props on sight. Or use student or volunteer labor to help you orchestrate on site logistics.

List functions, programs, services or elements that could possibly be reduced or eliminated. What will be the impact? On whom? A common strategy is to work with the catering department to determine how you can cut costs. Often through substitutions or use of local, in-season ingredients you can reduce your overall costs without sacrificing impact or quality.

#### Tips for Strategic Budgeting

1. Create an overall goal for your meeting and event. Secure consensus on the goal from all parties – your stakeholders and suppliers.
2. Don't use the lawnmower approach to your budget. Don't eliminate a set percentage from your entire budget. Instead discriminate based upon the strategic importance of a line item and how important it is to your meeting participants.
3. Remember budgets are tied to other things. Your stakeholder's budget for a

meeting or event may be tied to many different things: prestige, ego, bonuses. In many organizations, the modus operandi is "use it or lose it". Budgets and negotiations are emotional decisions.

4. Don't scrimp on your initial budget in an effort to look like a hero. No one will remember your initial sacrifice if later you go over budget. It is better to start with a realistic budget and come in at or under budget.
5. Build a strong supplier team. Outside suppliers (and even some internal resources) involved in your meeting have some profit motive. Strategic budgeting requires that you choose your supplier team wisely. Select people with whom you can partner. Select people who will add value to the process beyond the service they provide. Team members must balance "my" goals, "your" goals, and the "project" goals. Select partners who see the link between your goals and their goals. Select people who are interested in your success.
6. Buffer Budgets Building. This is a novel approach to budgeting: Create a realistic budget per line item. Don't build in slack. Consider even budgeting slightly below needs. Then create a Budget Buffer line item which all elements of your meeting or event can draw upon if needed. In some strategic budgeting scenarios, managers are encouraged to spend half of their original budget and to spend more only if the expenditure is valid and can stand up to the scrutiny of others who are competing for the same dollars in the Buffer. The Buffer allows you to be more strategic in adding to the budget. A Buffer allows you to reallocate priorities without exceeding your overall budget.
7. Create collections of resources. Can you reuse or borrow something to use for your meeting. Consider ways to utilize "resources" more than once. If you don't have the item in your "collection" perhaps your client or a supplier may have the perfect solution.
8. Save money by instituting performance-based incentives for your suppliers.
9. Use your past experience and budget to assess reality. Analyze whether prior plans and budgets approximated actual results.
10. Create a control system to monitor your event's progress and make corrections when necessary. Also include review of the entire budget after an event as part of the overall evaluation.

---

### Freebies: Show me the Money

#### FREEBIES:

When demonstrating value, consider these three sources of revenue:

- Direct hard-dollar (real dollar) income that is generated specifically because of this meeting
- Indirect income that might be derived from the meeting. These indirect sources should be tested, however.

- Future direct or indirect income

Also be sure to list separately but specifically, the in-kind benefits.

### More FREEBIES

Tie the fun, the sensory, the excitement to the budget numbers. Show the bottom-line importance of these meeting elements. I can help get you started. Email Sue at [stinnish@ameritech.net](mailto:stinnish@ameritech.net) or click here [Sue Tinnish](#)

---

### Future T.I.M.E.

I will be speaking at the following conferences:

**MPI-Pittsburgh University**, Pittsburgh, Pennsylvania, Wednesday, April 14

**National Business Travel Association**, Orlando, Florida, Wednesday, August 4

For **Independent Meeting Planners**, I will be the speaker during a Brown Bag TeleWorkshop (audio conference) Thursday, November 11, 2004 offered by The Harris Group. Registration will open up in August. You can view more details on the website under the topic "Calendar" at <http://www.groupharris.com> or click here [The Harris Group](#). The topic is "Adding Muscle to Your Business – Stretching the Meeting and Your Value" and will be based upon a chapter in my book "Meetings with Muscle". Participants will receive a copy of the book as part of the audio seminar.

**South Florida Chapter of Meeting Professionals International**, February 22, 2005

I have several articles in print, in addition, to the material covered in this newsletter. Some other printed information includes:

- Living the Brand
- Taking the Stress Out of Travel
- Beyond Brainstorming
- Meeting Quiz
- The Return on Investments of Icebreakers
- Tee Up for Better Business

Meetings with Muscle is taking shape. This book will focus on increasing the productivity of meetings through better communication strategies. Meetings with Muscle will suggest ideas, strategies, and tips for improving the very core of the meeting -- the content. If you have any contributions or are willing to preview parts of the book, I would love to include you on the team! Please email me and offer your suggestions.

---

### T.I.M.E. Gone By

If you are interested in past issues, please e-mail us with the month and topic and we will send you a copy of that newsletter. Here's what is included in past issues [Back Issue Request](#):

May 2000: [Teambuilding](#) and (Freebie) New York Times Reprint On Teambuilding  
June 2000: [Green Meetings](#) and (Freebie) Resource List Of Exercises  
July 2000: [Values](#) and (Freebie) Meeting Analysis  
August 2000: [Minimum/Minimal Meetings](#) and (Freebie) Web Winners  
October 2000: [Evaluations](#) and (Freebie) Sample Evaluation Questions  
November 2000: [Politics](#)  
December 2000: [Toys](#) and (Freebie) Brainstorming Ideas

January 2001: [Sales, Award Presentations](#) and (Freebie) Sales Tips  
February 2001: [Change](#) and Communicating Change and (Freebie) Change Bombs  
March 2001: [Open Space Technology](#)  
April 2001: [Adult Learning Styles](#) and (Freebie) Learning Style Questionnaire  
May 2001: [Trade Shows](#) and (Freebie) Trade Show Timeline  
June 2001: [Emotional Intelligence](#) and (Freebie) EI Quiz  
July 2001: [Presentation Tips](#) and (Freebie) Speaker Introductions  
August 2001: [Ice Breakers](#) and (Freebie) Resource List  
September 2001: [Facilitation](#) and (Freebie) Problem Personalities In A Meeting  
October 2001: [Humor](#) and (Freebie) The Benefits Of Laughter  
November 2001: [Customer Care](#) and (Freebie) Complaints  
December 2001: [Slack](#) and (Freebie) Quiet Time

January 2002: [Teambuilding Options](#) and (Freebie)  
February 2002: [Promotional Products](#) and (Freebie) Case Study  
March 2002: [Multicultural Communication](#) and (Freebie) Multicultural Meeting Tips  
April 2002: [Outdoor Learning](#) and (Freebie) Justification Checklist  
May 2002: [Budgets, June, June, and ROK](#) and (Freebie) Budgeting Beyond Excel  
June 2002: [Creativity](#) and (Freebie) Building the Case for Creativity  
July 2002: [High Touch Technology](#) and (Freebie) Personal Technology Tools  
August 2002: [Economic and Business Cycles](#) and (Freebie) Investment Strategies for meetings  
September 2002: [Successful Environmental Factors/Conference Centers](#) and (Freebie) Learning Environments  
October 2002: [Return on Investment](#) and (Freebie) Balanced Scorecard  
November 2002: [Incentive Meetings](#) and (Freebie) Forum Synopsis  
December 2002: [Resource Recap](#) and (Freebie) Resource Lists

January 2003: [Everyday Meetings](#) and (Freebie) Meeting Quiz  
February 2003: [Diversity](#) and (Freebie) Survey Results  
March 2003: [Problem Solving](#) and (Freebie) Techniques Illustrated  
April 2003: [Marketing: Pre- and Post- Event](#) and (Freebie) Blogs  
May 2003: [Entertainment](#) and (Freebie) Storytelling  
June 2003: [Balance in Meetings and child caret](#) with (Freebie) Child Care at Meetings Tips  
July 2003: [Mobile Events](#) with (Freebie) Sponsorship  
August 2003: [Last Minute Ideas](#) with (Freebie) Audience Participation  
September 2003: [Training Meetings](#) with (Freebie) Kirkpatrick Challenge  
October 2003: [Unique Venues](#) with (Freebie) Experiential Checklist  
November 2003: [Data, Information and Number Crunching](#) with (Freebie) European

Privacy

December 2003: [Deja View](#)

January 2004: [Branding](#) with (Freebie) Identity vs. Brand

February 2004: [Audio Visuals](#) with (Freebie) Speaker Guidelines

March 2004: [Networking](#) with (Freebie) Networking Ideas

---

Copyright© 2004, all rights reserved. You may copy or distribute T.I.M.E. by including this copyright notice and including full information on contacting the author, Sue Tinnish. Contact her at 847.394.9857 or [Email Sue](#)

---

We support a spam-free Internet. You may have received this issue based upon a recommendation from a colleague or associate. To unsubscribe, click here and your address will be immediately and permanently removed. [Unsubscribe](#)

This message was sent by Sue Tinnish, SEAL Inc. using VerticalResponse's [iBuilder®](#)



SEAL Inc.  
1415 N. Salem Blvd.  
Arlington Heights, Illinois 60004  
USA

[Read](#) the VerticalResponse marketing policy.