

## **Linking the Budget and the Strategic Plan**

***How does an organization with limited resources fund new strategic priorities and projects?***

1. Validate current resource allocation
  - a. review data and benchmarks
  - b. create new incentives for improvement
  - c. translate goals into specific deliverables
2. Realign current resources
  - a. reprioritize activities
  - b. adjust capacity of current programs
  - c. discontinue current program(s)
  - d. reduce and eliminate expenses
3. Improve the efficiency of current resources
  - a. re-engineer current processes & procedures
  - b. collaborate for economies of scale
4. Utilize new resources
  - a. locate new revenue
  - b. increase current revenue
5. Develop flexible budgets to respond quickly to external opportunities
  - a. keep budgets lean & realistic (no padding)
  - b. create “what if” scenarios/alternate budgets
6. Budget for surplus & fund an operating reserve

***How does an organization decide what to pursue?***

A strategic planning process to evaluate:

- a. Trends in financial results
- b. Comparative data/performance metrics
- c. Program activities
- d. Scan of the internal and external environment