

Budgetary Control as a Cornerstone in The Foundation of The Company's Future

A rigorous control of costs, an organized cash management and as a ice on the cake a perfect budget control, will allow us to identify weaknesses in the system to take appropriate action

Title: El Budgetary Control as a Cornerstone in The Foundation of The Company's Future.

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Publisher: tesoreria.com

Reference: PS/2.1

During recession, the management team and particularly the responsible for the cash control live in a very exciting period.

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This statement may sound paradoxical, perhaps the word exciting is not the best for some, but if you are an economist and you like what you do, there is no doubt that these years in which we live, are the most exciting since the last

depression. Put another way, if you're a professional footballer, the games you're dying to play are the ones where you face the big clubs.

It is in this situation that the company's managers can show their creativity and the value of a good budget system.

It is therefore time to make the best use of the management tools at our disposal, cash budget, investment in the medium and long term and cost control. All this in order to give the necessary stability to the company, not only to overcome moments of weakness, but, and this is most important, get stronger and face the future in a position of advantage over those who chose not to bet on a good

management system that integrates these three basic concepts.

"budgetary control, which can only be effective if the cash management system maintains consistently accurate and updated information"

These three management tools fall into the so-called budgetary control, which can only be effective if the cash management system maintains consistently accurate and updated information. The handling of these instruments and the information they provide will be the basis of our decisions. It is essential that the information obtained is analyzed in detail, in order to fully respond to each situation.

In addition, a system with an effective cost control will keep the management levels, without compromising the company normal way of doing business.

In years of prosperity, the management tends to relax controls and instead of seeking improvements in management systems, usually the budget control is left as a tool for monitoring sales targets and pay bonuses. The cash management is no longer the benchmark for investments that will determine the future of the company, neglecting its update; being this one of the key aspects of its management. Finally, cost control is at the mercy of the comings and goings of the business.

Therefore, at any time, a rigorous control of costs, an organized cash management and as a ice on the cake a perfect budget control, will allow us to identify weaknesses in the system to take appropriate action. Moreover, it will tell us, in situations like this, if the company can make investments in the medium and long term, so necessary to remain competitive. This last point is particularly important since it will determine the possible viability of the company once the crisis is over