

CFAM6.3.1

Manage finance for an area of marketing operations



Overview

This is about managing finance to achieve the stated objectives for an area of marketing operations. It includes developing an overall budget, identifying and managing the funds needed to achieve the marketing goals and objectives. It also includes monitoring, evaluating and controlling performance, and taking action to deal with identified variances.

This unit is recommended for middle marketing managers. Such marketers might be employed within 'client-side' organisations, or within agencies/consultancies offering marketing services to clients.

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Performance criteria

- You must be able to:*
- P1 gather and evaluate available financial information, together with the marketing objectives and associated plans for your area of marketing operations, and consult with colleagues to identify priorities, potential problems and risks
 - P2 identify and use opportunities to delegate responsibility for budgets for clearly defined marketing activities to colleagues, providing them with the required ongoing support and resources
 - P3 discuss and, if appropriate, negotiate delegated budgets with colleagues and agree their provisional budgets
 - P4 consult upon and develop a realistic master budget for your area of marketing operations, and submit it to the relevant people in the organisation for approval
 - P5 discuss and, if appropriate, negotiate the proposed master budget for your areas of marketing operations with the relevant people in the organisation, and communicate the final budget to colleagues
 - P6 establish systems to monitor and evaluate performance against delegated budgets and the master budget, and develop and put contingency plans in place to address identified potential areas of risk
 - P7 identify the causes of any significant variances between the budget and what happens, and discuss and ensure prompt corrective action is taken, obtaining agreement from the relevant people if required
 - P8 propose revisions to the master budget, if necessary, in response to variances and/or significant or unforeseen developments, and discuss and agree the revisions with the relevant people
 - P9 provide ongoing information on the financial performance of your area of marketing operations to relevant people in the organisation
 - P10 advise the relevant people as soon as possible if you have identified evidence of any potentially fraudulent activities
 - P11 encourage colleagues to identify ways of reducing expenditure and increasing income, selecting and pursuing those ideas which are worthwhile and are in line with marketing
 - P12 review the financial performance of your area, particularly in relation to achievement of the stated objectives, and identify improvements for the future

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Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 the purposes of budgetary systems and the importance of agreeing financial responsibilities, including the limits of your authority, for your area with those to whom you report
- K2 from where to obtain, and how to evaluate, the available financial information necessary to prepare a realistic master budget for your area
- K3 how to identify opportunities and delegate responsibility for budgets
- K4 the importance of consulting with colleagues in identifying priorities, potential problems and risks and generally preparing the budget for your area
- K5 how to discuss, negotiate and confirm budgets with colleagues in your area and with people who control the finance, and the key factors that should be covered
- K6 how to establish systems to monitor and evaluate performance against budgets
- K7 the importance of contingency plans and the type of contingencies that may occur
- K8 the main causes of variances, how to identify them, and the different types of corrective action which could be taken to address variances
- K9 the importance of providing regular information on the financial performance of your area to relevant people and what they might want to know
- K10 type of fraudulent activities and how to identify them
- K11 how to encourage colleagues to think about ways of reducing expenditure and increasing income

You need to know and understand:

Industry/sector specific knowledge and understanding

- K12 factors, processes and trends that are likely to affect the setting of budgets in the industry/sector
- K13 legal, regulatory and ethical requirements in the industry/sector

You need to know and understand:

Context specific knowledge and understanding

- K14 the scope and nature of your area of marketing operations, including the vision, objectives and operational plans
- K15 your financial responsibilities, including the limits of your authority
- K16 the budgeting period(s) used in the organisation
- K17 organisational guidelines and procedures for the preparation and approval of budgets and for monitoring and reporting of performance against budgets and revising budgets
- K18 systems established for managing and evaluating performance against budgets

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- K19 what to do and who to contact if you suspect fraud has been committed
- K20 who needs information in the organisation about performance against the budget, what information they need, when they need it and in what format

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Additional Information

Behaviours

1. You act with the limits of your authority
2. You agree clearly what is expected of others and hold them to account
3. You respond quickly to crises and problems with a proposed course of action
4. You prioritise objectives and plan work to make best use of time and resources
5. You use communication styles that are appropriate to different people and situations
6. You take and implement difficult and/or unnecessary decisions, if necessary

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Developed by	CFA Business Skills @ Work
Version number	1
Date approved	April 2010
Indicative review date	April 2012
Validity	Current
Status	Original
Originating organisation	Chartered Institute of Marketing
Original URN	NM6.3.1
Relevant occupations	1132 Marketing & Sales Managers 3543 Marketing Associates
Suite	Marketing
Key words	Marketing, sales, marketing management, market research, advertising, public relations