

CFAM6.3.2 Manage a marketing budget



Overview

This is about having ownership of, and being responsible for, a budget for a defined area of marketing. It includes preparing, submitting and agreeing a budget for a set operating period, monitoring actual performance against the agreed budget, and taking necessary action in response to identified variances and any unforeseen developments.

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

CFAM6.3.2

Manage a marketing budget

Performance criteria

- You must be able to:*
- P1 evaluate available information and consult with others to prepare a realistic budget for the area of marketing
 - P2 submit the proposed budget to the relevant people in the organisation for approval, and assist with the overall financial planning process
 - P3 discuss and, if appropriate, negotiate the proposed budget, with the relevant people in the organisation and agree the final marketing budget
 - P4 actively monitor and control performance actively for the area of marketing, according to the agreed budget
 - P5 identify the causes of any significant variances between what was budgeted and what actually happens and take prompt corrective action, obtaining agreement from the relevant people if required
 - P6 propose revisions to the budget, if necessary, in response to variances and/or significant or unforeseen developments, and discuss and agree the revisions with the relevant people in the organisation
 - P7 provide ongoing information on performance against the budget to relevant people in the organisation
 - P8 advise relevant people as soon as possible if you have identified evidence of potentially fraudulent activities
 - P9 gather information from implementation of the marketing budget to assist in the preparation of future budgets

CFAM6.3.2

Manage a marketing budget

Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 the purposes of budgetary systems
- K2 from where to obtain, and how to evaluate, the available information necessary to prepare a realistic budget
- K3 the importance of spending time on and consulting with others in preparing a budget
- K4 how to discuss, negotiate and confirm a budget with people who control the finance and the key factors that should be covered
- K5 how to use a budget to actively monitor and control performance for a defined area or activity of work
- K6 the main causes of variances and how to identify them
- K7 what different types of corrective action which could be taken to address identified variances
- K8 how unforeseen developments can affect a budget and how to deal with them
- K9 the importance of agreeing revisions to the budget and communicating the changes
- K10 the importance of providing regular information on performance against the budget to other people
- K11 types of fraudulent activities and how to identify them
- K12 the importance of using the implementation of the budget to identify information and lessons for the preparation of future budgets

Industry/sector specific knowledge and understanding

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

Context specific knowledge and understanding

- K14 the area or activity for which the budget is for
- K15 the vision, objectives and operational plans for your area of responsibility
- 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 the agreed marketing budget, how it can be used and how much it can be changed without approval
- K19 the limits of your authority
- K20 who needs information in the organisation about performance against the budget, what information they need, when they need it and in what format
- K21 What to do and who to contact if you suspect fraud has been committed

CFAM6.3.2

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Additional Information

Behaviours

1. You present information clearly, concisely, accurately and in ways that promote

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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 CFA Business Skills @ Work

Original URN NM6.3.2

Relevant occupations 1132 Marketing & Sales Managers
3543 Marketing Associates

Suite Marketing

Key words Marketing, sales, marketing management, market research, advertising, public relations