



**PROBLEM STATEMENT:**

**Builds financial acumen and allows the business to change and pivot, based on necessary activities.**

Introduced Zero Based Budgeting (ZBB) for a client who recently acquired a new business. They were keen to understand the expenses for each business unit within the new organization – from overarching down to a granular level. ZBB was implemented to enable all business units to build their budgets from a “zero base” – allowing each function within the organisation to analyse their strategy and associated costs. This approach assisted management in understanding the diverse business activities, alongside the cost structure of operational functions. Once established, the client was able to link key strategic goals to specific functional areas of the organisation to maximise effective output.

**Client profile**

- Australian Advertising Industry
- SMB Customer Segment
- 200k+ customers
- 1500+ employees
- \$600M+ Revenue

**Key Team Roles**

- Commercial Analysts
- Financial Analysts
- Business SMEs

**Business Impact**

- Grouped strategic priorities and focus areas can be achieved more successfully
- Business unit initiatives are more tightly coupled to support aligned objectives
- Annual review ensures initiatives do not continue beyond their productive life
- Efficient allocation of resources, based on needs and benefits - eliminating wastage and out-of-date operations
- Promotes questioning - increasing staff engagement by encouraging individual contributions to the decision-making process

# ZERO BASED BUDGETING (ZBB)



**At first ZBB is a steep learning curve, but once mastered, it helps sharpen the focus of the organisation to deliver results:**

The client wanted a ZBB budget delivered in three months post acquisition, ready for the next financial year. In this period, the following process was established to help all stakeholders work towards tight timeframes. Working collaboratively with the business, the team developed a comprehensive set of templates, optimised for reuse and iterations in future cycles.



## ZBB key benefits:

- Yields meaningful rewards by challenging existing assumptions and practices, sharpening the teams focus and drive to deliver results.
- Opportunity to release capital, either for reinvestment in growth prospects or passed directly to bottom line.
- Requires management to actively assess and prioritise activities.
- Encourages organisations to be nimble in the face of rapidly evolving circumstances; keeping business lean.

REDUCTION IN COSTS

**\$50M**

OVER 1<sup>st</sup> 12 MONTHS

REDUCTION IN TIME

**20%**

SPENT ON THE BUDGET

BUDGET PERFORMANCE

**120%**

OVERACHIEVEMENT TO BUDGET