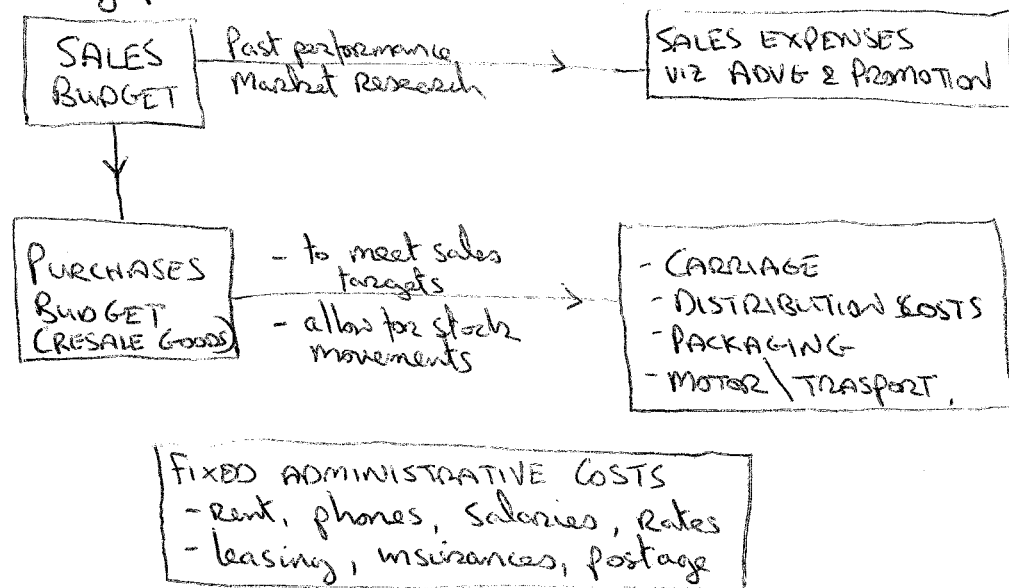


Budgetary Control

- a system of "Benchmarking" a business' finances.
- the estimates provide a yardstick against which actual performance can be compared.
- The sales budget will underpin all other budgets.
- Budget setting process begins with sales :-



- Once cost / revenue budgets are compiled, used to produce
 - 1) Budgeted Profit & Loss Account
 - 2) Cash Flow Forecast.
- Regular comparison should be made to determine that actual results are consistent with expectations. Any adverse deviation from plan should be identified and quickly rectified, particularly in the area of
 - Sales & Gross Profit Margin
 - Costs
 - Cash flow from sale / credit control.

Key Factor

That factor which inhibits a business from achieving its financial targets. Generally, this is sales. Can be :-

- availability of key products / raw materials
- availability of key skills.

In retail, limiting factor can be restriction on opening hours in a retail / shopping centre.