

Using Numbers

A company's departmental managers are meeting to discuss the annual budget figures.

Jim - Good morning everybody. As you know, I organized this meeting to discuss our budget figures for the coming year. In the email I sent on the twelfth of May I requested that you all prepare your budget figures so that we can discuss them today. Mary, would you like to start us off please?

Mary - Yes, good morning everyone. I am quite new here in the company. I started on the twenty-second of March of this year. For those of you who don't know me, my name is Mary Henning and I am the head of human resources.

As we exceeded our 2009 budget figures by 9,500 pounds sterling or 24.74%, I propose that our departmental budget is increased accordingly from the 30,000 pounds we were allocated last year to 50,000 pounds for the following year. I think this is justified because this is now the third consecutive year where we have exceeded our budget figures by more than a quarter. Our costs are not easy to calculate and to be on the safe side we need a higher budget allocation.

Jim - Ok, thanks Mary. As you know we only have a limited total budget of 100,000 and 50,000 pounds just for the human resources department is a bit steep!

Before we start allocating budget figures however, let's gather all the information and talk about allocation afterwards. Freddy, can you tell us what the marketing department will require for the coming year?

Freddy - Yes, sure. In my opinion, our department has been under funded for a number of years now and I won't allow this situation to continue. People fail to realize that without good marketing, this company will go bankrupt. This is why I insist that our budget is doubled from the 17,500 pounds we received in the last year to 35,000 pounds for the coming year. We have taken on five new staff over the last few years but our budget portion has remained stable and that scenario cannot prevail. Three quarters of our budget is used for wages and social security. That means there is very little left over for any kind of training seminars or other departmental measures.

Jim - Thanks, Freddy. Again, thirty five thousand pounds budget allocation is a lot and I'm not sure if that is realistic but let's leave the figures till later. Jürgen, what's the situation in the logistics department?

Jürgen - Well Jim, we're very proud of our record of having kept inside our budget for the eighth time in a row. For this reason I propose that my department continues to get the 12,000 pounds which we have received over the last few years. We don't need more. We have a bet running in the department that we'll manage it again for a ninth time!

Jim - That's nice to hear Jürgen – you're a diamond! Anne, what are your budget figures for next year?

Anne - Well Jim, our department employed four new staff this year and they will have to go through the normal training seminars to get them up to speed. So, we will need to increase our budget by half. The exact figures are 24,650.90 but let's round it up to 25,000 pounds.

Jim - Ok, Anne thanks. And finally, Brian, can you give me the purchasing department's budget figures please?

Brian - Sure. We would like to propose an increase of 15% to cover increased material costs. Raw materials costs have risen by 10.45% over the last 12 months. We have also taken on a new member of staff which increases our staff to twelve.

Jim - Thank you everyone. I'll pass the figures on to headquarters and they have communicated to us that they will confirm or reject our figures by the fifteenth of June.