

BUDGET CONTROL



CHART YOUR EXPENSES!

CULTIVATING FINANCIAL CONTROL THROUGH INFORMATION PROCESSING, VISUALIZATION AND REPORTING OF BUDGET DATA

The goal is to create a teamwork activity that aims to develop control abilities of young, prospective or existing entrepreneurs by analysing, visualizing and reporting business data for a real or imaginary enterprise. The activity objectives are:

- To promote information processing by using visualization as a driver for supporting decision making in a business context
- To communicate data in an understandable way using visualizations
- To improve decision making
- To raise awareness of the data-oriented business world

Advice: Maximum 20 participants divided into teams of five. Time: 2 hours. **Physical:** One projector and facilitator's laptop, four tables (for 5 participants each) equipped whether with a laptop and spreadsheet software, with Internet access, or paper and coloured pens (an award for the winning team is optional). **Online:** meeting and spreadsheet tools.

Instructions:

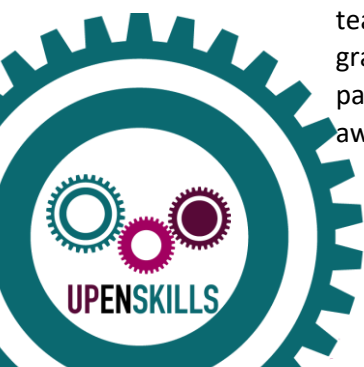
- **Information processing task (45')**

1. **Data creation:** Each team should create and fill a spreadsheet of the expenses for each key activity or task of their chosen enterprise, with the following columns:

Key Activity (e.g. production, marketing, distribution, information management, etc.)	Type of expenses (e.g. salaries, utilities, rent, equipment, raw materials, shipping, etc.)	Cost
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2. **Performing:** Each team should calculate and visualize the information in such a way that will allow them to answer these questions:
 - 1) What is the total cost of each key activity for the enterprise?
 - 2) Which key activity represents a significant expense to the enterprise?
 - 3) Which type of expenses is the highest?
 - 4) What percentage of the total enterprise cost does each key activity represent?
3. **Reporting:** Each team should prepare visualizations answering the above questions. They can use graphs in spreadsheet software, any other software tool, or just colored drawings on a piece of paper. The facilitator advises on interesting ways of data visualization (visually intriguing ways count for more!).

- **Peer Assessment (30')**: Each team should present their report to the group. Next, each team should assess the reports from all the teams (including their own) using a 5-point grade scale (1-5). Grades should be communicated to the facilitator (on a piece of paper or private message on chat), who will announce the winning team and give an award (optional).



Reflection in the learning community:

1. Reflection: Ask each participant to reflect upon their experience by answering the question: What are the key takeaways from this activity?
2. Activity Evaluation: Ask the participants to evaluate the activity with two adjectives (one positive and one negative adjective)
3. Share activity evaluation:
 - a. Use the recorded adjectives and create a mindmap or word cloud, for the online version using the tool <https://www.jasondavies.com/wordcloud/>.
 - b. Download and share the word cloud image with participants.

Tips for facilitators:

- Preparation in online settings:
 - Plan the activity using a participants' list with emails.
 - Schedule the meeting and send invitations to all participants.
 - Ensure that participants have access to online free meeting and spreadsheet tools.
- Before the core activity include actions for:
 - *Icebreaking (25')*: Welcome all participants and present yourself. Ask them to introduce themselves (max 1' each, at least name and country in international groups)
 - *Team Formatting & Activity preparation (20')*: Ask each team to get to know each other better, i.e. share background, general and digital skills (10'). Explain the steps of the activity (10'). In online settings split teams by using breakout rooms. Do not forget to introduce *steps of task management*:
 - Identify what is the problem
 - Break it down into manageable tasks
 - Observe repeating errors
 - Think freely and keep the big picture in mind
 - Apply and try different solutions
 - Evaluate what you could do differently
- During information processing, facilitate discussion with regards to:
 - The difference between fixed costs and variable costs:
 - Fixed costs are usually a fixed percentage of overall costs; while they do change, often incrementally they remain fairly stable. Examples: salaries, rent, utilities.
 - Variable costs change depending on the number of goods and services produced by a business. Examples: Direct materials and shipping costs.
 - How best to visualize data based on what is to be communicated
 - Visualization design and reporting.

