

# Want to meet your budget? Take a lesson from dear old mom.

## Profound Wisdom from a Common Source

Mothers around the globe manage the household budget - the most important of all budgets, because it directly affects the wellbeing of our children. Most moms have limited funds and no special training or tools, yet they squeeze the most out of every penny. How do they do it? The motherly approach to cost control provides a simple, profound wisdom that can benefit any organization. Outlined below is what moms do to make the most of their family budgets.

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## A Mother's Program for Operating Cost Leadership

1. **Keep a running total of your remaining funds for the period and make every spend decision knowing how it will affect your budget.** Moms do this with a checkbook, or just a running total in their heads, but every spend decision they make is done with full awareness of how it will affect their overall budget.
2. **Watch the market and pounce on a deal.** Moms know what things cost, and they know which brands provide quality. They do the homework, cut the coupons, buy on sale and haggle.
3. **With leadership, caring, and even nagging, keep your internal spenders and consumers frugal.** Moms are always after the family to keep costs down by using just enough shampoo, turning the lights off, etc. Moms are tough on us about this, but they lead by example, and continually remind us to be frugal. This is how they ensure the budget is met, because although they spend most of the money, they only do a fraction of the consumption, and consumers who are not frugal can kill any budget.
4. **Use the Four "Gets" of Frugality**
  - Get it for free. Moms sign up for free product trials and get stuff they can use at no cost. So can you.
  - Get it for less. Moms often call providers, like the cable company, and threaten to switch to a competitor to get instant savings. You can apply this strategy as well.
  - Get it later. Moms have learned to say, "wait until your birthday", because they know that today's urgent desire is tomorrow's forgotten afterthought. Very often, the thing you think you need now can wait until the next budgetary period. Also very often, when you wait, the need for that expense has subsided because someone has applied creativity to think her way through instead of buy her way out of the problem.
  - Get an Offset. Sometimes you have to go over budget. It is what is best for the business. In such cases you must then find an offset in your budget or in the larger organizational budget. All overages require offsets. Mom does this all the time. "Well, we need a new roof, and that is not in the budget this year, so we cannot go to Disney World in July, unless we all chip in and save \$3,000 by June."

Avanulo has loaded these simple, profound methods into our Cost Cutter program.

- With **The Manual Checkbook**, all spenders look at their remaining budget for the period and decide to spend, or apply the Four Gets, based on how it will affect that budget.
- With **The Daily Spend Question** at your operations meeting, and the **Weekly Procurement Meeting**, Key Spenders can help each other apply the Four Gets.
- With **The Product and Materials Value Sheet**, your internal consumers can see the effect of their consumption habits and be reminded to be prudently frugal.



Cost Cutter is a key element of Avanulo's approach to achieving Operating Cost Leadership. With Cost Cutter, an organization will reduce operating cost by 5-7% in 90 days with the people and processes in place. Want to know more? Call us in the US at 567-510-5200, or write us at [info@avanulo.com](mailto:info@avanulo.com) for a discrete, no obligation consultation