

How to Get Your Budget Approved

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Latest version of these slides

- Conference web site
 - (URL *tbd*)
- My web site
 - <http://menlo.com/picc-2010/>

A Note to The Reader

What you see before you is a combination of the slides I'll be showing during my talk interspersed with my speaking notes. This PowerPoint file isn't intended to be complete, but it's at least more than you'll see on the screen while I'm talking.

I Promise:

**No “Death by
PowerPoint”**

Purpose:

Help you improve
your chances of
getting your
budget approved

Assumption

You already have a budget with numbers, costs, etc.

Agenda

- Attitude adjustments
- How to talk to managers
- Business Intelligence
- New math
- A different view of the world
- Play nice with others

- Six topics
- Some shorter longer, some longer
- Plenty of time for questions

Note

- No hard-and-fast rules
 - Things change based on company, economy, projects, etc.
- Adapt and modify for each situation
 - Use common sense
- Be flexible

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Bean Counters
Suits
Lusers

- I don't like to preach ...
- But I'm going to do it anyway
- Too many sysadmins need to hear this
 - And learn/remember it
- Here goes ...

- THIS IS ABOUT PEOPLE, NOT TECHNOLOGY
- YOUR WORDS MATTER
- YOUR ATTITUDE MATTERS
- RESPECT MATTERS

- Even in private, being disrespectful is A Bad Thing
- It affects your attitude
- It's also unprofessional
- Plus, someone might over-hear you

- The lesson?
- Delete these words from your vocabulary
- You need help from these people
- Easier to get if you treat them well
- Specifically ...

- The people in the accounting department are often your best source of data:
 - How much did all departments spend on computers last year?
 - How much have our support contract costs gone up over the past five years?
 - How many employees do we have?

- Low-level managers are going to help you figure out what to put in your budget
- Mid-level managers are going to help you get your budget approved
 - Because in some ways it's "their money"
- Upper-level managers are the ones who are going to say "yes" or "no" to your budget

- In most cases, users (or customers) are why you have a budget at all
- User satisfaction == user *productivity*
 - This can help you get your budget approved
- Heck, users (customers) are the main reason we have a job at all!
 - Again, in most cases

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Talking to managers

- Many (most?) managers don't understand technology
- THAT DOESN'T MEAN THEY'RE STUPID
- It's YOUR job to understand technology
 - NOT THEIRS
- AGAIN, THIS DOESN'T MEAN THEY'RE STUPID

- Don't waste their time (or yours) with technical details
- Managers don't care how the technology works
 - They don't need to care!

- Managers *do* care about the *implications* of the technology
 - How will this help us?
 - How will this save money?
 - How will this generate revenue?

- Become a teacher
 - Help them to understand why they should spend the money
- Don't be condescending!
- Don't use buzzwords!
 - They don't impress
 - They do intimidate

- Don't become aggravated if they need it explained several times
 - You probably know as much about their field as they do about yours
 - Which, most likely, is damned little!

- Questions to ask managers
 - How many new employees?
 - New projects?
 - Old projects going away?
 - Major equipment upgrades?
- Use the answers to help justify your budget

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The Almighty

\$

- It's ALL about business, NOT technology
 - Technology exists ONLY to support the business
- EVERYTHING happens because there is a business to be run
- EVERY DOLLAR that is spent has to go towards keeping the business running

- Sure, in some cases, the technology IS the business
- Even then, the technology is there to make money NOT just to be cool

- It's the manager's job to control costs
 - There are often conflicting needs
 - All of them are important
- It's the manager's job to balance these needs
- If the balance is wrong, the company goes out of business

- Eventually, the bottom line is all that matters
- If you can't see the connection to the bottom line, NEITHER CAN THEY
- Again:
 - How will this save money?
 - How will this generate revenue?

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\$1 = \$6

- Two ways to help the bottom line
 - Generate \$6 of income
 - Save \$1 of expenses
- Income is not 100% profit
 - Expenses are 100% “negative profit”
- Almost always easier to save than generate income
 - Especially for IT

- Use this when justifying your budget
 - “Buying this will save us \$N per year”
 - “We now do X; if we do Y instead, we can save \$z per year”
 - Etc.

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How Management Sees Things

- Sysadmins tend to see the world in terms of technology
- Management sees it in terms of departments, projects, cost centers, etc.
- Do it their way
 - Because the easier it is for them to understand, the more likely they are to say “yes”

- Start with service contracts
 - Present them as “just part of the cost of doing business”
- “Here’s the level of service you said you wanted and here’s how much it costs”
- If it costs a lot more than last year ...

- If replacing the machine would significantly reduce the cost of the service contract
 - Calculate the pay-back period
 - Offer a new machine as an alternative
 - As the first item in “new purchases”

- By the way ...

- Always be prepared to say how much of an increase this year's proposed budget is over last year's
 - Or how much less!
- Change from last year's budget
 - AND from last year's actual expenditure
- Again, this is where the accounting folks can really help you

- Still in “the cost of doing business” ...
- “We’re adding # new employees; based on existing policies of what we provide each person
 - Desktops, licenses, printers, etc. will cost \$x per employee, total is \$X”
- Again, just part of the cost of doing business

- Next, align major purchases with specific projects
- If possible, “give” that part of the budget to the manager in charge of the project
 - Let him get it approved for you

- Organize your budget by project, not machines ...

Typical sysadmin approach:

- 2 WhizBang 4500 Servers
- 3 256GB memory modules
- 3 DLT XIII tape drives
- 30 1.8TB Fibre-Channel disks
- 2 FC host adapters

Do this instead:

- Lab system: WhizBang 4500, 256GB memory, tape 18TB disk, tape back-up
- Production system: WhizBang 4500, 512GB memory, 36TB disk, dual tape back-up

- Or, if it makes to centralize things ...

Or maybe like this:

- Lab system
 - WhizBang 4500 with 256GB memory
- Production system
 - WhizBang 4500 with 512GB memory
- Storage system
 - Elephant D9900 server
 - Triple tape back-up
 - 54TB disk storage

- BUT ...
- If they say “no” to part of it, make sure the rest still works
- If it doesn't, be prepared to explain the problem **in non-technical terms** and then show the actual cost

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“No”

- Chances are good they'll say "no" to at least some of your budget
- Or they'll say "cut 15% and come back"
- In either case, be graceful and professional about it
- Work with management to get to approval

- If you balk or pout or just walk away, one of two things will happen
- They'll say "no" to your whole budget
- Someone else will make the cuts for you
 - You will like those cuts less than cuts you make yourself
- Or both will happen

- Another thing that will happen is you'll hurt your reputation
- And you may not be invited back to help with next year's budget
- Working with "no" will get you credit for being "a team player"
 - That will help with future budgets

- It's OK to argue against cuts
- If you do it calmly and professionally
- And if you do it only once
- And if you say "OK" if they don't change their minds

- Categorize your budget as:
 - Vital to the business
 - Important
 - Nice to have
- You don't have to show these divisions to anyone
- But remember where they are

- If possible, mount your defenses between the categories, not within them
- Make sure you understand any dependencies
- If things get cut, be prepared to juggle numbers to accommodate dependencies

- If there are a lot of dependencies, it's OK to say that, and to ask to come back after you work out the new numbers

**That's All,
Folks!**

After Today ...

- If you have more questions:
 - *<adamm@menlo.com>*
- Latest version of these slides:
 - <http://menlo.com/picc-2010/>
- Thank you!