# Beyond Budgeting Presentations at LESS2012, Estonia

- 12 Principles
  - Peter Bunce, (founder)
  - Purpose: Empowered and adaptive Organization
  - CHANGE in LEADERSHIP
    - Governance and transparency
      - 1. VALUES: Bind people to a common cause, not to a central plan
      - 2. GOVERNANCE - Govern through shared calues and sound judgement, not detailed rules and regulations
      - 3. TRANSPARENCY - Make information open and transparent; don't restrict and control it
    - Accountable teams
      - 4. TEAMS - Organize around a seamless network of accountable teams; not around centralized functions
      - 5. TRUST - Trust teams to regulate and improve their performance; don't micro-manage them
      - 6. ACCOUNTABILITY - Base accounability on holistic criteria and peer reviews; not on hierarchical relationships
  - CHANGE in PROCESS
    - Goals and Rewads
      - 7. GOALS - Set ambitous relative medium-term goals; not short-term fixed targets
      - 8. REWARDS - Base rewards on relative performance; not on meeting fixed targets
    - Planning and Controls
      - 9. PLANNING - Make planning a continuous and inclusive process: not a top-down annual event
      - 10. COORDINATION - Coordinate interactions dynamically; not through annual planning cycles
      - 11. RESOURCES - Make resources available as needed; not through annual budget allocations
      - 12. CONTROLS - Base controls on fast frequent feedback; not on annual budget variances
- What is it?
  - is about LEadership
    - Not about eliminating budgeting
    - About improving humanness
    - About becoming more agile
  - Bjarte Bogsnes, VP - Performance Management Dev, Statoil; Chairman, Beyond Budgeting RoundTable Europe
    - HAs been head of corporate budgets
      - knows the tricks
    - @bbogsnes
  - As orgs grow larger and older
    - slower
    - Process heavy
    - rigid
  - 1. How can we be big and small at the same time?
    - A question Beynod Budgeting asks
  - 2. Why? It's good for org performance. This uses the comparison of TRAFFIC LIGHTS versus a ROUNDABOUT as an illustration
    - In good traffic
      - Safe
      - timely flow
      - authority tools
        - traffic lights
          - Q: who is in control? Programmers
          - Q: based on which information? Estimates
        - roundabout
          - Q: who is in control? Drivers
          - Q: based on which information? REal time information
          - self-regulating
        - comparison
          - efficient? roundabout
          - Easier? lights
            - new leadership/management methods are not easier
          - Values? roundabout
          - "performance management"
            - traffic lights use authority to manage performance
            - roundabouts create the context for self management of performance
    - We want a better name for "PErformance Management"
      - mixmanagementexchange.com Gary HAmel
      - Assumes "If I don't manage you there will be no performance"
      - We need a more self-regulating way of managing
        - Taking reality seriously
        - Consequences
        - Statoil - Megregor, X/Y
    - X/Y - Leadership Dimension Stable versus Dynamic - Process Dimension
      - Y - Stable
        - The more values-based you are the less rules you need
        - Transparency
        - Autonomy
        - Internal motivation
      - X - Stable
        - rules-based micromanagement
        - Rigid, detailed, and annual
        - centralised command and control
        - Secrecy, sticks and carrots
      - I missed his Dynamic cells
  - Implications for leadership
- Notes by
  - Christopher Avery
  - www.ChristopherAvery.com