Budget and Scheduling Plan

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**Centralized and Decentralized Organizations**

Centralized organizations use a management structure that mainly depends on one person to make strategic and company decisions and provide direction. In contrast, decentralized organizations use a management structure that involves many people responsible for decision-making and provision of directions for the company. This paper explores the need to move the following tasks to a centralized organizational structure;

1. Project budgeting and scheduling
2. Project costs and needs analysis
3. Allocation of funds and resources

**Zero Based Budgeting**

Zero-based budgeting is a method used by organizations to develop yearly budgets, and it accompanies planning and review processes of a budget. Zero-based budgeting ensures the principal organization objectives and strategies are being implemented through the budget process by binding them to specific organization functional areas. This budgeting method is highly flexible; hence, department managers can employ a systematic review to recognize the alternate utilizing limited resources.

The zero-based budgeting method begins with a “zero base,” All the organization’s tasks are evaluated and justified for their needs and costs. The budget process is built based on the approaching year’s needs, irrespective of changes on the proposed budget compared to the previous budget.

Zero-based budgeting is a budgeting method that involves justifying all the company’s expenses and functions analyzed for their costs. The zero-based budgeting method and analysis’s preliminary determination is to evaluate a specific project’s activities in contrast to its legal responsibilities, purpose, the cost to provide their services, and anticipated performance results.

**Advantages of Zero-Based Budgeting**

The budgeting process ensures an efficient and effective resource allocation method since it is based on the costs compared to ether methods based on history. It also plays a significant role in helping managers with efficient operations development and improvement ways. This method also improves staff motivation by providing better decision-making and responsibility initiatives and increasing communication and staff coordination. Additionally, the method can help in identifying and eliminating old-fashioned and wasteful activities.

**Stages and Tasks Involved in Zero Based Budgeting**

**Stage 1**

The managers and top executive identifies and crates task such as

1. Cost analysis of the project
2. Establishing performance measures for the project
3. Performing cost-benefit analysis

**Stage 2**

This stage involves the ranking of the tasks mentioned above in order of priority which will then be decided by the project manager.

**Stage 3**

This stage involves the allocation of funds and resources.

**References**

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