CYCLE-BASED BUDGETING TOOLKIT

Implementation Guide & Strategies

READ ME FIRST

Cycle-based Budgeting (CBB) can be implemented at two levels: basic and advanced. This document explains the conditions and requirements for the two levels of implementation, and provides information on where to receive help if your organization does not meet those conditions and requirements.

A number of barriers exists for any organization to adopt and implement CBB in their system, ranging from lack of interest to change, complicated political environment, competing priorities, to limited talent and resources. Also provided in this document are strategies on how to overcome those barriers to successfully introduce and implement CBB in an organization.

If you have questions or need assistance, please contact us at support@cyclebasedbudgeting.org or post them to the Cycle-based Budgeting web site forum.

IMPLEMENTATION LEVEL

CBB can be implemented at two levels: basic and advanced, which correspond to an organization's size as measured by the number of existing programs running and new initiatives approved each year, complexity of management indicated by the hierarchy on the org-chart, and the desired sophistication of technology and data analysis.

Basic implementation is suitable for small to medium organizations that have two to three levels (staff, directors, and cabinet) on their org-chart. In such organizations, there are a moderate number of existing programs running (e.g., fewer than 100) and a limited number of new initiatives approved (e.g., ranging between one to three in small sized organizations and 10 or so in medium sized organizations) each year. At this level, the technology is easy to set up and operate; limited data is collected with basic tabulation for answering basic budget related questions.

Advanced implementation meets the needs of large organizations that have more than three levels (staff, directors, senior directors, and cabinet) on their org-chart. Such organizations can have many programs running (e.g., more than 100) and a considerable amount of new initiatives approved (e.g., more than 20) each year. On this scale, it is more demanding to set up and operate the technology. Much richer data is collected through both the budget request system and joining data from other sources, which allows deeper analysis to take a comprehensive look at the budget allocation and return on investment.

Difference area	Implementation level	
	Basic	Advanced
Organization size	Small to medium	Large
No. of existing programs running per year	< 100	> 100
No. of new initiatives approved per year	< 10	> 10
Hierarchical level on org-chart	2 - 3	Above 3
Technology		
Initial set up	Easy	Demanding
Operation	Easy	Demanding
Data		
Collection	Basic	Rich
Analysis and reporting	Simple tabulation	Comprehensive

Table 1 Differences between basic and advanced implementation levels

For an organization that is interested in adopting CBB, its Financial Planning Director is central for either level of implementation, who will be in charge of making sure the activities in each phase of the process listed on the Implementation Manual are successfully executed through planning, communication, and training.

At the basic implementation level, a data strategist, which is explained in the next section, is nice but not absolutely necessary to have. The technology can be easily set up by the IT department or through a third-party entity. After that, a clerk will be able to manage the budget request system and conduct data tabulation with the tools provided in this toolkit.

For advanced implementation, a data strategist is needed to provide critical support to the Financial Planning Director during the entire process. The next section provides information of where to obtain such talents or train your in-house staff to become data strategists.

This toolkit covers the basic implementation and you can use the Cycle-based Budgeting web site [forum](#) to post your questions and get answers. If you need help with advanced implementation, please [contact us](#).

ABOUT DATA STRATEGIST

A data strategist is a person who is skilled in data and also knows how to use data to strategically influence the operations and culture of an organization. The person is also extremely comfortable with technology since the boundary between data and technology is becoming blurrier and blurrier in the area of data science. A data strategist's skillsets go beyond those of traditional roles such as data analyst, business analyst and consultant, which require training and experience in data, technology, as well as strategic planning and execution.

The [Strategic Data Project](#) (SDP) at [Center for Education Policy Research](#) of Harvard University is a great place to learn more about data strategy and data strategists, as well as find top-notch data strategists or train talents in your organization to become data strategists.

INTRODUCING CBB TO YOUR ORGANIZATION

IDENTIFY CHAMPIONS AND ALLIES
While the Financial Planning Director and Data Strategist are the key players, it is essential to have other leaders in your organization who can become champions for CBB. They can help you adapt the model described in this toolkit to better fit the local context, develop strategies for introducing CBB to your system, communicating the ideas, importance, and significance to other leaders and a broader audience, as well as provide support from different angles at different stages.

GROW KNOWLEDGE AND OWNERSHIP
Once champions and allies are identified, it is very important to grow both their knowledge and ownership. In addition to sharing the materials included in this toolkit, discuss your ideas and thoughts with them, listen to and integrate their ideas, make them part of the planning and executing team.

SELECT THE RIGHT TIMING
To certain extent, timing is everything. There is no recommended or best timing for introducing CBB to your organization. This is just a reminder that timing is critical. Rely on your judgment and consult with your allies on the right timing.

KEEP IT ON THE RADAR
At any time in an organization, there are multiple programs and ideas vying for attention and support. As something new, it is easy for your effort to be overlooked or pushed aside. If CBB is not adopted or

put on the agenda after your first try, it is important to strategically bringing it up continually through various opportunities and in different formats.

IMPLEMENTING CBB IN YOUR ORGANIZATION

START WITH NEW SPENDING

An innovation is more likely to succeed in places where there is least resistance. As far as budget is concerned, spending on existing programs is entrenched. It is much easier to start CBB with new spending, which will be a learning experience for not just people who involved with the new spending but those who will be later impacted.

SELECT THE RIGHT EXISTING PROGRAM(S) TO MAKE A CASE

Once success is achieved with CBB over new spending items, the next step is to strategically integrate existing programs into the process. To start, select 2-3 existing programs that either lack an owner from the organization's senior leadership team or have suffered from poor implementation due to various reasons.

Once consensus is reached among the senior leaders, the owners of each selected programs or their designated staff need to submit a budget request for their own program using the budget request form included in this toolkit.

Three messages should be communicated clearly with the program owner and staff: 1) the goal is to help the program succeed rather than cut it; 2) the goal will be achieved by resetting expectations and implementation, plus renewed attention and support from the senior leadership team; 3) an Implementation & Improvement Cycle (I&I Cycle) will be assigned to the program, with funding secured during the cycle and accountability at the end of the cycle.

SECURE ONE ACTION AND INFLUENCE THE OTHER

Whether the expectations and accountability (expected program outcomes as well as I&I Cycle) will work as designed is critical for the success of CBB. There are two actions for a program at the end of its I&I Cycle. One is the action of reviewing the budget, implementation, and outcome data of the program. The other action is to make a decision about its funding, which can be remaining the same, expansion, reduction, or discontinuation.

It is essential for the first action to be taken and then the second action will run its course. The goal is to use CBB to ensure the execution of the first action and at the same time influence the second action that will always be political.