From budget to budget

	Link	Owner	Question
THE BUDGET IS CREATED			
1	**Need**	*The user* *the budget holder requests*	What is really needed?
2	**Budget** € 4m, earmarked	*The budget allocator* *sets and distributes; finance: operating or capital*	What do we make available, for what, and what happens to what is left over?
3	**Management**	*The budget holder*	Who manages the budget?
THE PREPARATION			
4	**Baseline** € 4m	*Finance* *with the market as reference*	What do we measure the result against?
DURING THE PROCUREMENT PROCESS			
5	**Procurement intervention**	*Procurement*	What does procurement do, and what does it deliver?
6	**Contract value** € 3m	*Procurement*	What are we going to pay?
DURING THE CONTRACT TERM			
	Contract value against actual spending, by budget holder, user and procurement together: is what was agreed being paid?		
ESTABLISHING AND ALLOCATING			
7	**Freed-up budget** € 1m	*The budget allocator* *the budget holder confirms*	How much becomes available?
			The chain usually breaks here
8	**Destination** agreed in advance	*The budget allocator*	Where does the money go, as agreed in advance?
ACCOUNTING, LEARNING AND BACK TO THE BUDGET			
9	**Financial result** € 1m or € 0	*Finance* *reports together with procurement*	Where is it in the figures?
	Next budget € 3m, plus what was learned	*The budget allocator*	What is needed next year, given what we now know?

from budget to budget

purchase-to-pay

source-to-pay

The organisation as a whole
Where is that million now?

where procurement belongs where procurement usually sits

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From: *The True Value of Procurement. The Million That Never Returns*, Miguel Delcour