

## A NEW DIMENSION OF ANNUAL BUDGET

In the evolutionary process of Budgeting it was realised that the reality of Budget depends on two major factors:

- That it must be a *LIVING BUDGET*
- That it is complemented by a '*CAPABILITY BUDGET*' as distinct from the '*Business Budget*'.

### LIVING BUDGET

This has been explained in detail from time to time.

By living budget we mean:

- that the budget should emerge both through an organised and scientific process of research and information on available opportunities in the Internal Market Place (*IMP*) and External Market Place (*EMP*)

and

instinctive and intuitive evaluation of available and achievable possibilities in the market place.

- that once the Budget is so made, it should live in our instinct, our consciousness and our being so that all we do and perform should be in the context of the Budget and for the realisation of Budget targets.

### 'CAPABILITY BUDGET'

There is yet another vital factor and a new dimension in making and achieving the Budget, which had not been highlighted and emphasised so far.

This factor adds a new dimension to 1988 Budget. The factor is what we have decided to call: '*Capability Budget*'

### WHY A 'CAPABILITY BUDGET'

The simple truth is that irrespective of what facts and figures a budget is made up of, it cannot produce results other than what the capability of the people (i.e. human resources) of the branch, country, region, subsidiary or affiliate concerned is.

The budget, therefore, should be matched by the capability of people concerned. At the same time, if the budget is bigger than the capability of the people, it will require that their capability be enhanced and enlarged to match the budget.

It was, therefore, considered appropriate that '*Capability Budget*' should be the precursor of '*Business Budget*'.

In 1988 Budget, there would be two parallel and simultaneous processes:

- A. '*CAPABILITY BUDGET*'
- B. '*BUSINESS BUDGET*'

Both processes are inevitably interlinked.

This section deals with the making of '*Capability Budget*'.

## WHAT IS CAPABILITY

Capability of an individual or group of individuals comprises of numerous elements. We are, however, at present focusing only on such elements that are relevant and fundamental to the budget process.

Every individual's capability, besides his human qualities on which BCC lays such great emphasis, needs in the present context the following elements:

- Source : The degree and quality that each person has to become.
- the source and origin of objectives, goals and targets
  - the source and origin of finding and providing means for the achievement of such objectives, goals and targets
  - the source of the capability to achieve the objectives, goals and targets
  - a source and origin just as the sun is the source and origin of light and heat
- Organised Being : The degree and quality of each person as an organised being.
- It is only if his being is organised that he would organise things and people around him.
- Marketing and Selling : The desire and will for marketing. Quality of marketing and selling ability, including ability to encash his efforts.
- Ability to identify products, clients and opportunities – organise new efforts, approach, new style and creative ways and means to encash contacts and opportunities.
- Relationships : Ability to relate with and respond to others – members of committees, colleagues and staff within his own unit and in other units at various organisational levels.
- Ability to inter-act with them and through interaction generate creativity.
- Commitment : Quality and degree of commitment to the organisation, goals and objectives, success and achievements.
- Commitment means:
    - the desire and will – its intensity and quality to achieve the goals and objectives
    - the desire and will to change and to become a new being
    - the desire and will to enhance and enlarge his capacity.

## WHOSE CAPABILITY SHOULD BE MEASURED, BUDGETED, MANAGED AND ENHANCED

Although it is important for all the members of BCC organisation, but in the first phase, for 1988 Budget, it is proposed to measure, budget, manage and enhance the capability of:

- All Branch Managers (including Country Managers)
- All members of Branch Management, Dynamics and Marketing Committees
- All Heads of Regions, Subsidiaries, Affiliates
- All members of Management, Dynamics and Marketing Committees of Regions, Subsidiaries, Affiliates
- All Heads of CSO Divisions/Support Centres and Members of Divisional Management Committees.

## WHO SHOULD MEASURE AND BUDGET THE CAPABILITY

- Self assessment will be made by each individual member of Management, Dynamics and Marketing Committees at Branches, Regional Offices, Head Offices of Subsidiaries and Affiliates and CSO Divisions, on the basis of enclosed 'Capability Budget' form.
- At branches Managers will moderate in consultation with officers concerned the self assessment of the members of Branch Committees and then make out a summary statement on the Capability Budget form of all members. The summary is to be sent to Regional/Head Office along with the Business Budget form, including his own self assessment.
- Support Centres and Heads of Regions, Subsidiaries and Affiliates will moderate in consultation with officers concerned the 'Capability Budget' of Branch Managers, Members of Branch Committees and Regional Office/Head Office Committees.
- 'Capability Budgets' of the following will be submitted to the President for review:
  - Heads of CSO Divisions/Support Centres, Region, Subsidiaries and Affiliates.
  - Members of the Management, Dynamics and Marketing Committee of the Regions, Subsidiaries and Affiliates.
  - Members of the Management Committees of CSO Divisions/Support Centres.

## HOW SHOULD THE CAPABILITY BE MEASURED AND BUDGETED

Capability, which comprises of a large number of qualities is an intangible substance. It is power plus quality. It can be felt and experienced. It is the quality and nature of a being. Sometimes, and only partly, it can be measured by tangible results or manifest behaviour. But mostly it is measured by a judgemental assessment, which should be as objective as possible. A being can only be measured by a being.

There is no perfect method to express the measurement of capability in numerical terms.

We have, therefore, devised a measurement of judgemental assessment expressed by points for each element of capability on the following scale:

Very High	10 points
High	8 points
Satisfactory	5 points
Moderate	4 points
Low	2 points
None	0 points

## FORMAT OF MEASUREMENT AND BUDGETING OF CAPABILITY

The Capability Budget format is designed

- to include individual names whose capability is being measured and budgeted
- to contain a separate column for each element of capability, subdivided in two parts: In the first part of the column should be stated the present level of capability. In the second part should be stated the budget – the target level to which the capability is to be enhanced and enlarged during the year 1988.

## PURPOSE OF THE EXERCISE OF 'CAPABILITY BUDGET'

When you have made the first assessment of present capability and made '*Business Budget*' you should then match the same with the available capability and budget it to match the '*Business Budget*'.

If you judge that the available capability is greater than the '*Business Budget*', then the '*Business Budget*' targets should be increased to match the capability.

On the other hand, if you find that the present level of capability is less than the '*Business Budget*' targets, you should then budget realistically the need for enhancement and enlargement of the present level of available capability.

If you find that you are short of capability quantitatively to match the budget, you should specifically request for new additional capability giving details of the requirements.

## SUBMISSION OF 'CAPABILITY BUDGET'

Simultaneously with the '*Business Budget*', you should complete '*Capability Budget*' in the prescribed form.

Other procedures for submission of '*Capability Budget*' will be the same as for '*Business Budget*', which are incorporated in the section relating to '*Business Budget*'.

The '*Capability Budget*' will be submitted together with the '*Business Budget*'.

## EMPHASIS

We would once again like to emphasise that '*Capability Budget*' is precursor of Business Budget and the size and quality of all our future budgets will largely depend on the quality of the budgeting process of the '*Capability Budget*'. Performance and achievement of '*Business Budget*' is directly related to and dependent on '*Capability Budget*'. In fact achievement of '*Business Budget*' is a result of the available capability, its present level and its planned enhancement.

Not only that capability should be pre-assessed and budgeted to match the '*Business Budget*' but throughout the year, equal emphasis should be laid on the enlargement and enhancement of capability to the budgeted level. The process of management and achievement of the two budgets will go hand in hand.

The Support Centres have been requested to work jointly with the Heads of the Regions, Subsidiaries and Affiliates in the measurement, budgeting and management of capability and enhancement and enlargement of individual's capability would be one of their primary functions.

It is important to note that the main purpose of the measurement of capability is to manage it, which means enhancing and enlarging the capability of each individual, which is the power and quality of his being in essence.

## CAPABILITY BUDGET 1988

COUNTRY \_\_\_\_\_

UNIT/BRANCH \_\_\_\_\_

NAME	SOURCE		ORGANISED BEING		MARKETING & SELLING		RELATIONSHIPS		COMMITMENT		OVERALL TOTAL OUT OF 50		DESIGNATION/ FUNCTION/ ASSIGNMENT
	Present	Budget	Present	Budget	Present	Budget	Present	Budget	Present	Budget	Present	Budget	
Members of all Dynamics, Management and Marketing Committees (in the Branches, Regions, Head Offices and CSO Divisions)													





## CAPABILITY AND ASSIGNMENT HEART OF THE MATTER

Examine and identify within your being with **honesty** the need of your being, or the commitment of your being (without confusion and vagueness) to experience the meaning of your assignment and goals on the one hand AND the meaning of **all that you require** to do to justify your assignment and to achieve the goals.

Does your being 'experience' that your capability and the capability of all the people who are working jointly with you in your assignment, is the critical factor and the heart of the matter or not?

Your 'being' has to answer this. Once you answer this, then we should understand the capability budget. Only then will you be able to 'understand' what is your commitment, what is your need and (therefore) what are your priorities.

The need of your being is the mother of all that has been said above.

Assignment has certain goals within the goals, objectives and purpose of the organisation. You are the source of those goals. And your assignment is **all that is required to be done** to achieve those goals. As soon as you address this (**all that is required**) you will have the meaning of this assignment.

As soon as you understand the meaning, the meaning of your need, you will be exasperated at how much has to be done in an organised way. **And** this shall have to be done by **people** and their capability.

If we decide that **capability is at the heart** then the meaning of capability and capability budget will become clear. And also, the **how** to enhance or match the capability with the possibilities will become clear and become the highest priority.

This **HOW** will be a world of meaning of itself.

The difference in assignments is not material. Success in the assignment is material and important.

It has become our habit or second nature to do and deal with what comes to us and we are never in a position to do what we should plan to do (the **how** of goals). We don't even think of that; this is a critical problem. At least we should focus on this.

When I talk of capability, it is not just the source of creativity and productivity. We are also the source of security, preservation, (quality of operations) and image of the organisation.

### HIGHEST PRIORITY

- Improvement of Capability (i.e. sum total of all abilities, technical, managerial, human leadership, entrepreneurship etc).
- Improvement of the quality of relationships and the interaction between people.
- Focus on goals, and all that is required to achieve them (most important: THE HOW) in an organised way.
- Focus on capability and enhancing/matching the capability to match the possibilities.
- Understanding and experiencing the meaning of your assignment in the context of the above and setting your priorities to reflect this experiencing.



## RATING AND ENHANCEMENT OF CAPABILITY

Some rate their capability higher than it is.

How does one rate his capability?

If he rates it by results and performance, the standards may not be high.

If he rates it in comparison with others, then it is a poor yardstick – he may be comparing with low capability people.

**Is it possible for them to measure/relate their capability as against the possibility.**

Best thing would have been to measure their capability per se – How to do this?

One measurement is measurement on the scale of ego – but it is a blind measurement – subjective measurement.

Vast majority of people are victim of measuring their capability on the scale of ego.

Ego is blind, black, opaque and has no value judgement. People are very cruel to themselves and unjust and unfair to themselves; if they measure their capability on this scale.

Question still remains: how to measure your capability which is capability per se, because that is a truth, reality and objective. How to become objective about yourself?

Objective measurement is possible when the object (capability) can see the object (capability).  
How can the object see the object –  
**It can only experience itself.**

Unless your being experiences your being, you cannot measure yourself, and hence your capability.

Process of experiencing your being begins by becoming able to see the being by your feeling – I do not know what my being is – but for sure I have a being.

When I say that for sure there is a being – I have a being – starting from that I do not know what it is – but my realisation that for sure I am a being and my total faith that I am a being encourages and leads me to experience my being.

It is this total assurance to myself, of my being, the being that makes me experience my being.

But I have always believed that this being and the Cosmic Being are also the same substance, the same material, the same quality – one is a drop of energy and the other is an ocean of energy – and my ability i.e. the ability of the drop is to merge with the ocean.

I am the drop constantly merging and becoming one with other drops and the totality of drops – the ocean. And I do not live, I **do not work without this drop merging with other drops – merging with totality (the ocean).**

This is the essence of management.

Drops are always merging in my case – drops and drops – drops with ocean.

## RATING AND ENHANCEMENT OF CAPABILITY

When I merge with you there is no problem – when the drops merge you get such a blissful happiness – it is so beautiful.

When the drops become one – there is no difference that remains. The blissful experience/pleasure comes in the process of merger. This blissful happiness, the process of merger – this is the process what world is, what creativity is. That is what is called living.

Quality of this process of merger is the quality of life and quality of management – in their respective contexts.

You can't attain perfection but it depends on the degree and quality of your experience of your being and being of others.

Suppose you are superb on the measurement of your capability – so make others superior by merging with them.

### Totality and Focus

- Everything is to be seen in the context of totality.
- Focus – a sharp, intense and concentrated attention. (Example of convex lens – rays of sun can burn).  
Concentrate sharply enough to make the object of focus a point. Same concentration can be focused on totality by enlarging the "being".

That is the relationship of "being" and totality.

God has given you the power, quality and capability to focus on Him, or to focus on totality in the manner said above. It is not becoming bigger than God. God Himself has given you this power because He wants Himself to be loved or wants you to reciprocate His love for you. How could it be otherwise. After all you are His creation – creation must relate to the Creator (the Totality).

## MEANING OF DIMENSION

Literal meaning:

Dimension is the quantitative and qualitative size.

Can you put any limit to qualitative size?

Dimension of your being is the qualitative and quantitative size of your being.

## WHAT IS CAPABILITY BUDGET

It is Budgeting of your being – experiencing your goals and objectives the origin of which would be your need to experience and express your real "being". Develop and identify within your being the need to be a quality person, quality manager, quality banker, quality entrepreneur, quality leader.