

## Sound Professional When Talking About Budgets And Spending

**Setting budgets** can often be a frustrating experience which few people enjoy. For a start, it is difficult to **acquire** the money or resources that you need. There is never quite enough money to go around. Only after analysing historical financial performance, projected revenues, and expenses for the upcoming year can a realistic budget be set. Many of your grand plans may turn out not to be **feasible** due to budget constraints, and **allocating resources** can be a real challenge in order to ensure that you are in alignment with your strategic objectives. Resources must be allocated fairly and to more than one area. If companies focus just on one strategic objective, they are **putting all their eggs into one basket**, which can leave a company vulnerable to risks.

If certain objectives are of significant importance to a company, they might **plough** a lot of **money into them**, which might pay off, or it might backfire. Ploughing too much money into certain objectives could mean that you **exceed the budget**, which could lead to cash flow problems and potential bankruptcy. Sometimes, you may not even realise that you are ploughing too much money into something, or that a certain project/product isn't bringing in the returns that you expected. Anything which **puts a strain on resources** needs to be eliminated. **Staying within the budget** is therefore extremely important! It might be a good idea to have a **contingency budget**, which is some extra budget allocated to a project just in case you need to spend more than expected.

Indeed, **keeping a lid on** spending is a real challenge both for companies and individuals, especially when the budget is limited. Companies may need to implement measures such as creating a spending policy or implementing approval processes to **cut down on** expenses. In addition, companies may need **to rein in** spending in certain situations, such as during a recession or financial crisis.



### A) Match the phrases to the definitions

Based on the context of the article, can you match the words in the box to the definitions listed below? Then add the word into the example sentence. You may need to change the form of the word to fit the meaning of the sentence.

to put all your eggs into one basket		to keep a lid on		to cut down on	
to set the budget		acquire	to put a strain on		to exceed the budget
feasible	to rein in	to plough money into		to allocate	a contingency

1. Possible to do something easily or conveniently: \_\_\_\_\_

*"I think that your plan is certainly \_\_\_\_\_ with our budget."*

2. To stop something from going out of control: \_\_\_\_\_  
*"The government is trying to \_\_\_\_\_ the number of covid cases."*
3. To go beyond your budget limit: \_\_\_\_\_  
*"If we invest any more money into this project then we will \_\_\_\_\_ our budget."*
4. To invest a lot of money into something: \_\_\_\_\_  
*"The government is \_\_\_\_\_ into a new education scheme."*
5. To decide how much your budget should be: \_\_\_\_\_  
*"We have \_\_\_\_\_ a budget of \$200 000."*
6. To invest everything or to risk everything on one thing: \_\_\_\_\_  
*"If we only have one source of funding, then we are \_\_\_\_\_. I suggest that we find new investors."*
7. To reduce something: \_\_\_\_\_  
*"I really need to \_\_\_\_\_ sugar."*
8. To distribute money or resources for a particular purpose: \_\_\_\_\_  
*"I really want to \_\_\_\_\_ 30% of the budget to advertising".*
9. To control something, or to stop something going out of control: \_\_\_\_\_  
*"We need to \_\_\_\_\_ spending on non-essential equipment."*
10. To place a lot of pressure on something or on your resources, causing you to struggle: \_\_\_\_\_  
*"The bad weather is \_\_\_\_\_ on the country's agricultural sector."*
11. To get or obtain something: \_\_\_\_\_  
*"We have managed to \_\_\_\_\_ a substantial budget for the project."*
12. Extra money allocated to something just in case you exceed your expected budget: \_\_\_\_\_  
*"We have a \$10000 \_\_\_\_\_ just in case prices of construction materials increase."*

### B) Key Words in a New Context

Below you can find a paragraph. Can you fill in the gaps in the paragraph with the words from the box below? In some of the gaps there may be more than one possible option. You may need to change the form of some of the verbs in order for them to fit into the sentence.

feasible	contingency	to plough	to keep a lid on	to cut down
to allocate	to rein in	to set	to put a strain on	to exceed

## Why Putting All Your Eggs into One Basket Can be a Risky Business!

Have you ever heard the saying "don't put all your eggs in one basket"? It's a wise piece of advice that encourages us to diversify our investments and not rely on just one source of income. But what happens when you don't follow this advice?

Tom Huddlestone is a clockmaker and clock repair expert, who set up his own business 2 years ago. He took everything that he had from his previous job as a clock repairer, and decided to \_\_\_\_\_ 90% of his life savings to setting up the business. It was essential at the time to have a strong belief in himself that he was going to make the venture work. Tom \_\_\_\_\_ a strict budget for each aspect of the business, from buying supplies to renting a small store-front. He also had a small \_\_\_\_\_ in case he needed to spend more than expected.

The business took off immediately. His clocks were a hit with customers, and expertise was shining through. But then, he decided to \_\_\_\_\_ all his profits into opening a new store. He thought that this would be a natural progression, as the first store was doing so well. However, he soon started to focus all of his energy and resources into the the new store, and he completely took his eye off the original store which had brought him so much success. He was in fact now putting all his eggs into a new basket, and completely forgetting about the old one.

As time went on, Tom's sales began to decline in the original store, and he had to \_\_\_\_\_ heavily on his expenses. However, this was impossible because the new store was bigger and much more expensive to run, and he was \_\_\_\_\_ his monthly budget by thousands of dollars, because of rental expenses and store repairs. This started to \_\_\_\_\_ on his finances, as well as his marriage. His inability to \_\_\_\_\_ his business spending soon landed him in debt.

Running two stores completely solo turned out not to be \_\_\_\_\_ in the long run. As well as completely taking his eye off the first store, he also neglected his marketing and customer service. He also failed to \_\_\_\_\_ his spending, which ultimately led to his downfall. Tom now works again as a clock repair expert, and he is looking to start his own business again soon. Hopefully he won't make the same mistakes the second time around!

**C) Comprehension Questions**

1. How quickly did Tom's first store become a success, and what vocabulary is used at the beginning of the second paragraph to express this?

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2. What was the main mistake that Tom made when he opened the second store?

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3. Why was Tom unable to cut down on his business expenses?

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4. In the final paragraph, what other aspects are also mentioned that contributed to his downfall?

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5. What do you believe are the main factors that one should consider before expanding a business?

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**D) More Uses of Selected Key Words**
**To acquire**

To acquire something simply means to get or obtain something. It is a nice professional phrase, which is easy to use as it has a simple synonym. Here are some further business collocations with acquire:

to acquire knowledge / to acquire skills / to acquire experience / to acquire expertise / to acquire assets / to acquire funding / to acquire technology / to acquire a license / to acquire talent / to acquire shares / to acquire a business / to acquire property

**To put all your eggs in one basket**

This phrase is one of the rare occasions where it might be recommended to use the future continuous verb tense to talk about the future: if we do X then we will be

putting all our eggs in one basket:

*"If we invest so much in this project then we will be putting all our eggs in one basket."*

### **Feasible**

We can also use feasible as a noun - feasibility:

*"I'm not sure about the feasibility of those targets, especially with our budget and within such a short time frame."*

In order to understand whether something is possible to achieve, we do a 'feasibility study': *"We have carried out a feasibility study, and I would like to present our findings to you."*

### **To plough money into**

We can plough money into something, or we can plough money into doing something:

*"We shouldn't plough too much money into expanding the business."*

### **A contingency (budget)**

Something can 'act as a contingency' or 'serve as a contingency':

*"We estimate that our costs will be around \$100 000, but we have allocated around \$110 000 to the project. The extra \$10 000 can serve as a contingency in case we can't keep a lid on spending."*

## **E) Glossary of words for sounding professional when talking about budgets and spending**

to acquire

to put all your eggs into one basket

to keep a lid on

to cut down on

to set the budget

to put a strain on

to exceed the budget

a contingency budget / a contingency

to serve as a contingency

feasible

feasibility / a feasibility study

to rein in

to plough money / resources into

to allocate resources / money