

5 Tips for a constructive budget conversation



#2 Be Honest

No one likes surprises, let's be honest.

During the planning process I firmly believe everyone enters the process with the intention of doing a good job. However, there are times when it starts to drift from the core objective, into what can become a frustrating competition between egos. Why? And what is the likely outcome, short and long term? Likely not great and certainly not one where people feel safe let alone trusted.

Personally, I have been in scenarios where people have stood up and started shouting, some have come close to fights breaking out. Sounds extreme but it happens, on reflection it is quite embarrassing, imagine if our customers were to witness this behaviour. The real triggers were that people were not being honest in the first place. Starting with, being honest with themselves. For example, someone who is feeling anxious in the meeting may likely over commit beyond what is realistic, to escape the feeling. Put yourself in that position and think what you may have committed yourself and your team to. Think how you are going to explain it to your team. Yes, you may likely push blame back to the region or even global. Consider your team's perception of you. Then consider the year ahead knowing you will never meet those objectives. These behaviours can really limit productivity and careers. If only you had just said 'That makes me feel anxious as I don't truly believe it's achievable.' Explain why.

The alternative scenario is when we are not honest about what is achievable to get an easier run. Results come in consistently above, and everybody is happy. Think again. It creates a false environment and one that may lead to complacency. You may feel like the negotiator of the century, but in reality, you have lied to both yourself and everybody else. Your own growth will stagnate and the culture you lead is likely toxic. Pump up your chest now, because this is going to be short lived.

Saying up front that something is making you feel anxious or uncomfortable, and why, is far better than that anxiety staying silent only to manifest in anger, fear or frustration later on. Saying, I don't know, rather than making something up in the moment to feel less uncomfortable. Just be honest about what you know and what you don't. It is all about building trust.

Guy Strong
Country Head - Sandoz ANZ

Guy has significant senior executive leadership experience with a global perspective. He has worked across pharma in both ethical and generics for Sandoz, Astra Zeneca and Eli Lilly.

South African born, Guy has worked in many different countries and within different regions including UK, Japan, Singapore and Australia.

Guy led the culture transformation at Sandoz ANZ, taking the company on a journey from oppositional and aggressive to a constructive culture. His approach is widely recognised and became a case study for Human Synergistics.

[Sandoz culture takes performance to new heights \(humansynergistics.com\)](https://www.humansynergistics.com)



Rock8 Science
Uncomplicated Success

For this series we will hear from Guy Strong who has plenty of experience in the budget planning process. However, he recognised things needed to change and made conscious choices to do so.

In previous planning meetings were there times when not everyone was being fully honest? What happened?

Guy – Yes! In the past culture the process was quite adversarial between global, the region and the country. The objective for the country was getting lowest budget, for the region was to stretch the country as far as possible. This created a toxic environment of game playing, leading to a zero-sum game. No one was honest, there was sandbagging, over committing etc. which created distrust between everyone.

What was the longer-term impact?

Guy – Having to back track constantly to remember what was committed to became incredibly stressful. We became tangled up trying to continually message up the chain rather than focus on our customers and business. It simply did not create a trusting environment. We were always at odds with one another because no one trusted each other. There was constant conflict which then cascaded throughout our country business, this led to a lack of direction. The internal environment at the country level was also one of low trust as the employees did not fully trust that their leaders were being totally honest. I really suggest, never do this.

Over time you have chosen to make conscious changes in your approach, what did you focus on?

Guy – We are all in the same boat and we need to work with the information we have in the moment, act on what we know to create what is achievable. Understand there will be gaps, there always will be, not everything is 100% accurate, but being open about this. Highlighting the gaps so everything is clear creates an open conversation. We show our risks and opportunities clearly. Don't sandbag to cover up or keep something in your back pocket. Create an open conversation as to how to achieve the opportunities and mitigate risks and involve everyone so there is clarity, but also, they may be able to contribute towards supporting the local business. We move the target number to the side to focus on the customer and business first, the target number becomes the output of the plan.

What has been the impact of those changes?

Guy – Being open and honest enabled the ability to focus on the conversation bringing the region into contributing to help. Stress levels reduced, trust increased, bureaucracy lowered, customer focus increased, and focus was on driving the business and the results reflected that. It also supported our



Culture transformation from oppositional and aggressive to constructive.

What 4 pieces of advice would you give to someone prior to their first planning season preparation?

Guy

1. Be crystal clear on your intentions.
2. Articulate the opportunities clearly, and the facts that support them, while being realistic on ability to achieve them.
3. Be clear on the risks, making sure you have a plan on how you are going to mitigate them.
4. Once you have completed the planning cycle, forget the target number and focus on your customers.

Authored by

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