

Allocadia Cheat Sheet: Building a Marketing Budget

50% of CMOs don't understand how their budgets are invested.

— Gartner



We need to change this statistic.

Budgeting doesn't need to be stressful or difficult. Empower your marketing organization with our best practices to build a strong, agile budget.

1

Define your budget structure. We recommend a hybrid of top-down target setting combined with a bottom-up activity plan.

Marketers have autonomy to plan, while staying true to the overall priorities set by marketing leadership.



2

List all the potential activities, add estimated costs, and organize them into relevant groupings.

Don't forget about marketing activities that carry over between budget periods! Failing to include subscriptions, retainers, and pre-paid vendor agreements will create confusion and an overcommitted budget.



3

Populate your budget based on your spend targets. For each line item, note all the information required for reporting purposes, such as vendor, target audience, product line, region, CRM campaign, etc.

Don't forget to capture the original planned amounts! Too many organizations overwrite the original entries with changes and lose the ability to look at metrics such as

Plan vs forecast – to help stay on budget

Plan vs actual – to see how accurate budget planning was



“We can land our budget within 0.5% of plan every quarter. We know exactly what we are spending, where, and when needed we can reallocate spend to ensure we meet our plan.”

— David Cohen, Head of Business Planning at Palo Alto Networks

83% of marketers who expect budget increases year over year are more likely to align marketing performance goals to their company objectives

— MPM Maturity Benchmarking Report

4

Step back and assess:

- Does it align with your targets?
- What can be taken out and what should you leave in?
- What will the impact of those decisions be?



PRO TIP

Align your investments with company goals to focus your strategy and create business impact.

5

Submit your budgets to marketing leadership. They're looking for two things:

- 1) Compliance: Did all the teams plan the way they should have? Do their budgets align with their investment targets?
- 2) Performance: Do the planned investments adequately support overall corporate objectives/goals?



6

Marketers and leadership go back and forth making adjustments.

Leave enough time for the review process! Two week cycles are typical for building and approving. But the full process can take longer if it needs to be approved by a board of directors.



7

Approved marketing budget, success! But the work isn't over.

Frequent forecasting helps avoid overspending and, even worse, underspending. Three quarters of companies using Allocadia have their marketers update their forecasts daily.

