8 Chief Officer budgeting methods

How you, as a marketing and communications manager, should adapt.

Marketing with financial intelligence

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1 Incremental Budgeting

Takes last year's budget and adjusts it up or down slightly based on new data.

What happens?

- Expect relatively similar budgets year-to-year, so you can plan long-term campaigns.
- Past allocations may be repeated even if some channels no longer perform well, so you'll need to present fresh data to challenge the "we've always done it this way".

What to say?

"Last year's digital ad campaign brought in 25% more leads compared to the previous year. If we allocate an additional 10% this year, we can expand into two new channels (LinkedIn & YouTube) and target high-converting audiences, increasing leads by an estimated 30%. This builds steadily on proven success."

2 Zero-Based Budgeting

You start from scratch each period, justifying every expense from the ground up.

What happens?

- You'll need to justify each campaign, event, or ad spend with ROI projections or clear objectives.
- This can be an opportunity to remove underperforming activities and introduce new strategies — but be ready for more paperwork and scrutiny.

What to say?

"This quarter, I propose a targeted digital + community outreach campaign aimed at increasing qualified leads by 35%. Each tactic is chosen for its cost-to-return ratio: Facebook retargeting ($1,200) at $8/lead, influencer micro-collaborations ($1,000) at $10/lead, and community events ($1,500) to secure 50 in-person conversions. Total budget: $3,700, projected return: $12,000 in new customer revenue."

3 Activity-Based Budgeting

Budgets are assigned to activities that drive costs — for example, social media management, events, or paid ads — based on their role in producing outcomes.

What happens?

- Track activity-to-result links: e.g., “This event generated X leads worth Y in potential revenue.”
- You’ll need good analytics and attribution to prove each activity’s value to the business.

What to say?

“Our social media video series will directly support the lead generation activity that produced 60% of last quarter’s new customers. Budget request: $4,000 to cover scriptwriting, production, and targeted promotion — directly tied to the sales team’s pipeline growth.”

4 Value Proposition Budgeting

Allocates funds only to activities that offer clear, measurable value.

What happens?

- You must speak the CFO's ROI language — every request should include metrics like conversions, engagement impact, or brand lift.
- Avoid "soft" justifications; focus on measurable benefits tied to business goals.

What to say?

"I recommend a campaign that offers the highest return for our spend: a precision-targeted LinkedIn outreach and sponsored content push to decision-makers in our industry. Investment: $5,000 for 3 months, expected to generate 500 qualified leads valued at $75 each. That's a projected ROI of 7.5x."

5 Flexible Budgeting

Allocates funds only to activities that offer clear, measurable value.

Rolling (Continuous) Budgets 6

Budgets are updated frequently (monthly, quarterly) by adding a new period as one ends.

What to say?

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verygoodmarketing.nl

+31648203245

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Static Budgeting

A fixed budget for the period, no matter what happens.

Project Budgeting

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Funds are assigned to specific projects rather than ongoing operations.

What to say?

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