

strongly. Much has been written on its importance and we propose to add a very few words here. It must be emphasized that planning is at the core of the management process and that it is fundamental to any budgetary system. Quoting the consultants' report: "The planning process must provide a means of stating objectives in terms that are meaningful to each responsibility centre; of bringing to bear the judgment of senior managers on the alternative plans of action proposed by each responsibility centre; and of forecasting the need for manpower and other resources to carry out agreed plans."

But what has this to do with a system of budgetary control? It is perhaps easier to appreciate if we first think about the end of the process and later return to the beginning. In any organization that wants to promote its own effectiveness, the most elementary step must be to demand of each of its responsible officers: "Render an account of your stewardship for the past year." This is the vital question whether the manager involved be a plant superintendent, a head of post, or a vice-president for North American sales. It is a double-barrelled question calling for answers on two levels. "What did you do for us and what did it cost us?" "What did we get for our money and was it worth it?" Neither half of the question, of course, makes sense without the other. Most managers would be able to accomplish a great deal if they were given a blank cheque. On the other hand, some managers might accomplish nothing at all but attempt to justify themselves in terms of how little they spent. But neither great accomplishment alone nor penurious spending alone is a mark of effectiveness. Moreover, no simple formula exists for determining the most effective mix of accomplishment and cost, particularly in a department such as ours where the accomplishments are almost entirely qualitative.