Abstract
In today’s rapidly changing markets more and more criticism arises around traditional budgeting. The budget is believed to be too static and it is said that it takes too much time and money to draw up the budget (Neely et al., 2001). As the market is rapidly changing, and the budget is not updated for this, the budget is already outdated as of day one. Even though, companies spend a lot of time comparing their actuals with their budget, and explaining the deviations.

Due to the criticism that the traditional budgeting received, various budgeting alternatives arose in recent years. These alternatives vary from additions to the traditional budget, to completely abandoning the budget (Hansen et al. 2003). One of these alternatives is the Rolling Forecast. This study is, within the operating environment of a large international bank / insures, looking for viable alternatives to the current budget. With the use of interviews, the most significant drawbacks of the current budget are identified. Then, with the use of literature, it is examined to what extent the alternatives provide a solution for the drawbacks that were identified. The conclusions that are drawn from the interviews and the literature study, are tested using a survey among employees.

Based on the outcomes of the literature study, the interviews, and the survey, it can be concluded that the Rolling Forecast is a viable alternative for the planning and allocation of resources within the company. However, the Rolling Forecast can not be used for control and evaluation purposes as this would negatively affect the objectivity of the forecast, and there with the usefulness of the forecast. Besides not using the Rolling Forecast for control and evaluation purposes, it is important that top management will not set fixed annual targets. When fixed annual targets are set, the forecast will tend towards what top management wants to see, instead of providing an objective view of the expected future.

Keywords: Rolling Forecast; Budgeting; Budget deficiencies; Planning & Control; Survey