

€ TRAINING

Budgeting & Cost Control





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Introduction:

All business decision-making involves analyzing situations containing varying degrees of risk. This program uncovers the essential skills required to understand the processes of budgeting and cost control for better decision-making. From understanding the importance of a well-defined budget process through to the importance of how costs behave so that realistic cost-cutting and budgeting plans can be produced.

Course Objectives:

At the end of this course the participants will be able to:

- Identify the principal factors required to produce a successful business case
- Develop budgeting and financial skills required for better decision-making
- Identify sources of financial and business data to support the budgeting process
- Learn new techniques and methodologies to simulate typical business scenarios
- Understand the importance of a well-defined budget process
- Learn costing and budgeting terminology used in business
- Master techniques for cost-benefit analysis
- Learn how to construct profit, cash, and balance sheet plans and budgets
- Learn how to evaluate variances from plan and identify corrective actions
- Understand discounted cash flow DCF techniques and their application to financial decision making
- Build and use budgets relevant to your organization

Targeted Audience:

- Financial Professional
- R&D Professional
- General Accounting Professional
- Business Unit Professional
- Anyone who wants to refine and advance their budgeting and costing knowledge
- The staff person who will be responsible for entering data into the budget system or training others how to enter information
- Those who want to gain control of the firm's financial standing and obtain a firm grasp on the numbers side of their job

Course Outlines:

Unit 1: The Need for Financial Control in Business:

- Understanding accounting
- Management accounting versus financial accounting
- The relationship between business management and financial management
- How budgeting fits into the bigger picture
- How cost management improves an organization's financial position
- Key aspects of managing working capital

Unit 2: Capital Budgeting and Investment Appraisal:

- The time value of money
- Understanding Appraisal Techniques - Net Present Value NPV, Internal Rate of Return IRR, and Payback period
- Selecting an appraisal technique
- The use of Sensitivity analysis in evaluating projects
- Strategic considerations in assessing capital projects
- Creating an effective Capital Budgeting framework

Unit 3: Cost Analysis and Management:

- Understanding cost structure and behavior
- Costs as a relationship to outputs - cost/volume/price relationship
- The concept of contribution margin
- Break-even analysis for planning and control
- Cost allocation and apportionment
- Benefit-cost analysis

Unit 4: Full Costing, Marginal Costing, and Activity-Based Costing:

- Comparing full and marginal costing
- Direct and indirect costs in budgeting for decision making
- Role of costs in pricing strategies
- Activity-Based Costing ABC
- Managing cost control

Unit 5: Budget Construction and Control:

- Nature and purpose of budgets for planning and control
- Types of budgets and budgeting
- Creating Key Performance Indicators for financial and non-financial performance
- Building a budget
- Budgetary control and variance analysis
- Budgeting for non-financial measures -introducing the Balanced Scorecard