

# € TRAINING

Budgeting With Forecasting and the Planning  
Process

A group of four smiling business professionals (two men and two women) are seated at a table in a meeting room. They are all wearing white shirts. The woman in the foreground is wearing a black top and a multi-strand necklace. The background is blurred, showing a modern office environment with large windows.

12 - 16 August 2024  
Kuala Lumpur (Malaysia)



# Budgeting With Forecasting and the Planning Process

REF: F1264 DATE: 12 - 16 August 2024 Venue: Kuala Lumpur (Malaysia) - Fee: 5300 Euro

## Introduction:

This training program explores advanced strategies in financial management and strategic planning to enhance organizational success. Participants will learn to align financial strategies with business objectives, optimize capital structures, and implement effective cost and risk management techniques. It empowers them to drive performance improvement through strategic budgeting, forecasting, and project appraisal.

## Program Objectives:

At the end of this program, participants will be able to:

- Improve their ability to think strategically and participate in the integration of the organization's strategic management and budgeting processes.
- Use forecasting techniques most appropriate to their organization's strategic planning and budgeting.
- Apply the techniques that relate to the key principles of financial management: shareholder wealth maximization; cash flow; time value of money; risk.
- Appreciate the behavior of costs and identify the costing methods that may best be used in financial planning, budgeting, and budgetary control.
- Use best practice to develop operating budgets, capital expenditure budgets, and cash flow budgets and forecasts in line with organizational strategic objectives.

## Targeted Audience:

- Line Managers
- Project Managers
- Professional Advisers
- Consultants.

## Program Outlines:

Unit 1:

### Strategic Management and Financing:

- Strategic Analysis, Strategic choices, and evaluation, and strategic implementation.

- The Links between Strategy, Forecasting, Planning, Budgeting, Performance Measurement.
- Strategic capability and avoiding the Spiral of Death.
- Shareholder Wealth maximization, Corporate and Shareholder value creation.
- Financial Strategy, Dividend Policy, the Agency Problem, and Corporate Governance.
- Long-term Financing:
  - Debt and Equity; Cost of Equity using Dividend Growth and Capital Asset Pricing Model CAPM; Cost of Debt; Weighted Average Cost of Capital WACC.
- Capital Structure Optimisation Models to minimize WACC.
- Using Strategy Maps to link strategies to Performance Measurement: The Balanced Scorecard.

## Unit 2:

### Financial Planning, Forecasting, and Risk Analysis:

- The Financial Planning Process and Modelling using Excel.
- Statistical Forecasting Tools and Techniques:
  - Time series; moving averages; exponential smoothing; Pareto Analysis; trend progression; linear regression; correlation.
- Forecasting long- and short-term sales revenues, and sales pricing:
  - Porter's generic strategy of cost leadership and differentiation; Bowman's strategy clock; full cost pricing; marginal cost pricing; target cost pricing; life-cycle costing; kaizen costing; value-based pricing.
- Using Excel for Optimum Product mix decisions.
- Short-term Financing, Working Capital, and the Cash Operating Cycle.
- Direct and Indirect Cash Flow Analysis and Cash Flow Forecasting using Excel.
- Uncertainty and Risk: Business Risk, Financial Risk, Systematic Risk, Unsystematic Risk.

## Unit 3:

### Cost Analysis Techniques:

- Cost Behaviour and Activities.
- Fixed and Variable Costs, Direct and Indirect Costs.

- Product Costs and Period Costs.
- Cost Allocation and Absorption of Overheads.
- Absorption or Full Costing.
- Marginal Costing.
- Cost-Volume-Profit CVP and "what-if" analysis using Excel.
- Activity-Based Costing ABC and Activity-Based Management ABM.

#### Unit 4:

##### Budgeting, Budgetary Control, and Performance Improvement:

- To Budget or Not - Purposes and Reasons for Budgets.
- Stages in the Budget Preparation Process and Preparation of the Master Budget.
- Activity-Based Budgeting ABB.
- Responsibility Accounting and Variance Analysis:
  - Standard costing; flexed budgets; budgetary control to measure organizational and management performance.
- Advantages, Disadvantages, and Behavioural Aspects of Budgeting.
- The Conflict between Performance Improvement and the Costing System.
- Lean thinking and integrating continuous performance improvement into the Budget Process.

#### Unit 5:

##### Project Appraisal and Capital Budgeting:

- The Time Value of Money.
- Future Values & Present Values.
- Discounted Cash Flow DCF.
- Capital investment Project Appraisal:
  - Accounting Rate of Return ARR; payback; Net Present Value NPV; Internal Rate of Return IRR; Modified Internal Rate of Return MIRR; Discounted Payback; Equivalent Annual Cost EAC.
- Project Risk:



- Sensitivity Analysis; simulation; scenario analysis; NPV break-even.
- Capital Rationing and Capital Budgeting and the Profitability Index PI.