

# Advanced Budgeting & Cost Management

## INTRODUCTION

- This Advanced Budgeting & Cost Management training seminar provides participants with key cost awareness and budgetary skills, which are essential for managing and controlling resources in times of increasing global competition where the budgets are inextricably linked with both the achievement of strategic objectives as well as with evaluation of future plans and initiatives.
- Budgeting and cost analysis are crucial elements for the management of contemporary organizations. Nowadays, if companies want to stay competitive, they are urged to link their strategies with accurate systems of resource allocation and performance measurement. Along this line, budgeting, as well as tracking, controlling & reducing cost represent essential activities to be performed and monitored by organizations as they implement their key processes, activities and operations. In addressing these issues, this Finance and Budgeting training course is relevant for those professionals & analysts facing the difficult challenge of improving performance while reducing costs of those processes for which there are accountable.

In particular, this training seminar enables participants to:

- Link budgeting and costing with strategy execution
- Understand the critical factors which have an impact on business processes
- Discuss about modern system of cost analysis for budgeting purposes
- Master the budgeting and financial skills required for better decision-making
- Identify sources of financial and operational data to support the budgeting process
- Explore the best practices required to manage the multiple organizational performances

## OBJECTIVES

- Refine costing and budgeting terminology used in business
- Understand the importance of a well-defined costing and budgeting process
- Determine full costs of outputs for the goods and services provided
- Master traditional techniques and recent best practices on budgeting / cost management
- Link finance and operation for budgeting purposes and strategy execution
- Learn how to build a comprehensive performance measurement system

## TRAINING METHODOLOGY

- This Finance and Budgeting training seminar on Advanced Budgeting & Cost Management will be conducted along workshop principles with formal lectures, case studies and interactive worked examples. Relevant case studies will be provided to illustrate the application of each tool in an operations environment. Each learning point will be re-enforced with practical exercises.

## ORGANISATIONAL IMPACT

- Cost and budgeting awareness will be enhanced
- Higher chances to design or select a budgetary system that works
- Broadened knowledge of performance management techniques
- Better attitude to link cost and budgeting to strategy and performance measurement
- Deeper understanding of cause and effect relationship for budgeting purposes
- Better awareness of non-financial implications of budgeting and cost management

## PERSONAL IMPACT

- Delegates will understand the budgeting methods most useful to them
- They will understand how to construct a relevant and efficient budget
- They will learn to evaluate the usefulness of costing techniques in accurately calculating and ensuring profitability
- They will reinforce and expand their knowledge by linking budgeting to strategy and performance measurement
- They will broaden their understanding by linking financial and operational issues

## WHO SHOULD ATTEND?

This training programme is suitable for a wide range of professionals but will greatly benefit:

- 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
- Financial Professional, Professional R&D, Sales / Marketing Professional, General Accounting Professional, Business Unit Professional
- Anyone who wants to refine and advance the budgeting and costing knowledge

## Course Outline

### Introduction: The Relevance of Budgeting and Cost Management within Strategy Execution

- The Link between Strategy, Planning, Budgeting and Cost Management
- Why Budgeting and Costing are so important to manage your company?
- Towards a Cross-functional Process-view of the Organization
- Financial vs. Managerial Accounting (where you get information for decision-making)
- Understand your Processes: Integrating Financial and Non-financial Aspects
- Identify and Discuss the Key issues in terms of Budget / Costing for your own Organization
- Discussion

### The Budgeting Framework and its Role within the Management Process

- The Role of Budgeting within Management Accounting
- The Value of Budgeting in your Company
- Behavioral Implications of Budgeting
- Key Concepts and Terminology
- Advantages and Disadvantages: Critical issues to be Discussed
- Overview on the Financial Statements - Balance sheet, Income statement and Cash-Flow
- Case Discussion and Examples

### Cost Management for Budgeting Purposes

- Cost Concepts and Terminology
- Different Costs for Different Purposes
- Fixed vs. Variable Costs: The Cost-Volume-Profit Analysis Model
- Contribution Margin Analysis
- Manufacturing vs. Non-manufacturing Costs
- Period vs. Product Costs: Inventory Evaluation and Control
- Case Study and Discussions

### Case Study Day - Traditional vs. Advanced Techniques in Cost-control

- Under-costing and Over-costing: The Consequences for Profitability
- How to refine a Costing System?
- Indirect vs. Direct costs: Traditional Cost Allocations Systems vs. Activity-Based Costing
- Cost Drivers: Linking Resources, Activities and Management
- Introducing Activity-Based Budgeting (ABB) and Management (ABM)
- Case Study Analysis
- Examples and Videos

## Broadening the Performance Measurement Systems

- Shortcomings of Traditional Approaches to Budgeting and Performance Measurement
- Need to Linking Financial to Operational Issues
- Recent Best Practices: the Balanced Scorecard and Six-sigma
- Financial Perspective and Customer Perspective
- Internal Business Process Perspective and Learning & Growth Perspective
- Developing and Adapting the Scorecard
- Video, Case Study Illustration and Discussion

