

Certificate in Cost Analysis, Control and Optimization

Why Attend

- Cost management is an important topic in accounting and finance as its effects stretch to all departments and impact the financial position of the organization. Cost management covers several cost concepts such as job and batch orders and absorption costing. The pinnacle of any cost management training is activity-based costing which helps in making better decisions. Among these decisions are whether to drop or keep a product, make or buy, and replace or keep a piece of equipment. Moreover, cost management includes allocating costs of service departments internally. Also covered in this course are cost estimations and transfer pricing. The course will close with evaluating performance and a brief discussion on the balanced scorecard and managing scarce resources.

Course Methodology

- This course aims at making this advanced subject easier for participants to understand by covering the material using several examples and exercises. In addition, there will be explanations from the subject matter expert and a sharing of knowledge between participants.

Course Objectives

By the end of the course, participants will be able to:

- Discover the importance of analyzing and managing costs
- Develop important tools for planning and decision making
- Explain Activity-Based Costing (ABC) and Activity-Based Management (ABM)
- Estimate costs and allocate them properly
- Evaluate and manage performance through strategic cost management

Target Audience

- Financial managers or directors, accountants, financial assistants, budget accountants, analysts, budget and planning managers and coordinators, operations managers, facilities managers and professionals interested in cost management.

Target Competencies

- Distinguishing relevant costs
- Analyzing costs
- Allocating costs
- Calculating product costs using different methods
- Assessing value adding costs
- Choosing between cost alternatives
- Advising management to buy or manufacture
- Evaluating performance

Strategic need for analyzing and managing costs

- Definition of cost management
- Dimensions of cost management
- Product costing systems: concepts and design issues
- Cost behavior, types and hierarchy
- Cost accumulation job shop
- Batch production operations
- Variable versus absorption costing

Cost management decisions

- Decision making process
- Identifying relevant costs
- Evaluating alternatives
- Outsourcing decisions : make or buy
- Add or drop product or business line
- Replacing equipment
- Special order pricing decisions



Activity based management

- ABC systems
- Analyzing value added versus non value added activities
- Activity-based management
- Managing customer profitability
- Managing quality and time to create value

Cost estimation and transfer pricing

- Cost estimation techniques
- Identifying and choosing a cost driver
- Simple regression analysis
- Multiple regression analysis
- High-low method

Evaluating and managing performance

- Cost, volume, profit analysis
- Breakeven point
- Breakeven point for multiple products
- Target income
- Operating leverage
- Margin of safety
- Managing scarce resources
- Flexible budget
- Activity-based budgeting
- Strategy, balanced scorecards and performance measurement

