

# € TRAINING

Budget Preparation Skills



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## Introduction:

Budget Preparation Skills is a comprehensive training seminar that focuses on the essential skills required to understand the processes of costing and budgeting within organizations.

This training seminar is designed to address all the relevant issues concerning cost analysis, budget preparation, and performance measurement. This Budget Preparation Skills training seminar is a must for all professionals who need to master their budgeting skills by learning how costs behave so that realistic business plans can be produced.

## Course Objectives:

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

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

## Targeted Audience:

- 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 professionals, R&D professionals, sales/marketing professionals, general accounting professionals, business unit professionals
- Anyone who wants to understand the basics of budgeting and costing

## Course Outlines:

### Unit 1: Budgeting and Its Role Within the Management Process:

- The Role of Budgeting within Management Accounting
- Linking Costing and Budgeting to Strategy and Performance Measurement
- The Process of Value Creation: Implications for Budgeting
- What is a budget and why costing is fundamental?
- Budgets - The Financial Expression of the Operating Plan
- Linking Financial and Operational Issues
- Behavioral Implications of Budgeting
- Case Discussion and Examples

## Unit 2: Costs Analysis for Budgetary Purposes:

- Costing for Budgeting: Why?
- Cost Terms and Purposes
- Fixed and Variable Costs
- Cost, Volume, Profit CVP Relationships
- The Key Concept of Contribution Margin
- Direct and Indirect Cost - The Allocation Problem
- Traditional Methods vs. Activity-Based Costing ABC
- Case Discussion and Examples

## Unit 3: The Framework for Budgeting:

- Elements of the Budgeting Framework
- Key Concepts and Terminology
- Advantages and Disadvantages - critical issues to be discussed
- Overview of the Financial Statements
- Balance Sheet, Income Statement, and the Statement of Cash Flows
- Introducing Cost Analysis for Decision-making
- The Importance of Understanding Full Costs
- Case Discussion and Examples

## Unit 4: Flexed Budgets and Variance Analysis:

- Budgeting for Management Control Purposes
- Explain Why Standard Costs are used in Variance Analysis
- Describe the difference between a Fixed Budget and a Flexed Budget
- Compute Flexed Budget Variances and Sales Volume Variances
- How to interpret variance analysis?
- Integrate continuous improvement into Variance Analysis
- Is budgeting enough?
- Case Discussion and Examples

## Unit 5: Beyond Budgeting: Broadening Performance Measurement Systems:

- Shortcomings of Traditional approaches to Budgeting and Measurement
- Linking Financial to Operational Issues
- Linking Strategy to Performance Measurement
- The Balanced Scorecard and Six Sigma
- Financial Perspective
- Customer Perspective
- Internal Business Process Perspective
- Learning and Growth Perspective
- Developing and Adapting the Scorecard
- Case Discussion and Examples