

€ TRAINING

Effective Budgeting & Operational Cost
Control



Effective Budgeting & Operational Cost Control

Introduction:

The effective management of budgeting and cost control is crucial for project/process-based organizations. Nowadays, if contemporary organizations want to stay competitive, they are urged to think in terms of process-value added to customers/shareholders. 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 course is relevant for those professionals & analysts facing the difficult challenge of improving performance while reducing the costs of those processes for which there are accountable. By combining techniques analysis, problems and examples with real case studies the course provides delegates with key cost awareness and budgetary skills, which is essential to managing and controlling processes/projects in times of increasing global competition where the budgets are inextricably linked with both strategy formulation and cost analysis.

Course Objectives:

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

- Integrate the organization's strategic planning with budgets and processes of cost control
- Understand the importance of project management, appraisal, planning
- Get to know activity-based budgeting and costing
- Explore capital budgeting techniques & cash flows
- Discuss the problems and limitations of budgetary control and look for alternative tools
- Interpret budgets and performance measurement as communication tools
- Gain project management abilities
- Integrating planning, budgeting and cost control by relying on a financial-based language
- Manage different types of cost and their relevance to decision making
- Understand the problems of overheads and how Activity-Based Analysis may aid decision-making and pricing strategies
- Contribute to implement change in the organization.

Targeted Audience:

- Financial Planning and Control Staff
- Executives with Financial Responsibilities
- Executives who are responsible for the cost and strategic analysis
- Project Managers
- Employees who want to gain new knowledge to improve their career

Course Outlines:

Unit 1: Building a Common Financial Language:

- The key role of budgeting and cost control in contemporary organizations
- The 21st-century business imperative: delivering value-added but to whom?
- Towards a cross-functional process-view of the organization
- Financial VS Managerial accounting for decision making

- Understand your processes: integrating financial and non-financial aspects
- Identify the key processes/projects for your organization

Unit 2: Budgeting and Cost Analysis:

- 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

Unit 3: Traditional VS Advanced Techniques in Cost-Control:

- Under-costing and over-costing: the consequences for profitability
- How to refine a costing system?
- Indirect OH VS Direct costs: Traditional Cost Allocations systems VS Activity-Based Costing ABC
- Cost hierarchy & Cost drivers
- Linking resources, activities and management
- Introducing Activity-Based Budgeting ABB and Management ABM

Unit 4: Master Budget, Flexible Budgets, and Variance Analysis:

- Define the master budget and explain its major benefits to an organization
- Describe the difference between a static budget and a flexible budget
- Compute flexible-budget variances and sales-volume variances
- Discuss the behavioral implication of budgeting
- The budgeting process in your organization: how to improve it?
- Which tools shall we use to complement budgeting and costing?

Unit 5: Beyond The Budgets: Balanced Scorecards and Six-Sigma:

- Broadening performance measurement systems
- The key role of customer satisfaction and business process reengineering
- Beyond budgeting: integrating financial and non-financial issues
- Introducing the Balanced Scorecard
- Introducing the Strategy maps
- Introducing Six-sigma