

# € TRAINING

Preparing Budgets



24 - 28 June 2024  
Lisbon (Portugal)



# Preparing Budgets

REF: F186 DATE: 24 - 28 June 2024 Venue: Lisbon (Portugal) - Fee: 5940 Euro

## Introduction:

Budgets are an essential financial tool, which aid, planning, decision making, resource allocation, coordination, and control. Without the necessary skills Budgets can be badly prepared and/or implemented leading to poor decisions, mis-use of vital resources, poor coordination, and a lack of control or even too much control resulting in missed opportunities.

## Course Objectives:

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

- Develop the skills to Plan Budgets within a sound Strategic Plan
- Develop the skills to Prepare Budgets using:
  - Appropriate Forecasting Techniques including Time Series Models,
  - Understand the Exponential Smoothing, Regression and Correlation Analysis and Costing Methods such as Activity Based Costing
- Develop the skills to effectively implement Budgets
- Become aware of the problems/limitations of budgets and the conditions required for their success
- Integrate the budgeting process with the development of the company's long-term strategic vision

## Targeted Audience:

- Finance Managers
- Finance Controllers Treasurers
- Inventory Managers
- Financial Professionals
- R&D Professionals
- General Accounting Professionals
- 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
- Anyone who wants to understand the basics of budgeting

## 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

## 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

## 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

## 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?

## 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