€TRAINING

Effective Budgeting, Planning & Control

7 - 11 July 2024
Istanbul (Turkey)
Sheraton Istanbul Levent

Effective Budgeting, Planning & Control

REF: F54 DATE: 7 - 11 July 2024 Venue: Istanbul (Turkey) - Sheraton Istanbul Levent Fee: 5300 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, mid-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,
    - Exponential Smoothing, Regression and Correlation Analysis and
    - Costing Methods such as Activity Based Costing
- Develop the skills to effectively implement Budgets
- Personnel Controller with salaries and budget calculations
- 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
- Identify key performance indicators for effective and focused decision making
- Perform What If and Sensitivity Analysis to evaluate the implications of changes in major factors of production and consumption
- Recommend various courses of action to manage the implications of What If and Sensitivity Analysis.
- Implement advanced planning and control techniques
- Develop the skills to effectively Manage & Control the budgeting process

Targeted Audience:

- Financial Managers
- 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: The Essentials of Budgeting:

- Strategic Planning, Forecasting, Budgeting, and Costing - Defined
- The inter-relationship of Strategic Planning, Forecasting, Budgets, and Costing
- The Benefits & Limitations of Budgets and the Essential Features & Conditions Required
- An Evaluation of Various Types of Budgets:

- Fixed
- Variable
- Zero Based
- Activity-Based
- Capital Budget
- The Essential Features of Activity-Based Budgeting
- Developing the ABB application model
- Budgeting for Processes rather than Departments
- Defining Key Cost Drivers
- Defining Key Activities
- Development of ABB Cost Standards
- Developing the Activity-Based Budget
- Preparing The Master Budget using Excel
- Sales Budgets
- Production Budgets
- Cash Budgets
- Capital Budgets
- The Master Budget

Unit 2: Forecasting Future Sales, Costs, Exchange Rates, Interest Rates:

- Determine the Purpose or Objective of Forecasting
- Methods of Forecasting using Qualitative and Quantitative/Statistical Analysis
- including the Exploratory Data Analysis Tools Available in Excel
  - Their Use & Limitations
  - Recognizing the Basic Patterns Inherent in Historical Data
  - Time Series Analysis
  - Exponential Smoothing
  - Correlation and Regression Analysis
- Presenting initial forecasts to decision-makers
- Forecasting future Market/Sector developments using Qualitative Analysis - SWOT Analysis and LEPESTE & Co Analysis
- Implementing Forecasts into the Budget
- Considering Hedging Strategies where variables such as Exchange Rates and Interest Rates cannot be forecast accurately
- Forwards, FRA□s, Futures, Options and Swaps

Unit 3: Preparing and Implementing Budgets Based on Forecasts:

- Preparing the Sales Budget
- Determining the price, credit policy, discount policy, and currency
- Preparing the Production Budget
- Preparing the Cash Budget
- Make finance and investment decisions
- Preparing Capital Budgets
- Use Excel to evaluate various Capital Projects using Present
- Value, Future Value, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return and Discounted Payback models
- An Introduction to □What If□ and Sensitivity Analysis to evaluate the implications of changes in major factors of production and make strategic decisions
- Implementing Budgets Successfully
- The Conditions Required

- The Management Skills Required

Unit 4: Break Even Analysis, Sensitivity Analysis, and What-If Analysis:

- Break-Even Analysis, Cost Behaviour and Sensitivity Analysis
- Identifying Fixed, Variable and Semi-variable costs
- Identification of the level of sales/profit to break even
- Identification of critical costs
- Determining resources requirements
- What if Analysis using Excel and leading software
- Performing What If and Sensitivity Analysis to evaluate the implications of changes in major factors of production and consumption on the Cash Budget and Profit & Loss Account
- Identification of key performance indicators for effective and focused decision making
- Recommend various courses of action to manage the implications of What If and Sensitivity Analysis.
- Developing Budget Re-Projection and Best Case / Worst Case Scenario Models
- Planning for contingencies
- Developing various scenarios
- Using the Scenario tool in Excel® to explore the variable sets of assumptions while tracking the impact on the base model.
- Building the financial simulation model using probabilistic Monte Carlo simulation
- Building the financial simulation model using deterministic simulation

Unit 5: Variance Analysis, Reporting, Control, and Decision Making:

- Accounting Systems, Accountability and Responsibility Systems
- Essential Elements of a Costing System
- Establishing and Implementing a Costing System
- Undertaking Variance Analysis and Presenting a Variance Report to decision-makers
- Evaluation of the results
- Making Strategic Decisions based on the Variance Report/Business Planning