Budget Preparation, Allocation & Cost Control

31 October - 04 November 2016
Amsterdam
INTRODUCTION

The effective management of budgeting and cost control is crucial for contemporary organizations. Nowadays, if companies 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 costs of those processes for which they are accountable.

By combining techniques analysis, problems and examples with real case studies, the course provides participants with key cost awareness and budgetary skills, which is essential in managing and controlling processes/projects in times of increasing global competition where the budgets are inextricably linked with both strategy formulation and cost analysis.

This course will feature:

- Identify the role of budgeting within the organization’s management system
- Develop proper system of cost analysis for budgeting purposes
- Master the budgeting and financial skills required for better decision-making
- Link strategy to operational plans
- Learn new best practices to manage organizational performance
- Integrate organizational drivers with strategic objectives
- Connect financial and pre-financial drivers

OBJECTIVES

Participants attending the course will:

- Successfully build an integrated planning, budgeting and reporting process
- Understand costs behavior more accurately
- Deliver more timely and useful information to decision-makers
- Understand capital budgeting
- Identify & manage key financial indicators for the business
- Be able to use specific cost analysis and performance measurement techniques
- Be able to understand and implement the Balanced Scorecards
- Be able to interpret the financial impact of strategic directions
- Understand the problems of overheads allocation and how Activity Based Analysis may aid decision-making and pricing strategies
- Select the performance measurement systems that work
- Think proactively beyond budgeting

WHO SHOULD ATTEND?

- Those in charge for designing and managing a budgetary system
- 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, costing and performance measurement

TRAINING METHODOLOGY

We combine theory and practice. Therefore, besides lectures based on power-point presentations, discussions and exercises, we use company examples to illustrate how the techniques presented have been applied in real case studies.
DAY 1

Budgeting & Cost Control in the Management System: Link with Strategic Planning

Budgeting and cost control need to be mastered in the wider management system in which they operate.

Key behaviours:

- Understand the organizational mission, vision and strategies
- Link strategy awareness with planning skills
- Translate the strategic understanding in action

Topics to be covered:

- Understanding the context for budgeting
- The benefit of Budgeting and its role for achieving organizational targets
- The shortcomings of the budgeting process. How to improve them?
- Principles of budgeting
- Main issues with budget preparation
- Capex (capital expenditures) vs Opex (operational expenditures)

DAY 2

Budgeting: Principles and Key Concepts

Budgeting enable strategy to be executed by connectives goals, objectives, initiatives and resources.

Key behaviours:

- Understand budgeting as tool for delegation
- Consider the behavioral implication of budgeting
- Reflect on the meaning of accountability

DAY 3

Cost Analysis for Budgetary Purposes

Budgeting is about understanding how resources are consumed and delegated. An understanding of costs is crucial in this respect.

Key behaviours:

- Understand where expenses come from
- Explore the relationship between objects and available resources
- Focus on controllable costs

Topics to be covered:

- 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
**DAY 4**

**Traditional vs. Advanced Techniques in Cost-Control**

Cost allocation is important to identify the full amount of resources required to manufacture a product, deliver a service, run a department, or manage a project.

**Key behaviours:**

- Understand the organizational structure and its processes
- Focus on the activity cost driver
- Link activity costing to management of activity

**Topics to be covered:**

- Under-costing and over-costing: understand allocation methods
- 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)

**DAY 5**

**New Integrated Performance Measurement Systems**

The full understanding of organizational performance requires the integration of financial and pre-financial measures.

**Key behaviours:**

- Understand organizational performance beyond the financials
- Focus on the value creation drivers
- Integrate and connect the data

**Topics to be covered:**

- Beyond budgeting: integrating financial and pre-financial information
- The drivers of value creation
- The Balanced Scorecard
- Strategy Maps
- Integrated Reporting
- Connectivity Strategic Goals, Objectives, Actions and Results
REGISTRATION DETAILS

DELEGATE NAME: ____________________________________________________________

DESIGNATION: ____________________________________________________________

COMPANY: ________________________________________________________________

ADDRESS: _______________________________________________________________________________________

CITY: ____________________________________________________________

COUNTRY: ____________________________________________________________

TELEPHONE: ____________________________________________________________

MOBILE: ________________________________________________________________

FAX: ________________________________________________________________

EMAIL: ________________________________________________________________

AUTHORISATION DETAILS

AUTHORISED BY: ____________________________________________________________

DESIGNATION: ____________________________________________________________

COMPANY: ________________________________________________________________

ADDRESS: _______________________________________________________________________________________

CITY: ____________________________________________________________

COUNTRY: ____________________________________________________________

TELEPHONE: ____________________________________________________________

MOBILE: ________________________________________________________________

FAX: ________________________________________________________________

EMAIL: ________________________________________________________________

PAYMENT DETAILS

☐ Please invoice my company ☐ Please invoice me ☐ Cheque payable to GLOMACS

CERTIFICATION

• Successful participants will receive GLOMACS’ Certificate of Completion

4 WAYS TO REGISTER

☎ +971 (04) 425 0700  ☎ +971 (04) 425 0701  ☏ info@glomacs.ae  ☮ www.glomacs.ae

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