



المركز العالمي للتدريب والتطوير
International Centre For Training & Development



E & P COST EFFECTIVE Budgeting



Course Introduction:

All business decision-making involves analyzing situations containing varying degrees of risk, and the available data may be erroneous containing ambiguities and errors. It is important to understand how costs behave so that realistic plans can be produced and appropriate financial resources made available. In this program you will learn how to:

- Identify the principal factors required to produce a successful business case
- Develop budgeting & financial skills required for better decision-making
- Identify sources of financial and business data to support the budgeting process
- Learn new techniques and methodologies to simulate typical business scenarios

Course Objectives:

- Understand the importance of a well-defined budget process
- Learn costing and budgeting terminology used in business
- Master techniques for cost-benefit analysis
- Learn how to construct profit, cash and balance sheet plans and budgets
- Learn how to evaluate variances from plan and identify corrective actions
- Understand discounted cash flow (DCF) techniques and their application to financial decision making
- Use and build EXCEL spreadsheets for financial analysis, from basic models through to Monte Carlo simulation

Who Should Attend?

- Executives who need to evaluate plans for approval and variance reports for corrective action
- Managers who need to improve their skills in constructing and controlling their budget
- Supervisors from every discipline and department who have to manage departments and plan, cost, and budget during their business careers
- Anyone from non-financial disciplines who needs to evaluate proposed business expenditure decisions
- New members of the management team who need to know more about the budgeting process

Course Outline:

The need for Financial Control in Business

- Understanding accounting
- Management account versus financial accounting
- Cost behaviors in Cost-Volume-Profit scenarios
- Breakeven and targeted net income scenarios
- Business cases with master budgets
- Benefit-cost analysis

Capital Costs and Investment Appraisal

- Estimating cash flows within the business system
- Understanding Net Present Value (NPV) and Internal Rate of Return (IRR)
- Defining the approval criteria and review process
- Post-implementation audits of capital projects
- Sensitivity analysis and uncertainty
- Monte Carlo simulation techniques in budgeting

Cost Volume Profit Analysis

- Identifying relevant costs in complex decisions
- Complex applications of C-V-P analysis
- Multiple products and services C-V-P
- Evaluating C-V-P before and after implementation
- Special sales orders and/or segment analysis
- Make or buy decisions

Full Costing, Marginal Costing and Activity Based Costing

- Comparing full and marginal costing
- Direct and indirect costs in budgeting for decision making
- Role of costs in pricing strategies
- Overhead allocation methods and difficulties
- Variance analysis of materials, labour, & overhead in manufacturing and services
- Activity Based Costing (ABC) in manufacturing and services

Budget Construction and Control

- Budgeting as a communication process
- Nature and purpose of budgets for planning and control
- Budgetary control and variance analysis
- Responsibility centres: cost, profit and investment
- Segment reporting internally and externally

Strategy in Today's International Environment

- Create a comprehensive strategic analysis of the company, competitors, industry trends and stakeholders' goals
- A clear vision of where the business will be in 3-5 years
- A robust strategy to achieve the vision
- A detailed organization design for achieving the strategy
- A change management process for leaders to successfully navigate the business from the current state to the desired future
- An invaluable tool to create and sustain a high-performing business and build a solid leadership team

Forecasting as a Tool for better Planning

- Introduction
- Qualitative Forecasting Methods
- Quantitative Forecasting Models
- How to Have a Successful Forecasting System
- Computer Software for Forecasting
- Forecasting in Small Businesses and Start-Up Ventures
- Wrap-Up: What World-Class Producers Do

Asset Management for Fun and Profit

- Service delivery to guide asset practices and decisions
- Asset planning and management are integrated with business planning, budgeting and reporting processes
- Asset management decisions are based on assessment of alternatives, life cycle costs, benefits and risks
- Ownership, control, accountability and reporting requirements are implemented
- Asset management activities are undertaken within an integrated policy framework

Project Analysis and Evaluation

- Evaluating NPV Estimates
- Using Scenario Analysis to make better decisions
- Sensitivity Analysis to make better decisions
- Three Types of Break-Even Analysis
- Operating Leverage
- Financial Leverage
- Using DFL & DOL to improve decision making
- Dealing with Capital Rationing

Risk Analysis & Project Evaluation

- Cash Flow versus Discount Rate
- Approaches to Cost of Capital Measurement
- Recommended Framework
- Comparison of Methods
- Conversion of Cash Flows
- Industry Adjustments
- Project Specific Adjustments
- Risk Worksheet
- Conclusions
- Appendices

Course Certificate:

International Center for Training & Development (ICTD) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Methodology:

A variety of methodologies will be used during the course that includes:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test
- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

Course Fees:

To be advised as per the course location. This rate includes participant's manual, and-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee / Tea
08:20 - 10:00	First Session
10:00 - 10:20	Coffee / Tea / Snacks
10:20 - 12:20	Second Session
12:20 - 13:30	Lunch Break & Prayer Break
13:30 - 15:00	Last Session

