

## Employee Growth- A Four Day Course

### **Budgeting and Cost**

*Budgeting and Cost Control Principles and Practice for Better Economic Forecasts and Great Results*

#### **WHO SHOULD ATTEND?**

Business owners, managers at all levels and top talent in the organisation that are responsible for the budgeting and cost control of projects that want to learn (or relearn) and improve their budgeting and cost control competency so that they can get the very best results from their leadership, teams and colleagues in pursuit of the organization's goals.

#### **COURSE DESCRIPTION**

Budgeting is one of the most important management skills that you can have. In any economic forecast, planning and budgeting are crucial when it comes to conserving and increasing your resources. A budget is a financial plan and a list of all planned expenses (your costs) and revenues. The use of a budget can be helpful to not only companies but individuals and families as well. In order to grow every company from the small business to the large corporation must keep track of their finances. Once you have a clear picture of how much money is coming in and going out, you can determine where you stand financially. It is a plan for saving, borrowing and spending. Mastery of the principles and practice of budgeting and cost control is vital for effective leader and leadership and driving business growth.

*Budgeting and Cost* is a very practical and proven approach to budgeting and cost control that covers the fundamentals of budget creation and cost estimation that establishes the financial standards required for effective project implementation and control. The course gives particular attention to the application of budgeting and costing techniques as our experience tells us that lack of this process knowledge coupled with an inconsistent approach to budget creation is where most budgeting and cost control practice fails. The program takes a holistic view of budgeting and cost control and introduces the delegate to the knowledge, skills and attitude required to confidently create, communicate, implement and control any project budget for great results.

The program is well researched, knowledge-based and designed with the individual learner at the centre of the learning process which means that the course is extremely interactive and practical.

#### **COURSE OBJECTIVES**

By the end of this course delegates will be able to:

- ✓ Determine budget and the budgeting and cost control process
- ✓ Determine appropriate estimation techniques in the development of revenue and expense budgets.
- ✓ Determine management cost reports and take corrective action
- ✓ Identify how the budget relates to the key financial statements: balance sheet, income statement, and cash flows
- ✓ Identify all the appropriate costs to be included in a capital expenditure proposal
- ✓ Develop a budget consistent with the organization strategic plan.
- ✓ Develop the skills to effectively prepare budgets and cost estimates
- ✓ Practice hands-on analysis and recognition of accounting transactions
- ✓ Produce drive to self-develop in budgeting and cost control
- ✓ Produce positive impact on the overall performance of each delegate and the organization

**[View all our Training Course Outlines here >](http://www.thewholething.net)**  
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**COURSE CONTENT****DAY 1 • INTRODUCTION TO MANAGEMENT ACCOUNTING****Financial Accounting Overview**

- An overview of Financial Accounting and the 3 key statements : Balance Sheet, Income (Profit and Loss Statement) and Cash Flow Statement
- What is Management Accounting?
- How does it differ from Financial Accounting?
- Principles of Budgeting and Cost Control and Techniques

**Case Study**

- Budget and Cost Analysis for a hypothetical company

**Types of Budgets**

- Master Budget
- Flexible Budgets
- Project Budgets
- Capital Expenditure Budgets

**Types of Costs**

- Direct Costs, Indirect Costs, Full Product Costs, Inventoriable Product Costs and Period Costs

**Job Costing and Cost Overview**

- Volume – Profit Analysis

**DAY 2 • THE MASTER BUDGET****Approaches to Budgeting**

- Strategic Framework for the Master Budget
- SWOT Analysis
- Organisation Strategic Business Plan -> Master Budget

**Cost Management Drivers**

- Value Chain analysis

**The Master Budget**

- Budget as a Management tool
- Analysis, Variance and Performance Report
- Components
- Preparing the Master Budget
- Budgeting and Sensitivity Analysis
- Cost Control and Management Budget Reports

**Group Exercise**

- Preparing a Master Budget for a company

**DAY 3 • FLEXIBLE BUDGETS, STANDARD COSTS AND BEST PRACTICES****Flexible Budgets**

- How Managers use Flexible Budgets
- Using Flexible Budgets to understand Variance

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**Overheads**

- Manufacturing Overhead Variances
- Standard Cost Accounting Systems
- Overhead Allocations
  - Problems and Solutions in Cost Allocation

**Group Discussion**

- “Best Practices in Budgeting and Cost Controls”

**Best Practices from the Marketplace and Other Industries**

- Profitability during Tough and Turbulent times
- Tactical Cost Management
- Current and Future Trends in Banking and Financial Services
- Avoiding the “red flags” of “Creative Accounting”
- Doing the right things
- Avoiding some common mistakes in Budgeting and Cost control

**DAY 4 • SPECIAL BUSINESS DECISIONS, PROJECTS AND CAPITAL BUDGETING ANALYSIS****Special Business Decisions**

- How to make Short-term Special Decisions

**Project Budgeting and Analysis**

- Complexities of Budgeting for a Foreign Project
- Tax considerations
- Project versus Parent Valuation

**Capital Expenditure Budgeting and Analysis**

- Non-Discounted Cash Flow Models (Payback, ARR)
- Discounted Cash Flow Models (NPV, APV, IRR)
- Risk Adjustment in the Capital Budgeting Analysis
- Purchasing Power Parity Assumption
- Sensitivity Analysis
- Real Options

**Case Studies**

- Preparing a Project Budget
- Petroleum Development and the Curse of Oil

**Key Learning Review**

- Group discussion and professional feedback to consolidate key learning. Delegates will leave the day with a list of development activities to improve their budgeting and cost control competency back at work.

**IN ADVANCE**

Each delegate will be asked to complete a pre-course questionnaire to determine their individual learning objectives. These will be used by the trainer to give on track training that is focused on the individual learner attending.

The most appropriate training format, content and approach for this course will be discussed with you prior to the start of your course.

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**ON-TRACK FOR GROWTH**

The individual leaves this program with a personal action plan to encourage immediate transfer of training to the job.

**EVALUATION TO ENSURE CONSISTENT QUALITY**

All our courses are evaluated at Kirkpatrick's Reaction and Learning levels as part of our quality control process as follows:

**Level 1- Reaction- Training Course Evaluation Form**

This training course evaluation form is used to maintain and improve the standards of our training courses.

**Level 2- Learning- Pre and Post Training Test**

The test is confidential and used to evaluate our training, **not the delegate**. The results help us answer the question "Did people learn what we wanted them to learn from the training?" This test is run at the beginning and at the end of this training course.

**The Whole Thing** can help properly position and align all learning and development with business priorities to ensure that effective evaluation is possible. We encourage all our clients to agree measures prior to any intervention so that return on investment (ROI) and process gets attention.

Please contact **The Whole Thing** to explore the many ways that we can help you.

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