MERCURY

Budgeting and Cost Control for Non-Financial Managers

4 – 8 January 2027
Rome (Italy)



Dubai - UAE: +971 4 450 5697
Istanbul - Türkiye: +90 539 599 1206
Amman - Jordan: +962 79 712 3347

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Budgeting and Cost Control for Non-Financial Managers

Ref: 121565_1038176 **Date:** 4 – 8 January 2027 **Location:** Rome (Italy) **Fees:** 6200 Euro

Budgeting and Cost Control for Non-Financial Managers is a one-week course for managers without a finance background who are responsible for a department budget and its costs. It explains budgets, cost behavior and variance analysis in plain language. You take back a Departmental Budget and Cost Control Plan for your own unit. Budgeting and Cost Control for Non-Financial Managers is delivered by Mercury Training Center.

About This Course

Many managers must prepare a budget and explain overspending without ever having been trained in finance. This course gives them the working tools. You should already manage a team or department with its own expenses. You practice on case figures and on your own department's costs, building your plan through the week.

Who It Is For

- Managers responsible for a department budget and its spending decisions.
- Unit heads responsible for staffing, supplies and operating costs.
- Staff responsible for project budgets and reporting spend against plan.
- Technical and operations leads responsible for equipment, maintenance or service costs.
- Team leads responsible for cost requests who are preparing for budget ownership.

This course is not for finance and accounting staff, who are better served by an advanced budgeting and financial planning course, or for those seeking full financial statement analysis, who are better served by a dedicated financial analysis course.

Competencies You Will Build

- Financial Vocabulary: discusses budgets and costs confidently with finance colleagues.
- Cost Analysis: separates fixed, variable and indirect costs in departmental spending.
- Budget Preparation: builds a departmental budget from realistic assumptions.
- Variance Analysis: explains the gap between actual and planned figures.
- Cost Control: chooses savings actions that protect service quality.
- Budget Communication: justifies budget requests to senior management.

What You Will Be Able to Do

By the end of the course you will be able to:

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- From a departmental expense report, classify costs by behavior and identify the main cost drivers.
- Given sales or activity estimates, calculate a break-even point using cost-volume-profit analysis.
- Using last period's figures and planned activity, prepare a departmental operating budget.
- Given a monthly budget report, calculate variances and identify their root causes.
- Using a list of spending options, select cost reduction actions and estimate their effect.
- From the week's work, complete a Departmental Budget and Cost Control Plan for your unit.

Course Content

Day 1: Finance Basics for Managers

- Key Financial Terms Used in Budget Discussions
- Reading the Income Statement for Departmental Impact
- Types of Budgets: Operating, Capital and Cash Budgets
- The Budget Cycle and the Manager's Role in Preparation
- Linking Departmental Budgets to Organizational Plans

Day 2: Cost Behavior and Cost Analysis

- Fixed, Variable and Semi-Variable Costs in Departments
- Direct and Indirect Costs and Overhead Allocation
- Cost Drivers Analysis for Operational Expenses
- Cost-Volume-Profit Analysis for Activity Decisions
- Break-Even Calculations for Service and Product Decisions

Day 3: Budget Preparation and Forecasting

- Incremental and Zero-Based Budgeting Methods Compared
- Forecasting Expenses from Historical Data and Trends
- Flexible Budgets for Changing Activity Levels
- Capital Expenditure Requests and Simple Payback Calculations
- Documenting Budget Assumptions and Budget Risks

Day 4: Cost Control and Performance Monitoring

- Variance Analysis of Actual Versus Budgeted Spending
- Root Cause Analysis of Budget Overruns
- Cost Reduction Techniques That Protect Service Quality
- Financial Key Performance Indicators for Department Monitoring
- Monthly Budget Reports and Corrective Action Plans

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Day 5: Departmental Budget and Cost Control Plan Practice

- Exercise: Classifying Your Department's Costs by Behavior
- Exercise: Preparing a Draft Operating Budget for Your Unit
- Exercise: Analyzing Variances in a Sample Monthly Report
- Presenting and Defending Budget Requests to Senior Management
- Completing the Departmental Budget and Cost Control Plan

Case Studies and Exercises

The following are suggested activities.

- Case study: a hospital ward with rising overtime costs; you decide which cost drivers to address first.
- Case study: a manufacturing maintenance department over budget; you produce a variance explanation and corrective action plan.
- Exercise: a retail store's operating expenses; you prepare a flexible budget for two activity levels.
- Exercise: an IT service team requesting new equipment; you prepare and justify a capital expenditure request.

What You Take Back

You return with a Departmental Budget and Cost Control Plan for your own unit. In your first month back, use the Departmental Budget and Cost Control Plan to review spending with your finance partner, agree monitoring measures and start monthly variance reviews.

- A cost classification of your department's main expenses.
- A draft operating budget with documented assumptions.
- A monthly variance review template.
- A list of cost control actions with expected effects.

Quick Answers FAQ

What do I need to know before budgeting and cost control for non-financial managers?

You need no accounting background. You should manage a team or department that has its own expenses, and be comfortable with basic arithmetic and spreadsheets. Each financial concept is explained from the start and applied to departmental examples.

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How does budgeting for non-financial managers differ from an advanced budgeting course?

Budgeting for non-financial managers explains budgets, costs and variances in plain language for department heads. An advanced budgeting course is for finance staff and covers corporate planning models, consolidation and detailed forecasting techniques.

What is variance analysis in departmental budgeting?

Variance analysis compares actual spending with the budget, measures the difference and explains why it happened. Managers use it each month to spot overruns early, separate price from volume effects and decide on corrective action.

What do non-financial managers take back from this budgeting and cost control course?

Non-financial managers take back a Departmental Budget and Cost Control Plan, containing a cost classification, a draft operating budget with assumptions, a variance review template and a list of cost control actions.

For Your Manager

After the course, the team member will be able to prepare a departmental budget, classify costs, explain variances and propose cost control actions with confidence. They return with a Departmental Budget and Cost Control Plan, which they first use in a spending review with their finance partner and in the next monthly budget report.