



Essentials of Cost Control and Budget Preparation Training

15 – 19 March 2027
Lisbon (Portugal)



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Introduction:

Planning and management control are essential for contemporary organizations. The Essentials of Budget and Cost Control training course will incorporate widely utilized tools and techniques for short-term planning, monitoring, and sustaining performance, specifically budgeting and budgetary control.

Understanding the budget preparation process, the techniques involved, and the importance of effective budgeting for cost control is vital. A realistic approach to budgeting hinges on accurate cost analysis and forecasting, highlighting the core tenets of budget preparation.

It's crucial to comprehend the behavior of costs to effectively plan, implement appropriate measures, and practically define budget preparation. Budgetary control best practice uses flexed budgets to calculate variances against actual performance, enabling necessary corrective actions.

Budget Preparation Techniques and Their Importance:

Effective budgeting and cost control training stress the need for meticulous budget preparation, employing various techniques to suit multiple organizational contexts.

Grasping the definition of fundamental budget preparation and the steps is critical for any financial professional, as this knowledge determines budgeting activities' purpose and success level.

This Essentials of Cost Control and Budget Preparation course will delve into the nuances of various types of budget preparation, underscoring their importance in achieving strategic objectives and fiscal discipline.

Targeted Groups:

- Financial planners and controllers.
- Financial managers and analysts.
- Departmental and divisional managers.
- Manufacturing, procurement, logistics, engineering, quality, and HR managers.
- Project managers.

Course Objectives:

At the end of this Essentials of Cost Control and Budget Preparation course, participants will be able to:

- Develop an integrated planning, budgeting, and reporting process.
- Actively participate in the budgeting and budget preparation steps within the organization.
- Analyze cost behavior and manage costs more effectively.
- Master traditional and innovative budget preparation techniques.
- Select appropriate and effective performance measurement systems and KPIs.

Targeted Competencies:

Upon the end of this Essentials of Cost Control and Budget Preparation training, participants' competencies will:

- Management Control.
- Budgeting and Cost Control.
- Traditional and Activity-Based Costing & Budgeting.
- Capital Budgeting.
- Linking Financial and Non-Financial KPIs.

Course content:

Unit 1: Management Control:

- Budget target-setting, participation, and control.
- Strategic planning, budgeting, and management control systems.
- Key elements of planning: setting objectives and responsibility accounting.
- The role of financial control and management accounting concepts.
- Advantages and disadvantages of budgeting.
- Budgeting within your organization.

Unit 2: Budgeting and Cost Control:

- The essential stages of the budget preparation process.
- Types of budgeting preparation: incremental and zero-based budgeting.
- Budget preparation: operating budgets and cash budgets.
- Variable costs and fixed costs.
- Contribution and marginal costing.
- Decision-making using marginal costing and cost/volume/profit CVP analysis.

Unit 3: Traditional and Activity-Based Costing & Budgeting:

- Costs and activities.
- Direct costs and indirect costs, product costs, and period costs.
- Cost allocation and absorption costing.
- Product cost cross-subsidization and activity-based costing ABC.
- Activity-based budgeting ABB.
- Budgetary control: standard costs, flexed budgets, and variance analysis.

Unit 4: Capital Budgeting:

- Capital investment costs and operating costs.
- Account rate of return ARR and payback.
- Discounted cash flow DCF and net present value NPV.
- Cost of equity, debt, and the weighted average cost of capital WACC.
- Internal and modified internal rate of return IRR/MIRR and discounted payback.
- Capital rationing, budgeting, and the profitability index PI.

Unit 5: Linking Financial and Non-Financial KPIs:

- Plan for world-class performance.
- Drivers of corporate and shareholder value and financial strategy.
- The changing cost base and alternative approaches to costing.
- The conflicts between accounting and business performance measurement.
- Integrate financial and non-financial key performance indicators KPIs.
- The balanced scorecard.