Integrated Cost and Budget Management

General Objectives:

Integrated Cost and Budget Management allows detecting and eliminating waste and optimizes strategic actions to control expenses. By adopting new budget planning techniques, such as "zero base" and "beyond budgeting", combined with cost reduction methods, companies acquire better conditions to prioritize the allocation of resources, increase productivity and profit.

This Course aims to equip participants with the knowledge and skills to implement Integrated Cost and Budget Management that provides reliable information to better track company performance and to make strategic decisions related to eliminating waste, reducing costs, reallocating resources, improving processes, and increasing productivity.

Specific Objectives:

At the end of the course participants will know:

- How to develop a budget, what are the responsibilities and the most appropriate models for conducting its structuring, preparation and control process;
- Which is the best administrative structure to adopt to manage the budget;
- Manage and optimize the cost system, as well as the existing information systems and their possibilities for integrated use;
- Integrate strategic planning, accounting, costs and business unit management;
- What are the best techniques to prepare all budgets, and the degree of detail required to obtain the best expected results;
- Using the budget within the company's decision-making process;
- What are the main concepts related to costs and the costing methods for products and services;
- What is the ABC Costing, its advantages and disadvantages in relation to other methods;
- Implement the necessary integrations of the adopted cost system in relation to the other management subsystems of the company;
- To identify the fundamental elements for structuring a permanent cost reduction policy;
- Present a check-list to identify the weak points of the company's cost system.

Recipients

This course is intended primarily for Controllers, Accountants, Managers and Financial Directors, as well as other professionals in the areas of accounting and finance linked to the sectors of budgeting, costs, accounting, finance, auditing and management control.

Duration:

18 Hours

Content Program:

Module I - Budget Concepts and Objectives

 ➢ What is budget?

 ➢ Budget and Accounting;

 ➢ Budget and the Value Creation Process;

 ➢ From Strategy to Budget;

 ➢ Responsibilities for conducting the budget process.

Module II - Orthodox (Traditional) Approach

 ➢ Budgeting culture;

 ➢ Models for conducting the budgeting process;

 ➢ Traditional budget structure;

 ➢ Rolling Budget and Forecast;

 ➢ Information systems for budget preparation and control.

Module III - Beyond budgeting

 ➢ What is beyond budgeting;

 ➢ Critiques of the BBRT - Beyond Budgeting Round Table;

 ➢ What is proposed instead of the budget.

Module IV - Zero-Basis Budgeting

 ➢ What it really means;

 ➢ What it takes to implement a Zero-Basis Budget;

 ➢ How is the culture of the company with Zero-Basis Budgeting.

Module V - Matrix Budgeting

 ➢ How to implement a matrix control;

 ➢ Where is it worth implementing this concept;

 ➢ Advantages and disadvantages;

➢ Definition of responsibilities.

Module VI - Budget, Strategy and Balanced Scorecard

➢ Does the Balanced Scorecard fit with the budget?

➢ Does the Balanced Scorecard match with the new budgeting techniques?

➢ How to link the Balanced Scorecard to traditional budgeting.

Module VII - Basic Information for General Budget Structuring

➢ Scenario Building;

➢ General and Specific Assumptions;

➢ Cost and Revenue Behavior.

Module VIII - The Sales and Production Budget

➢ Sales forecasting methods;

➢ Limiting Factors;

➢ Production Budgeting, Capacity Budgeting and Logistics.

Module IX - Other Budgets

➢ Budgeting for Materials and Stocks;

➢ Departmental Expenses Budget;

➢ Investment and Financing Budget.

➢ Module X - Conclusion of the budgeting process

➢ Cash Budget;

➢ The difficulty: Projecting Financial Revenues;

➢ Conclusion: Projection of Accounting Statements;

➢ The importance of the model for conducting Budgetary Control;

➢ Use of simulation tools.

Module XI - Concepts and Overview

➢ Costs, Expenses, Expenditures and Waste;

➢ General objectives of a cost system: methods, forms and accumulation;

- Costs for accounting and management purposes;
- Basic informational structure: Product Structure and Manufacturing Process.

Module XII - Costing Methods: the choice of the decision model

- Absorption Costing and Direct Costing;
- Variable Costing and ABC Costing;
- Full Costing and RKW;
- The contribution margin model and its management applications.

Module XIII - Costs for legal and fiscal purposes

- Legal fundamentals: integrated and coordinated cost;
- The cost system and ERP;
- Accounting.

Module XIV - Structuring the Information System

- Accumulation by Process;
- Cumulation by Order;
- Accumulation by Objects or Cost Entities.

Module XV - Standard Cost and Variance Analysis

- What is it and what is it used for: current validity;
- Standard Cost and New Manufacturing Technologies;
- Variance analysis: the real necessity.

Module XVI - Sales Prices: formation and management

- Formation of sales prices from the unit cost;
- Strategic pricing;
- Cost target: what it is and how to calculate;
- Use of simulation to form sales prices.

Module XVII - Main cost analysis models

➢ Concepts required;

➢ Buying vs. manufacturing; Having in-house activities vs. Outsourcing;

➢ Product Profitability Analysis;

➢ Company Inflation: what it is, what it is for.

Module XVIII - Strategic Cost Management

➢ What is and how to conduct a Cost Reduction Policy;

➢ Existing models and proposed model;

➢ Resource Management.

Module XIX - Roadmap to identify the points of improvement of your company's cost system

➢ Questionnaire;

➢ Identification of weak points;

➢ Preparation of a work plan to implement the improvements in the cost system.

Module XX - Question & Answer Session