

Advanced Budgeting and Forecasting Training

Description

Intorduction

This programme provides an overview of the tools and the skills to build world class standards into your planning, budgeting, performance measurement and reporting system and will discuss new and best practice techniques, explain how they complement the traditional financial planning tools, and introduce new concepts for measuring and reporting performance and shareholder wealth creation. Important elements of this programme include:

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- Making your budgeting process more cost effectively
- Motivate managers to “buy in” to the budget process
- Many case studies and illustrations of real companies will be used to help delegates understand how to apply different planning, forecasting and analysis techniques
- Participants will also be given a detailed set of handouts that will enable them to review the topics covered at a later date

Objectives

- Implement advanced planning and control techniques into your budgeting process
- Integrate the budgeting process with the development of the company’s long-term strategic vision
- Provide a decision support structure that provides timely and useful information to decision makers
- Successfully build an integrated planning, budgeting and reporting process
- Forecast costs and revenues with greater confidence
- Apply management tools to the budgeting process that contribute to strategic goals
- Effective manage the budgeting process
- Identify key performance indicators for effective and focused decision making
- Increase profitability and performance through stream lined planning and reporting

Day One

Budgets in Today's International environment

- Organizational Planning and Control Framework
- The Product / Information / Decision Support Cycle
- Strategic, Tactical, and Operational Forecasts
- The recognition of risk in Models
- Using Budget Models for Simulation Purposes
- The Drive toward Shareholder Value (EVA®)

The Strategic Plan

- The purpose of planning and budgeting in business
- Defining the strategic approach to business planning
- Defining strategic assumptions
- Building the strategic planning model using financial data
- Various strategic and tactical approaches to business planning
- Defining the Decision-Support model: Assumptions/Goals and Key Success Factors

Day Two

Analysing the Historical Data Using Excel®

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- Recognizing the Basic Patterns Inherent in Historical Data
- Using the Exploratory Data Analysis Tools Available in Excel®
- Development of Time Series Models using histograms, moving averages, exponential smoothing and regression analysis
- Using Regression Analysis as a predictor and estimator
- Mastering the use of Exponential Smoothing as a Data Analysis tool
- Single Regression vs. Multiple Regression
- Validation of Time Series Analysis

Day Three

Approaches to Budget Development

- Zero Base Budgeting
- Activity based Budgeting
- Rolling Budgets
- Operational Unit Budgeting
- Programme budgeting
- Developing the Cash Budget

Using Activity based Budgeting

- Developing the ABB application model
- Budgeting for Processes rather than Departments
- Defining Key Cost Drivers
- Defining Key Activities

- Development of ABB Cost Standards
- Developing the Activity-Based Budget

Day Four

Strategic and Operational Cost Analysis Techniques

- Identifying fixed, variable and semi-variable costs
- Application of Regression in the development of budgets
- Building the financial simulation model using articulated financial statements
- Building the financial simulation model using deterministic simulation
- Building the financial simulation model using probabilistic (Monte Carlo) simulation

Developing Manufacturing Standards

- Material Standard Development
- Labour Standard Development
- Factory and Corporate Overhead Standard Development
- Variance Analysis

Day Five

Defining and Testing Optimisation Techniques in Models Using Excel®

- Basic Structure of All Optimisation Models
- Different Forms and Applications of Optimization Models
- Developing a Financial Optimisation Model
- Performing Sensitivity Analysis of an Optimisation Model
- Interpreting the Solution of an Optimisation Model to a Non-technical Manager
- Lessons Learned and Lessons to be Learned

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