

Advanced Budgeting Techniques

Duration: 5 Days

Language: en

Course Code: PF1-136

Objective

Upon completion of this course, participants will be able to:

- Create budget templates and models tailored to their departments or organisations.
- Devise and execute an effective budgetary control system.
- Grasp the distinctions between traditional and modern budgeting approaches, enabling the development of a suitable strategy for the given environment.
- Familiarise oneself with essential techniques and tools, such as forecasting, required for crafting a realistic budget.
- Perform variance analysis, elucidating disparities between projections and actual achievements.
- Formulate a comprehensive budget employing a chosen approach and the tools introduced during the course.
- Employ various forecasting techniques for improved management of uncertainties in the budgeting process.

Audience

This course is designed for anyone responsible for managing budgets within an organisation and making strategic changes to enhance budget management for sustainability. It would be more beneficial for:

- Managing Directors
- Business Owners
- Chief Financial Officers
- Finance Managers
- Finance Employees
- Capital Planning Professionals
- Treasury Personnel
- Accountants
- Business Analysts
- Operations Managers

Training Methodology

This course uses a variety of adult learning styles to aid full understanding and comprehension. Participants will work through a variety of different budgeting techniques and learn about their purposes and history. They will watch presentations to uncover the best ways of budgeting and understand how they can be important within various types of organisation.
Participants will then work together to decide on the best budgeting methods for their particular organisation and develop a strategy to move forward by discovering the variety of systems available to help them manage a change and monitor its risks and successes.

Summary

Implementing advanced budgeting techniques is crucial for businesses seeking heightened financial control, strategic planning, and adaptability in today's dynamic business environment. These advanced techniques go beyond traditional budgeting approaches, incorporating sophisticated methodologies to enhance precision and effectiveness.

Zero-based budgeting, which requires a comprehensive reassessment of each budget line

item, fosters a more granular understanding of expenses. Activity-based budgeting aligns expenditures with specific operational activities, providing detailed insight into the cost drivers of each business function.

These approaches, working alongside rolling budgets, allow businesses to update and adjust budgets regularly based on real-time data, fostering agility and responsiveness to changing market conditions.

By employing sophisticated methodologies, businesses can identify cost-saving opportunities, allocate resources more strategically, and enhance overall financial performance. These techniques empower organisations to make data-driven decisions, align budgeting with strategic goals, and improve forecasting accuracy.

Course Content & Outline

Section 1: The Importance of Budgeting for Businesses

- Business Risk and Cost of Capital.
- Classifying Investment Projects.
- Cash Flow Estimation.
- Analysing Investment and Operating Cash Flows.
- Building a Collaborative Culture for Effective Budgeting.
- Continuous Improvement in the Budget Cycle.
- Training and Development for Budgeting Competencies.
- Navigating Challenges and Changes in the Budgeting Landscape.

Section 2: Zero-based Budgeting

- Explore the historical context and evolution of zero-based budgeting in business practices.
- Examine how zero-based budgeting is applied across various industries and sectors.
- Decision units and cost centres in the context of ZBB.
- Performance metrics and key performance indicators in ZBB.

Section 3: Activity-Based Budgeting

- Change management when transitioning to activity-based budgeting.
- Continuous improvement and refinement within the activity-based budgeting framework.
- Real-world examples and case studies of organisations successfully implementing ABB.

- Effective communication and stakeholder involvement in ABB.
- How activity-based budgeting aligns with overall strategic goals and objectives.

Section 4: How Rolling Budgets Work

- Understanding the differences between rolling and traditional budgets.
- Advantages and disadvantages of rolling budgets.
- Key principles of rolling budget implementation.
- Establishing rolling budget timeframes and cycles.
- Integrating rolling budgets into long-term financial planning.
- Aligning rolling budgets with organisational objectives.

Section 5: Using Data for Decision-Making

- Analysing demographic and economic data for budget insights.
- Incorporating performance metrics and KPIs in budgeting.
- Data visualisation techniques for budget presentation.
- Predictive analytics for future budget planning.
- Cost-benefit analysis and return on investment (ROI).

Section 6: Planning Your Budget Cycle

- The impact of external factors on budgeting.
- Budgeting for capital expenditures and investments.
- Incorporating risk management in the budgeting process.
- Integrating technology for efficient budget management.
- Ethical considerations in budgeting and financial planning.

Section 7: Forecasting Techniques

- The Required Rate of Return, Net Present Value (NPV), Internal Rate of Return (IRR).
- Multiple Internal Rates of Return, Modified Internal Rate of Return (MIRR), Profitability Index (PI).
- Pay-Back Period, and Discounted Pay-Back Period.
- The role of technology in facilitating the implementation and management of activity-based budgeting.

Section 8: Advanced Capital Evaluation Techniques

- Capital rationing.
- Comparing and evaluating techniques.
- Sensitivity and risk analysis.
- Monitoring and controlling budget performance.

- Strategies for budget variance analysis and management.
- Budget reporting and communication to stakeholders.
- Continuous improvement and learning in rolling budget processes.
- Navigating regulatory and compliance requirements in rolling budgets.

Certificate Description

Upon successful completion of this training course, delegates will be awarded a Holistique Training Certificate of Completion. For those who attend and complete the online training course, a Holistique Training e-Certificate will be provided.

Holistique Training Certificates are accredited by the British Assessment Council (BAC) and The CPD Certification Service (CPD), and are certified under ISO 9001, ISO 21001, and ISO 29993 standards.

CPD credits for this course are granted by our Certificates and will be reflected on the Holistique Training Certificate of Completion. In accordance with the standards of The CPD Certification Service, one CPD credit is awarded per hour of course attendance. A maximum of 50 CPD credits can be claimed for any single course we currently offer.

Categories

Banking and Finance, Finance, Accounting & Budgeting

Tags

finance, Budget, Budgeting Techniques

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YouTube Video

https://www.youtube.com/embed/Qqf8dNU0X9Y?si=yIhJFwa9EZr55ao0