

Mobile | 00966536473335 : Mobile | 00966112695229 : Phone : 00966552365295
Email | info.en@scandinavianacademy.co Web site:https://scandinavianacademy.co/en :
Riyadh - Al Khaleej District - Sheikh Abdul Aziz Bin Abdul Rahman Bin Bishr Street - 13223 - Office No. 5 | P.O.BOX : 13224

Course: Budgeting: Planning, Forecasting, What if Analysis & Reporting

Code	City	hotel	Start	End	price	Language - Hours
FA-176SA	Alula	Hotel Meeting	2027-08-01	2027-08-12	19950 SR	En - 50

Introduction

A good plan should begin with a good forecast, which in turn, may lead to a good budget. A strategy is the long-term plan of what the company is going to do to achieve its policy. The budget is the short-term plan of how strategies may be achieved. It is a quantification of the activities the company must develop to achieve its short-term plans. This leading-edge course explains:

- The planning and budgeting process from beginning to end
- Budget development
- How alternative decisions affect the 'bottom line' in terms of both profit and cash flow
- Comparison of variances in actual performance against the plan and what these budget variances are saying and how they should be used to control financial performance
- The use of Excel® as the toolbox of choice for financial model development, used within this course to develop forecasts, and long- and short-term plans.

Objectives

The objectives of the seminar are to enable delegates to:

- Develop strategic thinking, and use the strategic management process to develop

missions and objectives and carry out strategic analysis and decision-making
- Understand the relationship between financial planning, forecasting, and budgeting and integration of the strategic management process with the budgeting cycle
- Understand cost behaviour, the use of alternative costing systems, and cost/volume/profit (CVP) analysis, and develop and prepare an operating budget and how it may be funded using the alternative sources of finance
- Use various Excel© models to forecast sales pricing, optimal product mix, long- and short-term sales levels, and build financial growth planning models and traditional and activity based budget models, and improve budget accuracy
- Use the techniques of budgetary control: development of product standards, flexed budgets, and variance analysis and use of the results of variance analysis to improve operational performance
- Determine a company's cost of capital and use the technique of discounted cash flow (DCF) for capital budgeting and evaluation of capital project investment, and risk analysis using the techniques of sensitivity, simulation, and scenario analysis.

Training Methodology

The seminar is conducted along workshop principles with formal presentations, case studies and interactive worked examples. Relevant examples and case studies are provided to illustrate the application of each of the topics covered. Each learning point is reinforced with practical examples and exercises. Difficult mathematical concepts are minimised wherever possible and handled in a visual way that is easy to understand with numerous illustrative examples.

Organisational Impact

The organisation will gain through:

- The development of managers being able to think strategically
- Increased awareness of the importance of effective forecasting and budgeting



- Strategic management techniques that will help managers make more informed and therefore better management decisions
- Use of techniques that will support the company in its more effective planning and budgeting of its operations, capital investment projects, and cash flow
- Use of techniques to forecast sales revenues and cash flows that will help the company in its day-to-day management, and development of long-term plans
- The sharing of knowledge gained throughout other divisions and departments of the company.

Personal Impact

Delegates will develop an understanding of:

- The use of Excel© tools to develop strategic financial models, forecasts, and budgets.
- The relationship between the strategy, the forecast, and the budget.
- How to further develop your professional skills
- How to make more informed and therefore better decisions
- How to make improved budgeting decisions which will increase your effectiveness within your organisation.
- How to be better placed to liaise effectively with other professionals on forecasting, planning, and budgeting issues.

Who Should Attend?

Forecasting and budgeting are essential skills that should be acquired at the appropriate level by all the professionals in an organisation, in particular:

- Financial professionals, finance controllers, treasurers and inventory professionals
- Senior professionals with a direct responsibility for financial management and control

- Accountants, sales and purchasing professionals and those responsible for relationship with banks
- Any professional, at junior or senior level, who is a part of the financial decision-making team
- New interns and trainees with finance-related responsibilities
- Department heads, process owners, administrative personnel associated with budget management, financial and technical professionals, sales and marketing professionals, project professionals, and anyone who needs to understand how to develop cost projections for their department, projects.

SEMINAR OUTLINE

Planning for Success

- What are planning strategies?
- Work with the planning cycle
- Mission
- Strategic analysis
- Strategic choice
- Strategic implementation
- Corporate objectives
- Corporate value and shareholder value
- The agency problem and corporate governance
- Planning requirements and working capital
- Plan outline
- Financial planning for growth
- Financial modelling
- Development of the key performance indicators (KPIs)
- The balanced scorecard

The Forecasting Process

- Determine the purpose and objective of the forecast
- Analysing data
- Statistical analytical tools
- Quantitative analysis and forecasting
- Forecasting techniques
- Univariate analysis models: time series; moving averages; exponential smoothing; trend progression
- Causal analysis models – regression analysis

Projecting Revenues – The Sales Budget

- Projecting sales
- Long-term trend sales forecast
- Short-term trend sales forecast
- The basis of revenue assumptions
- Sales pricing
- Full cost pricing
- Marginal cost pricing
- Using Excel® to project optimum product mix

The Nature and Behaviour of Costs

- Cost behaviour
- What is cost?
- What is an activity?
- Cost classification
- Fixed costs and stepped fixed costs
- Variable costs and semi-variable costs
- Notional costs
- Cost allocation
- Product costs and period costs
- Product costing for inventory valuations and profit ascertainment
- Absorption costing

- Cost / volume /profit (CVP) and ‘what-if’ analysis

The Budgeting Process

- Why do we budget? - the purposes of budgeting
- Planning and control
- Budgeting for sales and costs
- Stages in the budget process
- Budget preparation process
- Accounting for headcount and labour costs in the budget model
- Accounting for depreciation in the budget model
- Putting the budget together

Budgetary Control

- Standard Costing
- The purposes of standard costing
- Flexed budgets
- Variance analysis
- The reasons for variances
- Planning and operating variances

Projecting Expenses – Activity Based Costing (ABC) And Activity Based Budgeting (ABB)

- The activities that cause costs
- Processes and activities
- Under- and over-costing – product cost cross subsidisation
- Activity based costing (ABC)
- Refinement of the costing system
- ABC and cost management
- Design of ABC systems
- The cost hierarchy and cost drivers

- Advantages and disadvantages of ABC systems
- From traditional budgeting to activity based budgeting (ABB)
- The ABB process
- Motivation and the behavioural aspect of budgeting

The Time Value of Money

- The impact time has on the value of money
- Future values and compound interest
- Present values
- Discounted cash flow (DCF)

Evaluating Capital Project Proposals

- Various types of capital projects
- Capital project evaluation
- Capital investment project appraisal
- Accounting rate of return (ARR)
- Payback method
- Net present value (NPV)
- Internal rate of return (IRR)
- Discounted payback method
- Choosing the right investment appraisal method
- Equivalent annual cost (EAC) method
- Modified internal rate of return (MIRR)
- Capital budgeting methods
- Capital rationing
- Profitability index (PI)

Putting the Pieces Together - The Budget

- Long- and short-term funding
- Sources of finance

- Capital cost models
- Cost of equity
- Cost of debt
- Weighted average cost of capital (WACC)
- Risk and the cost of capital
- Capital asset pricing model (CAPM) and the beta factor
- Optimal capital structure
- Capital structure models

Budget Re-projection – Evaluating Risk And Uncertainty

- Risk and uncertainty decision rules
- Worst and best case scenarios
- The value of perfect information (VOPI)
- Analysing risk: expected values; standard deviation
- Sensitivity analysis
- Simulation model
- Scenario analysis
- NPV break-even

The Scandinavian Academy for Training Center adopts the latest scientific and professional methodologies in training and human resource development, aiming to enhance the efficiency of individuals and organizations. Training programs are delivered through a comprehensive approach that includes:

- Theoretical lectures supported by PowerPoint presentations and visual materials (videos and short films).
- Scientific evaluation of participants before and after the program to measure progress and knowledge acquisition.
- Brainstorming sessions and practical role-playing to simulate real-life scenarios.
- Case studies tailored to align with the training content and participants work nature.
- Assessment tests conducted at the end of the program to evaluate the achievement of training objectives.

Each participant receives the training material (both theoretical and practical) in printed form and saved on a CD or flash drive. Detailed reports, including attendance records, final results, and overall program evaluations, are also provided.

Training materials are prepared professionally by a team of experts and specialists in various fields. At the end of the program, participants are awarded a professional attendance certificate, signed and accredited by the Scandinavian Academy for Training Center.

Program Timings: 9:00 AM to 2:00 PM

The program includes:

- A daily buffet provided during the sessions to ensure participants comfort.
- A closing ceremony on the final day to distribute certificates and celebrate participants achievements.
- **Note: All prices are exclusive of 15% Value Added Tax (VAT).**

Our Success Partners

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Academy
Training Center
00966112695229
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المملكة العربية السعودية - الرياض - حي الخليج - شارع الشيخ عبد العزيز بن عبد الرحمن بن بشر - 13223 - مكتب رقم 5
Riyadh - Al Khaleej District - Sheikh Abdul Aziz Bin Abdul Rahman Bin Bishr Street - 13223 - Office No. 5