

# Budgeting For Performance Management

Planning and managing organizational excellence

## Introduction

The emphasis of this Course N Carry training course on budgeting for performance management is on how important it is for all businesses to set aside limited funds in order to generate and provide value for their most important stakeholders. In profit-making companies, this entails adding value for both consumers and shareholders; in the public and government sectors, it refers to efficiently and economically providing clients with "value for money" services. The most prosperous organisations accomplish these strategic objectives within a framework of performance management that is very effective and heavily relies on cost and budgetary control.

With the use of budgets, high-level, strategic long-term plans may be converted into comprehensive operating plans, which make it easier to carry out organisational strategy. An efficient method for allocating limited resources to important processes, goods, and services in order to maximum value creation for consumers, clients, shareholders, and financing sources is centred on cost management. This cutting-edge training will concentrate on current advancements in cost analysis and management techniques as well as the budgeting process.

### **This programme will include:**

- How to transform vision and objectives into tactics that work
- The importance of cost control and budgeting to an organization's performance
- Both conventional and cutting-edge methods of cost analysis
- Forecasting techniques and business analytics for budgeting
- Enhancing financial reporting to ensure efficient administration
- In addition to budgeting, other recent advancements

## Objectives

**Following completion of this training session on budgeting for performance management, participants will be able to:**

- Recognise how budgeting relates to performance management today.
- When budgeting, incorporate both financial and non-financial metrics.
- Comprehend and contrast various methods of costing
- Learn both conventional and sophisticated budgeting techniques.
- Use a calculated strategy for expense containment and control.

## Training Methodology

The goal of this highly interactive workshop-style training programme on budgeting for performance management is to provide participants the chance to put the fundamental ideas and methods of cost and budget management into practice.

**A range of established adult learning strategies will be employed in this training programme to guarantee that the material is understood, comprehended, and retained to the greatest extent possible. This comprises:**

- Conversations and chances for attendees to exchange experiences
- Using fundamental ideas in practical case studies
- Practical experience with Excel's forecasting features

### Organizational impacts

- Improved strategy and organisational alignment
- The knowledge of costs and budgets will increase.
- Enhancements to the methods and results of budgeting
- Expanded proficiency in performance management methods
- Understanding how important indicators relate to finances and non-finance
- Understanding of cost-reduction and cost-management strategies

### Personal Impact

- A deeper comprehension of the concepts and practices of budgeting
- Practical knowledge of cost analysis and forecasting
- Increased knowledge of the essential success criteria for organisations
- Growth of strategic management and thought
- Excellent knowledge of creating key performance indicators

### Who should attend?

The foundation of organisational performance management is cost and budget management, thus managers who work in any capacity related to this process will find this cutting-edge training course to be beneficial.

**A broad spectrum of professions can benefit from this budgeting for performance management training course, but in particular:**

- Managers of divisions
- Managers of planning
- Officers in charge of budgets
- Team leaders and functional managers
- Professionals in finance
- Members of the head office reporting team

# Course Outline

## Day 1

### Management of Business Performance and Budgeting

- Generating Benefits for Important Organisational Partners
- Frameworks for business performance management (BPM)
- The principles of competitive strategy
- The importance of cost control and budgeting in BPM
- Financial and management accounting principles
- Important financial indicators of value generation
- Integrating non-financial metrics with strategy maps

## Day 2

### Cost Management and Planning

- Understanding and characterising cost behaviour
- Costing's function in performance management
- Absorption costing, or traditional costing
- Conventional costing: break-even analysis and marginal costing
- Conventional costing: conventional costing structures for control
- Costing developments: Target and Kaizen costing
- Advancements in the field of costing: Activity Based Costing (ABC):
- A calculated method for managing and cutting costs

## Day 3

### Procedures and Methodologies for Creating a Budget

- Methods of forecasting used in budgeting
- Budgetary control and business intelligence
- Predictive and diagnostic analytics for financial planning
- Tools and methods for sales forecasting based on statistics
- Tools and methods for cost forecasting based on statistics
- Steps involved in creating a budget
- Capital expenditure management and budgeting (CAPEX)
- Forecasting and planning cash flow
- Approaches and styles of budgeting
- The psychological and human dimensions of budgeting

## Day 4

### Keeping an eye on and managing performance with budgets

- The Responsibility Accounting Principles
- Performance management and variance analysis
- Cost management and standard costing
- Analysing data to determine the underlying cause of variations
- Techniques for financial report data visualisation
- Creating reports on the budget
- The application of dashboards in performance management
- Creating tactical budget management dashboards

## Day 5

### Adaptive Management: Going Beyond Budgeting

- Drawbacks of conventional budgeting techniques
- A Case Study Beyond Budgeting
- Transitioning to Decentralised Performance Management
- Implementing rolling projections in lieu of budgeting
- Utilising key driver projections to mitigate risks
- Key Performance Indicators are managed with a balanced scorecard.
- Why conventional budgeting is still important