PARTNERS IN KNOWLEDGE UK LTD
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Budgeting, Forecasting and the Planning Process - ONLINE

PIK363-1125 ONLN-1

PARTNERS IN KNOWLEDGE
Today a Reader, Tomorrow a Leader

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Place:	ONLINE	**Venue:**			
Start Date:	16-11-2025	**End Date:**	20-11-2025	**PPP:**	£2500

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If you can't train them, you can't blame them!

Short Description:

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: â€¢ The planning and budgeting process from beginning to end â€¢ Budget development â€¢ How alternative decisions affect the â€˜bottom lineâ€™ in terms of both profit and cash flow â€¢ 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 â€¢ 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.

Course Overview:

Objectives:

The objectives of this ONLINE 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

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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.

Program Outline:

Day 1:

A/ Planning for Success

1. What are planning strategies?
2. Work with the planning cycle.
3. Mission, Strategic analysis, Strategic choice and Strategic implementation.
4. Corporate objectives, Corporate value and shareholder value.
5. Development of the key performance indicators (KPIs) and the balanced scorecard

B/ The Forecasting Process

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

Day 2:

A/ Projecting Revenues – The Sales Budget

1. Projecting sales.
2. Long-term trend sales forecast and Short-term trend sales forecast.
3. The basis of revenue assumptions.
4. Sales pricing, Full cost pricing and Marginal cost pricing.
5. Using Excel to project optimum product mix.

B/ The Nature and Behaviour of Costs

1. What is cost and what is an activity?
2. Fixed costs and stepped fixed costs.
3. Variable costs and semi-variable costs.

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4. Product costing for inventory valuations and profit ascertainment
5. Absorption costing.

Day 3:

A/ The Budgeting Process

1. Why do we budget? - the purposes of budgeting.
2. Planning and control.
3. Budgeting for sales and costs, Stages in the budget process.
4. Accounting for headcount and labour costs in the budget model.
5. Accounting for depreciation in the budget model.

Day B: Budgetary Control

1. Standard Costing and the purpose for it.
2. Flexed budgets.
3. Variance analysis.
4. The reasons for variances.
5. Planning and operating variances.

Day 4:

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

1. The activities that cause costs.
2. Under- and over-costing – product cost cross subsidisation
3. Activity based costing (ABC).
4. ABC and cost management.
5. Advantages and disadvantages of ABC systems.

B/ The Time Value of Money

1. Motivation and the behavioural aspect of budgeting.
2. The impact time has on the value of money.

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3. Future values and compound interest.
4. Present values.
5. Discounted cash flow (DCF).

Day 5:

A/ Evaluating Capital Project Proposals

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

B/ Putting the Pieces Together - The Budget

1. Long- and short-term funding.
2. Sources of finance, Capital cost models, Cost of equity and Cost of debt.
3. Weighted average cost of capital (WACC).
4. Capital asset pricing model (CAPM) and the beta factor.
5. Optimal capital structure and Capital structure models.