



FM177: Certificate in Cost Analysis, Control & Optimisation

Training Description:

In today's competitive business environment, organisations face increasing pressure to control operating costs, improve efficiency, protect margins and make better financial decisions without compromising quality or business performance. Effective cost management therefore requires more than simply reducing expenditure—it requires a structured understanding of **cost behaviour, cost drivers, budgeting, forecasting, variance analysis cost control and optimisation techniques**.

The **Certificate in Cost Analysis, Control & Optimisation** is a practical five-day programme designed to provide participants with a comprehensive yet focused understanding of modern cost management principles. The programme explores how costs are identified, classified, analysed and monitored and how management can use cost information to improve operational and financial performance.

Participants will develop practical skills in **cost-volume-profit analysis, break-even analysis, budgeting, cost forecasting, variance analysis, cost reduction, process optimisation and performance monitoring**. Particular attention is given to the interpretation of cost information for management decision-making and the use of **Excel-based analytical tools, models and dashboards**.

Training Objectives:

By the end of the training, participants will be able to:

- ✓ Understand the principles and strategic importance of cost analysis, control and optimisation
- ✓ Identify, classify and analyse different types of organisational costs
- ✓ Understand cost behaviour and identify key cost drivers
- ✓ Apply **fixed, variable, semi-variable and mixed-cost** concepts in practical situations
- ✓ Perform **Cost-Volume-Profit (CVP)** and break-even analysis
- ✓ Use contribution analysis to support pricing, product mix and operational decisions
- ✓ Develop and analyse operating budgets and cost forecasts
- ✓ Understand the relationship between budgets, actual costs and performance
- ✓ Conduct meaningful **variance analysis** and identify the underlying causes of cost deviations
- ✓ Apply practical cost-control and cost-reduction techniques
- ✓ Distinguish between cost cutting and sustainable cost optimisation
- ✓ Identify opportunities for process efficiency, waste reduction and resource optimisation
- ✓ Apply relevant financial and operational KPIs to monitor cost performance
- ✓ Use Excel-based tools for cost analysis, forecasting, variance analysis and management reporting
- ✓ Develop a practical cost optimisation approach applicable to their own organisation

Training Designed for:

This course is intended for professionals involved in financial, commercial, operational and cost-related decision-making, including; Finance and Accounting Professionals, Management Accountants, Cost Accountants, Financial Analysts, Budgeting and Planning Professionals, Financial Controllers, Cost Control Engineers and Specialists, Project Cost Controllers, Commercial Managers, Procurement and Supply Chain Professionals, Operations and Production Managers, Project Managers, Business Performance Professionals, Management and Department Heads, Business Analysts, Professionals responsible for budgets and cost performance and Professionals seeking to strengthen their cost management capabilities

Recommended level: Participants should have basic familiarity with business finance, accounting or operational budgets. Advanced accounting knowledge is not required.

Training Requirement:

“Hand’s on practical sessions, equipment and software will be applied during the course if required and as per the client’s request.”

Contents can be adapted to your specific wishes. It is therefore possible to focus on specific modules of the training course as per client’s learning needs and objectives. Further, it should be forwarded to us a month prior to the course dates.

Training Program:

DAY ONE:

FUNDAMENTALS OF COST ANALYSIS & COST BEHAVIOUR

Understanding where costs come from and how they behave

- ❖ **Cost Management Fundamentals**
 - The role of cost management in organisational performance
 - Cost analysis versus cost control versus cost optimisation
 - The cost management cycle
 - Linking cost management with profitability and business strategy
 - Total cost and cost-to-serve concepts
 - Understanding the difference between financial and operational cost information
- ❖ **Cost Classification and Cost Structures**
 - Direct and indirect costs
 - Fixed and variable costs
 - Semi-variable and mixed costs
 - Product and period costs
 - Controllable and uncontrollable costs
 - Relevant and irrelevant costs
 - Avoidable and unavoidable costs
 - Sunk and opportunity costs
 - Understanding cost structures in different business environments
- ❖ **Cost Behaviour Analysis**
 - How costs respond to changes in activity levels
 - Identifying cost drivers
 - High-low method
 - Basic cost estimation techniques
 - Understanding operating leverage
 - Recognising cost behaviour patterns
- ❖ **Practical Exercise – Building a Cost Analysis**
- ❖ **Participants analyse a simplified company cost structure and:**
 - Classify costs
 - Identify cost drivers
 - Separate fixed and variable elements
 - Calculate unit cost

- Assess the impact of changing activity levels

DAY TWO:

COST-VOLUME-PROFIT, BREAK-EVEN & DECISION ANALYSIS

Using cost information to support business decisions

- ❖ **Cost-Volume-Profit (CVP) Analysis**
 - Purpose and applications of CVP analysis
 - Contribution margin
 - Contribution margin ratio
 - Profit-volume relationships
 - Understanding operating leverage
 - Margin of safety
- ❖ **Break-Even Analysis**
 - Break-even point in units
 - Break-even point in revenue
 - Break-even charts
 - Target profit calculations
 - Impact of changes in selling price, volume and costs
 - Multi-product break-even considerations
- ❖ **Contribution-Based Decision Making**
 - Contribution versus profit
 - Product profitability analysis
 - Product mix decisions
 - Make-or-buy decisions
 - Special-order decisions
 - Relevant cost analysis
 - Short-term capacity decisions
- ❖ **Practical Exercise – Cost & Profitability Scenario**
- ❖ **Participants work through a business case involving:**
 - Selling price changes
 - Variable-cost changes
 - Fixed-cost changes
 - Break-even calculations
 - Target profit
 - Contribution analysis
 - Management recommendations based on the results

DAY THREE:

BUDGETING, FORECASTING & COST CONTROL

Planning costs and controlling performance

- ❖ **Cost Budgeting Fundamentals**
 - Purpose of budgeting
 - Types of budgets
 - Operating and departmental budgets
 - Fixed versus flexible budgets
 - Budget assumptions and cost drivers

- Linking operational plans to financial budgets
- ❖ **Developing Cost Budgets**
 - Building a cost budget
 - Labour cost budgeting
 - Material and procurement cost budgeting
 - Overhead budgeting
 - Project and operational cost budgets
 - Allocating shared and indirect costs
 - Budgeting for volume changes
- ❖ **Cost Forecasting**
 - Budget versus forecast
 - Forecasting approaches
 - Trend-based forecasting
 - Driver-based forecasting
 - Rolling forecasts
 - Forecasting cost increases and operational changes
 - Scenario and sensitivity analysis
- ❖ **Practical Exercise – Budget & Forecast Model**
- ❖ **Using a simplified Excel-based case, participants:**
 - Prepare a cost budget
 - Adjust the budget for activity changes
 - Develop a forecast
 - Perform sensitivity analysis
 - Identify potential cost pressures
- ❖ **Building Effective Cost Controls**
 - Establishing cost-control procedures
 - Cost-control responsibilities
 - Approval and authorization controls
 - Monitoring expenditure
 - Early-warning indicators
 - Preventing budget overruns

DAY FOUR:

VARIANCE ANALYSIS, COST REDUCTION & OPTIMISATION

Understanding why costs deviate and identifying improvement opportunities

- ❖ **Budgetary Control & Variance Analysis**
 - Actual versus budget analysis
 - Favourable and adverse variances
 - Price and volume variances
 - Material cost variances
 - Labour cost variances
 - Overhead variances
 - Flexible-budget variance analysis
- ❖ **Root-Cause Analysis of Cost Variances**
 - Moving beyond identifying the variance
 - Investigating the reasons behind cost deviations

- Operational versus financial causes
- Supplier price changes
- Productivity issues
- Waste and rework
- Capacity utilisation
- Process inefficiencies
- Distinguishing controllable from uncontrollable variances
- ❖ **Cost Reduction Techniques**
 - Cost reduction versus cost cutting
 - Eliminating unnecessary expenditure
 - Waste reduction
 - Resource utilisation
 - Procurement and supplier cost opportunities
 - Inventory cost reduction
 - Labour productivity
 - Process simplification
 - Standardisation and automation
- ❖ **Cost Optimisation**
 - Strategic cost optimisation principles
 - Cost-to-value analysis
 - Identifying high-cost activities
 - Prioritising optimisation opportunities
 - Balancing cost, quality, risk and performance
 - Sustainable cost optimisation
 - Avoiding false savings and hidden costs
- ❖ **Practical Exercise – Variance & Cost Optimisation Case**
 - Participants analyse an actual-versus-budget scenario, identify major variances, investigate root causes and develop a practical cost optimisation action plan

DAY FIVE:

ADVANCED COST OPTIMISATION, KPIS, EXCEL ANALYTICS & INTEGRATED CASE STUDY

Turning cost information into management action

- ❖ **Cost Performance Measurement**
 - Designing effective cost KPIs
 - Cost per unit
 - Cost per activity
 - Cost-to-revenue ratio
 - Cost variance percentage
 - Productivity and efficiency indicators
 - Budget utilisation
 - Cost savings versus cost avoidance
 - KPI interpretation and management action
- ❖ **Activity-Based Costing & Cost Drivers**
 - Limitations of traditional overhead allocation
 - Introduction to Activity-Based Costing (ABC)

- Identifying activities and cost pools
- Selecting appropriate cost drivers
- Assigning activity costs
- Using ABC for profitability and cost optimisation decisions
- Practical application in service and operational environments
- ❖ **Excel-Based Cost Analysis**
 - Structuring a cost analysis workbook
 - Cost classification and calculations
 - Break-even model
 - Budget-versus-actual analysis
 - Variance calculations
 - Cost forecasting
 - Scenario and sensitivity analysis
 - Basic management dashboards
 - Presenting cost information clearly for decision-makers
- ❖ **4. Integrated Cost Optimisation Case Study**
- ❖ **Participants complete an integrated case covering:**
 - Cost Data → Cost Classification → Cost Behaviour → Break-Even → Budget → Forecast → Variance Analysis → Root Cause → Cost Optimisation → KPI Reporting
- ❖ **The case will require participants to:**
 - Analyse the organisation's cost structure
 - Identify major cost drivers
 - Calculate profitability and break-even
 - Compare budget and actual performance
 - Identify significant variances
 - Determine root causes
 - Identify cost optimisation opportunities
 - Quantify potential savings where possible
 - Recommend appropriate KPIs
 - Present findings to management
- ❖ **Developing a Cost Optimisation Action Plan**
 - Identifying priority cost opportunities
 - Setting savings and efficiency targets
 - Assigning responsibilities
 - Establishing timelines
 - Monitoring implementation
 - Measuring realised benefits
 - Continuous cost improvement
- ❖ **Course Conclusion**
- ❖ **POST-ASSESSMENT and EVALUATION**

Training Methodology:

This interactive training course includes the following training methodologies as a percentage of the total tuition hours:

- 30% Lectures, Concepts, Role Play
- 70% Workshops & Work Presentations, Techniques, Based on Case Studies & Practical Exercises, Gamification, Software & General Discussions
- Pre and Post Test

Training Certificate(s):

CMCT Internationally recognized certificate(s) will be issued to each participant who completed the course.

Training Fees:

USD\$ - This rate includes participant's manual, hand-outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Note: The 5% VAT (Value Added Tax), will be effective starting 01st of January 2018 as per the new regulation from the UAE Government. The VAT applies for all quotation both for local and abroad.

Training Timings:

Daily Timings:

07:45 - 08:00	Morning Coffee / Tea
08:00 - 10:00	First Session
10:00 - 10:20	Recess (Coffee/Tea/Snacks)
10:20 - 12:20	Second Session
12:20 - 13:00	Recess (Prayer Break & Lunch)
13:00 - 14:00	Last Session

For training registrations or in-house enquiries, please contact:

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