



THE ARC TRAINING GROUP
 A Division of The ARC Consulting Group, Inc.
 A Profit Enhancement Firm
 Providing Educational and Consultative Services to the
 International Business Community

SEMINAR FACT SHEET

ADVANCED COST ACCOUNTING: USING PRODUCT COST INFORMATION AS A STRATEGIC TOOL ARC COURSE NO. 004

Seminar Overview

This program cuts to the chase. We aimed this program at serious cost professionals who are past the simple labor, material, and overhead variances, and are facing the challenge of identifying and reporting the true cause / effect relationship of the strategic and tactical activities of the company and their impact on the factory floor.

Who Should Attend

Cost professionals with more than two years of hands-on experience and need to take their expertise to the next level. Also, internal and external auditors, CEO's, CFO's, Cost Managers, Marketing Professionals who have a fundamental product cost background, brand managers, plant management personnel, and anyone who needs to use product cost information to support strategic decisions.

AUDIT PROFESSIONALS	FINANCIAL PROFESSIONALS	TECHNICAL PROFESSIONALS	OPERATIONAL PROFESSIONALS	STRATEGIC MANAGEMENT
■ Staff	■ Staff	■ I / T	■ Supervisors	■ Managers
■ Seniors	■ Controllers	■ Engineers	■ Team Leaders	■ Directors
■ Managers	■ Directors	■ Proj. Managers	■ Managers	■ Vice Presidents
■ Directors	■ VP's & CFO's	■ ISO & Quality	■ Plant Managers	■ CEO's

What Will Be Covered

You will take a step-by-step walk through typical cost accounting procedures. You will solve realistic cost-process problems than can be immediately applied to your unique environment...comparing job-costing and process-costing procedures...determining how to apply direct costing techniques...and developing a master plan that coordinates accounting and budgeting.

Special Feature:

You can tailor this program by using your internal cost reports in lieu of the standard reports provided with the materials at no additional charge. This program can be modified to reflect the unique aspects of your accounting system at no additional charge.

How You Will Benefit

You will learn how to ensure that product costs reflect the true cost of production, determine transfer pricing, link target costing with product development, allocate conversion costs on how they are really driven, and identify the hidden profit potential in your current conversion processes.

This program will address tough issues such as:

- Using Variance Analysis as a Profit Enhancement Tool
- Converting Cost Accounting into a Strategic Process
- Managing Transfer Pricing Issues
- Strategic Manufacturing Standards Development
- Linking Target Costing with New Product Development
- Measuring Customer Profitability
- Capacity Analysis
- How to integrate ABC/M concepts into a GAAP-based cost management system
- Applying the Elements of the Balanced Scorecard into the Cost Management Process

Program Agenda

Day One:

- **The International Business Environment**
This section provides an overview of the strategic, tactical, and operational aspects of today's global business entity. During this session, participants develop their specific learning objectives for the program, and gain an understanding of the benefits and limitations of cost analysis.
- **Overview of Cost Management**
This section will provide an overview of the responsibility accounting environment, and how the need for cost information has grown far beyond the traditional inventory costing focus.
- **Activity-Based Costing as an Effective Cost Accounting Tool**
There are many issues which prevent using ABC as the primary cost methodology in many companies. However, there are a number of ABC concepts which you can integrate into many of today's cost accounting software which can enhance the output of cost information to be used for internal decision-support purposes. In this section, you will learn how to use the concepts of ABC to move cost information from the tactical stage to the strategic level.
- **Developing Standards as a Tool for Inventory Valuation and Strategic Decision Support**
The development of product standards has risen to an entirely new strategic level in many of today's profit-based organizations. The days of "Three Standards and a Cloud of Dust" are long gone. In order to effectively manage production challenges, you must be able to identify the drivers of production concerns. The use of standards strictly as a tool for inventory valuation has been overshadowed by the firms' need for reasonable total product cost to support strategic business decisions. These include pricing, product continuation and new product introduction. In this section, you will learn how to set standards that address external reporting.

Day Two

- **Variance Analysis as a Process Improvement Tool: Analyzing the True Causes of Product Cost Variances**

Once you develop your standards, you can use them as powerful tools to support variance analysis. The true benefit of variance analysis is when it can be used as a process-improvement tool. This section will go far beyond the typical cost of goods sold variances into the strategic world total product cost management. You will learn how to calculate those variances that are essential to strategic decision-support.

- **Effective Determination of Joint- and By-Product Costs**

Many companies, by the nature of their manufacturing processes, create certain products that are “spin-offs” of their core product lines. These “joint- or by-products” present cost professionals with a unique set of challenges. In this section, you will discuss situations in which a company would have joint costs. You will learn how to apply the various methods for allocating joint costs including net realizable value, physical units’ method, constant gross margin method, and relative cost method. You will also discuss the non-relevance of joint costs for decision making.

- **Assigning Service Department Costs to Determine Total Product Cost**

If the use of ABC is not an option, this section will provide alternative methods of allocating traditional service costs, such as accounting, Information Services, and Human Resources to the product to determine total product cost.

- **Developing the Target Cost Model**

Organizations often face the issue of pricing a product to achieve a reasonable margin vs. the customer’s level of perceived value and quality. This section provides the tools and insight essential to support the strategic decisions associated with engineering the product to meet specific cost limitations, pricing a product to achieve required levels of profitability, and the potential of line expansion or abandonment. You will learn how to augment the cost data typically presented in traditional cost reporting systems to support these key decisions.

Day Three

- **Transfer Pricing and Product Cost Determination**

Companies who take advantage of the savings potential of off-shore manufacturing often lose that benefit in the when they move the product back to the U.S. The issue of Transfer Pricing is essential when developing the cost of the product at various stages of the manufacturing process. This section will give you the necessary insight to avoid excessive taxation, and to ensure compliance with UTC Section 482, and ARB Nos. 43 and 51.

- **Capacity Analysis: Understand the True Cost of Incremental Manufacturing**

The economic use of manufacturing capacity has been an ongoing issue in today’s Return on Invested Capital focused world. However today, capacity analysis has gone far beyond the manufacturing floor to encompass the service departments, investments in sales and marketing efforts, and the cost distribution of shared resources. This section will give you the tools and insight to determine the costs associated with capacity planning, excess capacity costing, incremental manufacturing gains, FASB Reporting, and a host of other tactical and strategic decisions.

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- **Customer Profitability: The Key to Profit Enhancement**

The notion of “The Customer is Always Right” has gone the way of the Buggy Whip and Economic Order Quantity. Today, organizations must methodologically evaluate which customers are profitable to retain, and how to obtain greater revenue through enhanced value-added services. Also, it makes poor economic sense to retain customers who cost you more to service than the revenues they generate. ARC research has proven that 80% of a company’s customer base generates about 130% of their current profitability. In this section, you will learn how to conduct an effective customer profitability analysis to determine exactly which customers are generating you profits, and how to change the losers to winners.

- **Conclusion of Case Exercise**

In your groups, you will complete the comprehensive case exercise that has woven its way through each of the preceding sections of this program. To complete the total learning experience, your group will develop cost-based recommendations to address a host of specific challenges faces by an organization very much like your own. You will be given to opportunity to put into action the skills and concepts presented in this program.

- **Course Summary and Wrap-Up**

This section provides you with the opportunity to address any specific issues with the total group as a resource, to review any specific issue or topic addressed in the program, or to just recap the benefits received from the program and the group as a whole. Your specific learning objectives are addressed and program evaluations are completed.

SEMINAR PRICING AND LOGISTICS

Duration: 3 Days	Program Level: Intermediate
Seminar Fee: \$ 9,500	Average Cost / Attendee: \$ 380
Prerequisites: Cost Accounting Level I	Advanced Preparation: None
Maximum Attendance: 25	CPE Hours: 24
Delivery Method: Group Live	Booking Instructions: Call (904) 268-1148
This fee includes all instructor travel, living and professional fees, and all participant materials. The client is responsible for training facility, audio-visual requirements, and other creature comforts. For information regarding refund, complaint and program cancellation policies, please visit our website at www.arctraining.com, or call Kate Robbins at (904) 268-1148.	
For additional savings to your organization, invite participants from companies in your area who may also be interested in this program. The ARC Training Group places no restrictions on who you can ask to join your group.	



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