



**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**

### **INTRODUCTION TO BUDGETING, PLANNING AND FORECASTING USING EXCEL**

**COURSE No. ARC015**

**SEMINAR OVERVIEW**

A budget is a road map of the journey a company is planning to take. It is a cost of the activities the company must perform to arrive at its destination as specific in its Strategic Plan. Excel® is the toolbox of choice for model development. Put these two concepts together, and you have THE leading-edge budgeting and forecasting course available. This program explains the budgeting process from beginning to end. You will explore the budget development process; how decisions affect the "bottom line;" and what budget variances are saying. At the same time, you will learn how to use the leading-edge tools available on Excel®.

**WHO SHOULD ATTEND**

Department heads, process owners, administrative personnel associated with budget management, financial and technical professionals, sales and marketing professionals, project managers, and anyone who needs to understand how to develop cost projections for their department, projects.

<b>AUDIT PROFESSIONALS</b>	<b>FINANCIAL PROFESSIONALS</b>	<b>TECHNICAL PROFESSIONALS</b>	<b>OPERATIONAL PROFESSIONALS</b>	<b>STRATEGIC MANAGEMENT</b>
▪ 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 learn the importance of incorporating the mission and goals of the company into departmental budget development. Using a wide array of budgeting techniques, you will leave this program with the tools, techniques and confidence to develop budget models that not only reflect the true cost of the resources required, but also give you the ability to explore alternatives using tools as Solver, Scenario, Goal Seek, Regression, and other statistical techniques. You will explore the issues relating to capital budgeting. Budgeting manufacturing as well as other expenses, identifying profit objectives, budgeting cash requirements and building the financial statements is also covered.

**SPECIAL FEATURE:** You can tailor this program by your own budgeting process in lieu of the standard case study provided with the materials at no additional charge. ARC will gladly modify this program **AT NO COST** to ensure your team receives the best educational experience possible.

**HOW YOU WILL BENEFIT**

At the end of this program, you will be able to:

- Understand the budgeting and planning process
- Explore the total capability of Excel® as a budgeting and forecasting tool.
- How revenues are recognized and how expenses behave.
- How depreciation impacts the budget process.
- Development of production standards
- Discover how to translate management decisions into cash requirement.
- Understand how to apply Activity-Based Budgeting, using Excel
- Project required Headcount Levels
- Develop the Payroll Budget
- Develop the Operational Budget
- Develop the Production Budget
- Develop the Cash Budget
- Develop the Capital Spending Budget

**PROGRAM AGENDA**

**DAY ONE:**

**BUDGETS IN TODAY'S INTERNATIONAL BUSINESS ENVIRONMENT**

- Overview of the strategic, tactical, and operational aspects of today's global business
- The Organizational Planning Model
- The Product/Decision/Information Cycle
- The Budget as a Fraud Deterrent Tool
- The Relationship between the Budget and Strategic Initiatives

**THE BUDGET AS A MANAGEMENT TOOL**

- Nature and Purpose of the Budget
- How the Budget Works
- Cash Budgets vs. Operations Budgets
- Budgets and the Management Process
- Defining Products and Processes
- Budgets at Various Levels
- Budgeting for Processes not Departments
- The Variance Analysis Process

**THE STRATEGIC VISION AS A BUDGETING TOOL**

- Development of the long-range vision
- Focusing the Vision – Creating Business Unit Direction
- Creation of Definable, Measurable Objectives
- Development of the Key Performance Indicator Matrix
- Identification of required activities, resources, and consumption rates

**THE BUDGETING PROCESS - THE NINE-STEP BUDGETING MODEL®**

- The Nine-Step Budgeting Model
- The principles of Activity-Based Budgeting
- The role of assumptions in the budget model

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- Projecting Headcount and the cost of Employee Benefits
- Accounting for Depreciation in the Budget Model
- Fixed, Variable and Mixed Expenses
- Discretionary Expenses

### CASE EXERCISE - PART I

In order to enhance the learning process, and to provide a structured environment to reinforce the skills learned in each section, you will work as part of a management team, developing a real budget of a real process.

### DAY TWO:

#### EXCEL TECHNIQUES TO EVALUATE HISTORICAL DATA

- Understanding the Nature of Historical Data
- Importance of Relating Data to Specific Time Frames and Events
- Using Exploratory Data Techniques to Evaluate Data
- Options for Conditioning Historical Data
- Bringing Historical Data Into the Budget Model

#### PROJECTING REVENUES - THE REVENUE BUDGET

- The Art of Projecting Revenues
- Using Excel® to Project Optimum Product Mix
- Projecting Sales Volume
- Product Pricing Techniques
- Developing Target Pricing Models
- Interrelating the Revenue and Marketing Budgets
- Projecting new Product Introduction and Speed to Market
- Developing the Bases for Cost Projections Using Revenue Assumptions

#### THE NATURE AND BEHAVIOR OF COSTS

- The Behavior of Costs
- Expenses vs. Expenditures
- Operating Expenses vs. Capital Expenses
- Fixed Costs
- Variable Costs
- Mixed Costs
- Depreciation, Asset Management and Non-Cash Expenses
- Cost / Volume / Profit Analysis

#### PROJECTING EXPENSES

- Projecting unique cost categories including travel, outside services, and communication costs
- Using Regression Analysis as a Projection Tool
- Using Activity-Based Budgeting to project expenses
- Applying the Key Performance Indicator Matrix to the Budget Development Model
- Identification of activities critical to objective achievement
- Determining resources requirements

#### DEVELOPING THE HEADCOUNT AND PAYROLL RELATED BUDGET

- How Changes in Headcount Impacts Profitability

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- Projecting Headcount using “Full Time Equivalents”
- Using the Revenue Budget as a Headcount Projection Tool
  - Projecting Manufacturing Labor Requirements
  - Projecting Operations Labor Requirements
  - Projecting Corporate Support Labor Requirements

### **CASE EXERCISE - PART II**

#### **DAY THREE:**

##### **DEVELOPING THE PRODUCTION BUDGET**

- Using the Sales Budget
- Determining Desired Inventory Levels
- The Direct Materials Budget
- The Direct Labor Budget
- The Factory Overhead Budget
- The Ending Inventory Budget

##### **EXPLORING THE OUTSOURCING OPTION**

- Nature of Outsourcing
- How Outsourcing Works
- Benefits and Risks of Outsourcing
- Costs associated with Outsourcing

##### **DEVELOPING THE BUDGET FOR SPECIFIC LINE ITEMS**

- Travel and Expenses
- Selling Expenses
- Training
- Utility Expenses
- Administrative Expenses

##### **CAPITAL BUDGETING**

- Purpose of Capital Spending
- How Capital Assets Translate into Profitability
- Analyzing Asset Performance
- Determining the Need for Additional Assets

##### **DEVELOPING THE CAPITAL SPENDING BUDGET**

- The impact time has on the value of money
- Uses of Senior and Subordinated Debt Issues
- Uses of Mezzanine Debt Issues
- Understand the various interest calculations
- Using WACC and Hurdle Rates as benchmarks
- Use Excel®, to determine Present Value, Future Value, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return
- Using MIRR and a basis for capital project evaluation

##### **DEVELOPING THE CASH BUDGET**

- Projecting Cash Flows
- Projecting Free Cash Flow

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- Integrating the Operating and Capital Budgets
  - Cash Waterfalls and Cash Traps
- Determining Treasury Requirements
- Projecting Short and Long Term Debt Requirements

### DEVELOPING THE PRO-FORMA BUDGETED BALANCE SHEET

- Projecting Ending Asset Balances
- Integrating Sources and Uses of Capital
- Developing Debt Models
- Developing Shareholders' Equity Models

### CASE EXERCISE – PART III

- **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.

### SEMINAR PRICING AND LOGISTICS

<b>Duration:</b> 3 Days	<b>Program Level:</b> Introductory
<b>Prerequisites:</b> None	<b>Advanced Preparation:</b> None
<b>Maximum Attendance:</b> 25	<b>CPE Hours:</b> 24
<b>Delivery Method:</b> Group Live	<b>Booking Instructions:</b> Call (904) 268-1148
<p><b>Our fees include all instructor travel, living and professional fees, and all participant materials. You are 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 <a href="http://www.arctraining.com">www.arctraining.com</a>, or call Kate Robbins at (904) 268-1148.</b></p>	
<p><b>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.</b></p>	



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