



**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 BUDGETING & FORECASTING TECHNIQUES USING EXCEL** **COURSE No. ARC016**

#### **SEMINAR OVERVIEW**

This is the most comprehensive budget development course on the market. Designed for experienced process owners and managers, this program will help your staff build the skills essential to effectively project the resources essential to achieve your profitability and strategic objectives. A budget is a road map of the journey a company is planning to take. This leading-edge program is builds on your basic finance and budgeting skills to empower you to tackle those key issues facing today's business executive.

#### **WHO SHOULD ATTEND**

This program is not only for management and technical professionals with direct financial responsibilities and need to understand leading-edge techniques to plan, analyze, and evaluate the effectiveness of the plan and those entrusted with its implementation. It is for any organization that needs to effectively ensure the achievement of strategic objectives.

<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**

This program is for managers who understand the basic concepts of budgeting and finance, and want to take their skills to the next step. If you are challenging your process owners with the responsibility decisions relating to profit enhancement, design and implementation of cost controls, and the evaluation of professional and technical personnel, this course is a must. Through the approaches and techniques presented in this powerful program, you will learn how to identify the cause-effect relationship among business strategy and vision, operational objectives, measures, and targets, and advanced performance measurement and reporting.

**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.

ARC can customize this program and present it on a Two-Day format if desired. ARC never charged for program customization,

## **HOW YOU WILL BENEFIT**

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

- Understand the linkages among strategy, operations and performance measurement
- Apply advanced cost strategies, such as ABC, Linear Models and Exponential Models
- Identify the root causes of profitability challenges Develop key measurement metrics
- Apply management tools to the budgeting process that contribute to strategic goals
- Identify key performance indicators for effective and focused decision making
- Increase profitability and performance through streamlined planning and reporting
- Learn how to use Excel<sup>®</sup> tools such as Solver, Goal Seeker, Scenario, and Spreadsheet Auditor
- Use Pivot Tables to quickly develop reports.
- Analyze time series data and develop relationships using exponential smoothing and regression analysis techniques.
- Draw more realistic conclusions from the projected budgets and variance reports
- Be able to determine product mix to optimize profits
- Simulate the potential return on new capital investments
- Project the probability of processes running within budget
- Develop models to support product pricing and/or product continuance
- Design budget models for departments, divisions, processes, or other entities

## **PROGRAM AGENDA**

### **DAY ONE:**

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

- The Organizational Planning Framework
- The Product / Information / Decision Support Cycle
- The recognition of risk in models
- Using budget models for simulation purposes
- The drive toward Shareholder Value (EVA<sup>®</sup>)

#### **THE STRATEGIC PLAN**

- The purpose of planning and budgeting in business
- Defining the strategic approach to business planning
- Building the strategic planning model
- Defining strategic assumptions using the Eight Strategic Assumptions
- Various strategic and tactical approaches to business planning
- Defining the Decision-Support Model: The Mission Critical Success Factor Matrix

#### **THE BUSINESS PLAN**

- The Nature of the Business Plan
- Development of Tactical Assumptions: Identification of Drivers, Dominos, and Wildcards
- Defining the Tactical Approach to objective achievement
- Defining the resources required: Application of the Mission Critical Success Factor Matrix

#### **APPROACHES TO BUDGET DEVELOPMENT**

- Using Regression Models
- Using Linear Models

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- Cash Basis Budgeting
- Activity-Based Budgeting

### **INTRODUCTION TO CASE STUDY – CASE PART I**

Participants will use an integrated case study as a vehicle to reinforce and apply the tools and techniques presented in this program. The case will involve an environment requiring the estimation of revenues, expenditures, interest and financing costs, construction risks and other critical issues with which any manager or business professional must know how to deal.

### **DAY TWO:**

#### **ANALYZING THE APPLICABILITY OF HISTORICAL DATA USING EXCEL<sup>®</sup>**

- Recognizing the basic patterns inherent in financial data
- Using the Exploratory Data Analysis tools available in Excel<sup>®</sup>
- Development of Time Series Models
- Using Regression Analysis as a predictor and estimator
- Mastering Exponential Smoothing as an EDA tool
- Validation of Time Series Models

#### **USING ACTIVITY-BASED BUDGETING**

- Developing the ABB application model
- Budgeting for processes rather than departments
- Defining Cost Drivers
- Defining Key Activities
- Development of ABB Cost Standards
- Development of the ABB Model

#### **THE BUDGET MODEL**

- Types of Business Models: Time Series v. Causal
- Qualitative v. Quantitative Models
- Designing Models that Support Business Strategy Horizons.

#### **STEPS IN BUILDING FINANCIAL MODELS**

- The Nine-Step Model Development Framework
- The rules of strategic thinking
- Identification of Forecast Validation Criterion
- Determination of Model and Forecast Horizons
- Validation of Models and Forecasts

#### **DETERMINATION OF BUSINESS TRENDS, CYCLES AND SEASONALITY**

- Understanding the inter-relationship among trends, cycles and seasonality
- Use Excel<sup>®</sup> to calculate ,business trends, business cycles and the seasonality factor
- Using the seasonality factor in forecasting
- Using the seasonality factor in interpreting the forecast variances

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

Participants continue with the development of their models. Teams make a 5 minute presentation of their status. Open Discussion.

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### DAY THREE:

#### OPTIMIZATION TECHNIQUES IN MODELS USING EXCEL®

- Basic Structure of All Optimization Models
- Different Forms and Applications of Optimization Models
- Developing a Financial Optimization Model
- Performing Sensitivity Analysis of an Optimization Model
- Interpreting the Solution of an Optimization Model to a Non-technical Manager.

#### SENSITIVITY ANALYSIS IN FINANCIAL MODELS USING EXCEL®

- Appreciate the Meaning and Importance of Sensitivity Analysis
- Developing “What-if” Scenarios in Your Financial or Operational Models
- Using the Excel tools “Scenario and Goal Seek”

#### PROBABILISTIC MODELS AND MONTE CARLO THEORY USING EXCEL® ADD-ONS

- Addressing Risk Assessment in Financial Models
- Benefits of Using Probabilistic Modeling
- Demonstration of Probabilistic Modeling using Crystal Ball®

#### CASE EXERCISE PART III

Participants complete the development of their models and present their model to the class for open discussion.

#### 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

<b>Duration:</b> 3 Days	<b>Program Level:</b> Intermediate
<b>Prerequisites:</b> 1 Year Budget Experience	<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
<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>	
<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>	



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