

Financial Modeling and Driver-Based Planning (RCST)

Course Overview

The importance of cost management tools that are able to yield a competitive advantage is no secret. Building on the insights provided by activity-based costing, various financial modeling tools— including regression analysis and linear optimization—are being used in financial planning and analysis (FP&A). These new tools allow managers to better manage costs by revealing the drivers affecting costs. In this course, learn the basic concepts and principles necessary to build driver-based financial models and use them to improve cost management.

Formerly titled: Activity-Based Costing: A Resource Consumption Approach

Objectives

- Recognize the limitations of traditional cost accounting.
- Identify and validate cost drivers using regression analysis.
- Determine the impact of these drivers using multidriver cost-volume-profit analysis.
- Recognize hidden profits using a resource-consumption-based approach to ABC.
- Determine driver-based planning and control systems to enhance cost reduction efforts.

Major Topics

- Understanding why resource consumption based cost measurement, not GAAP costing, is essential for success.
- Building multidriver cost models using top-down cost decomposition analysis.
- Using driver-based modeling in multiproduct environments and comprehending why managing idle capacity is so important.
- Developing driver-based planning and control systems to uncover cost reduction opportunities.
- Reducing costs using cycle-time reduction and process value analysis.

Field of Interest Code: Accounting

CPE Hours: 8.00 | **AA:** 8.00

Level: Intermediate

Designed for:

CPAs, CFOs, controllers, financial analysts and accountants who want to offer value-added services for their clients or employers.

Excellent preparation for subsequent seminar on Cost Reduction Strategies.

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