

## ONLINE TUTORIAL SERIES: AUGUST 2020

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### A PRACTICAL APPROACH TO MANAGING AND CONTROLLING COSTS : REDUCE EXPENSES AND MAXIMIZE PROFITS

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TUTORIAL PLAN: STRUCTURE & TIMETABLE

#### **OBJECTIVE:**

The main objective of a business is to maximize profits. To achieve this objective, businesses have to sell twice as much or manufacture twice as much? However by reducing your costs you could increase your profits by maintaining the same level of quality and without reducing the existing staff. This can be achieved by being more effective with the resources a business already possesses. Cost Reduction training can achieve business goals and improve on profits.

If there is scope for improvement, this course will help get you back on track. It will demonstrate that cost reduction is so much more than cost control and cost cutting. True cost management is about being *aware* of costs, seeking to *reduce* them through good design and efficient operating practices whilst taking continuing *action* on overspending.

#### **LEARNING OUTCOMES**

By the end of this course you will be able to:

- Be aware of costs at all times
- Increase profits without extra sales or additional customers
- Identify your most profitable customers and which are costing you money
- Build a motivated workforce and effective company cultures

- Learn management accounting principles on how to cut costs
- Ensuring cost reports lead to *action*
- Managing a cost reduction process that *delivers*
- Help your employees provide great service and be creative with new ideas

## STRUCTURE:

There will be a series of **TWELVE, 2-hour** sessions as follows:

SESSION	SESSION TOPIC	DATE - 2020	TIME (TT TIME)
<b>Week 1</b>	<b>Introduction – the cost management process</b> <ul style="list-style-type: none"> <li>• The risks of poor cost control</li> <li>• Capital and revenue costs</li> <li>• The importance of cost awareness</li> <li>• The importance of cost reduction</li> <li>• Cost management – the key aspects</li> <li>• How to build a cost management and control process checklist for your areas of responsibility</li> </ul>	August	5:30pm – 8:30pm
<b>Week 2</b>	<b>Cost removal – taking out costs</b> <ul style="list-style-type: none"> <li>• Cost awareness</li> <li>• Costs of poor design / poor processes</li> <li>• Value engineering</li> <li>• Removing redundant costs</li> </ul>		
<b>Week 3</b>	<b>The need for commercial, technical and financial appraisals</b> <ul style="list-style-type: none"> <li>• Understand the problems before cash is committed and costs incurred</li> <li>• Making the effort to identify commercial and technical risk</li> <li>• The time value of money – DCF techniques for long term projects</li> <li>• Cost models for production processes and projects</li> <li>• Costing models – project appraisals</li> <li>• The use of spreadsheets to identify sensitivity and risk</li> <li>• How to focus on risk management</li> </ul>		
<b>Week 4</b>	<b>Budgeting – proper budgeting challenges costs</b> <ul style="list-style-type: none"> <li>• The philosophy of the business – are costs an issue?</li> <li>• The importance of having the right culture</li> <li>• The need for detailed business objectives</li> <li>• Budgetary control measures</li> <li>• Designing budget reports – for action</li> </ul>		
<b>Week 5</b>	<b>Cost reduction culture / Design of cost control reports</b> <ul style="list-style-type: none"> <li>• The need for cost reports</li> </ul>		

SESSION	SESSION TOPIC	DATE - 2020	TIME (TT TIME)
	<ul style="list-style-type: none"> <li>• What measures can be used to identify over-spends as early as possible</li> <li>• Cost control performance measures and ratios</li> </ul>		
<b>Week 6</b>	<p><b>Course summary – developing your own cost action plan</b></p> <ul style="list-style-type: none"> <li>• Group and individual action plans will be prepared with a view to participants identifying their cost risks areas and the techniques which can be immediately applied to improve costing and reduce costs</li> </ul>		