# BUDGETING, COST ESTIMATING & TENDERS EVALUATION

## DURATION

5 Full Days

## OVERVIEW

Successful organizations know that quality management accounting and budgeting adds significant value to their bottom line. There are a number of established tools and techniques that can be used to measure and improve performance. Management accounting enables organizations to view their business from a different angle and find opportunities that they were previously unable to see. The time invested in creating and monitoring budgets has long term effect on business as it helps to anticipate problems / risks, make more informed, financially-sound decisions and give greater confidence in managing business.

Training is conducted in an interactive form and includes a number of case studies. Training is based on the rich experience of procurement in large national companies, projects and other international institutions. Theoretical part is illustrated by the real life examples. Modular case-studies based on the real documents and procurement processes are used in the practical part of the training. It helps to acquire procurement operations practice as well as sustains a complex overview of the whole training material.

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FINANCE PROGRAMS

## KEY MODULES

- Financial & Strategic Business Planning
  - The financial planning processes
  - The role of financial planning within the overall business planning
  - Preparing the strategic business plan
- Budgeting, Why & How
  - Budgeting Overview
  - Forecasting & the Budgeting Process
- Overview of budgeting
  - The basic concepts of budget and budgeting
  - Budgeting and forecasting
  - Budgeting and management
  - Budgeting and planning
  - Budget procedures and budget administration
- Types of budgets
  - The components of operating budget
  - Sales budget
  - Production budget
  - Production cost budget
  - Ending inventory budget
  - Cost of goods sold budget
  - Selling expenses budget
  - Administrative expenses budget and budgeted income statement
- The components of financial budget:
  - Capital expenditure budget
  - Cash budget
  - Budgeted balance sheet
  - Cash flow budget
- Approaches to budgeting
  - The various approaches to building budgets
  - Fixed budgeting approach
  - Flexible budgeting approach
  - Incremental budgeting approach
  - Kaizen budgeting approach
  - Zero base budgeting approach
  - The distinctive features of each approach to budgeting
- Preparing a budget
  - The preparation of operating budgets
  - The preparation of financial budgets
  - o Budgetary control
  - The basic concepts of budgetary control
  - The process of budgetary control
- Capital Budgeting
  - Cost of Capital
  - Capital budgeting
- Beyond preparing budgets
  - Presenting budgets
  - The financial monitoring system
  - Reviewing & modifying budgets

- Using the budget to control costs
  - Variance analysis
  - Flexible and static budget
- Understanding the principles behind the ratio analysis covering:
  - Profitability ratios
  - Liquidity ratios
  - Efficiency ratios
  - Gearing Ratios
  - Market ratios
- How ratios are formulated together – Budgeting Plan and Control Costs
- Tendering Procedures
  - Common Procedures
  - Procedures Specific to Each Organization
- Homework Stage
  - Identify Requirements
  - Set Scope of Work and Specs
  - Planning and Pricing
  - Sourcing and Pre-Qualification
  - Expression of Interest
  - Bidders Selection
- Invitation to Tender
  - Issue Documents
  - Answer Questions
  - Receive and Open Bids
- Tender Evaluation Principles
  - Evaluation Process
  - Technical Analysis
  - Commercial Analysis
- Evaluation Plan
  - Evaluation Criteria
  - Weighting for Each Criteria
  - Scoring Protocol
- Tender Evaluation Report
  - Form
  - Contents
- Notification of Award
- Cancellation of a Tender
- Tenderer's appeals and complaints
- Practical Application and Case Studies

## LEARNING OUTCOMES

- Understand different approaches and types to budgeting
- Understand the necessary resources to create budgets
- Identify the objectives of budgeting and monitor budgets in order to make In-Time necessary adjustments
- Prepare a budget consistent with the organization's strategic plan
- Use appropriate estimation techniques in the development of revenue and expense budgets
- Apply the concept of internal control by the preparation and interpretation of budgets
- Explain what is meant by Zero-based Budgeting and demonstrate the ability to prepare budgets
- Understand the nature and purpose of budgetary control
- Identify all the appropriate costs to be included in a capital expenditure proposal
- Learn best practice for picking the right supplier for the right reasons
- Maximize business leverage from tenders and create winning tenders!
- Apply several methods and tools to bid and tender evaluation