JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Advanced Financial Control and Divisional Performance Training Course

13 – 24 September 2027
New York

jupiterprime.uk

info@jupiterprime.uk

Registered in the United Kingdom and Saudi Arabia

Advanced Financial Control and Divisional Performance Training Course

Ref: 1720_63073 **Date:** 13 – 24 September 2027 **Location:** New York **Fees:** 14000 GBP

Financial Control and Divisional Performance is a 2-week advanced training course for financial controllers, performance managers and divisional finance leads, who build a business unit performance evaluation report that links budgets, variances and divisional returns. Decentralised groups need a fair way to judge each division without rewarding short-term choices that damage the whole. Jupiter Prime Training offers this course for controllers who must explain divisional results with confidence.

Why Financial Control and Divisional Performance Matters Now

Three groups shape divisional evaluation today. Boards and investment committees want returns compared fairly across divisions with very different asset bases; divisional heads challenge measures that charge them for costs they cannot influence; and lenders and shareholders read segment results closely. A group that evaluates divisions well allocates capital to the units that earn it and corrects drift early. One that relies on a single profit figure rewards asset stripping, starves growth units and argues endlessly about allocations. The course rests on responsibility accounting, standard costing with flexible budgets, return on investment ROI, residual income RI and the balanced scorecard BSC.

Who Gains Most from Financial Control and Divisional Performance

- Controllers who own monthly variance reporting and explain results to divisional boards
- Performance managers who maintain KPI scorecards and target-setting cycles
- Divisional finance leads who defend unit returns, transfer prices and cost charges
- Group reporting specialists who consolidate segment results and investment centre data
- Budget owners who agree controllable cost targets with their finance partners

A group finance function that sends its controller, a performance manager and two divisional finance leads together gains most, since measures and charging rules are then agreed by the people who apply them.

Financial Control and Divisional Performance Capabilities

Participants move from producing variance tables to judging each cost, profit and investment centre on what its manager can actually influence.

- Design a responsibility centre structure with controllable cost boundaries — divisional board approval
- Calculate material, labour, overhead and sales mix variances on flexed budgets — monthly results commentary
- Weigh ROI against residual income for divisions with uneven asset bases — capital allocation committees
- Assess transfer pricing methods for their effect on divisional profit — group tax and treasury teams
- Build a balanced KPI scorecard joining financial and operational measures — executive performance reviews
- Communicate divisional results with clear causes and corrective actions — chief financial officers

Key Financial Control and Divisional Performance Terms

- Responsibility centre — A unit whose manager answers for a defined set of costs, revenues or assets, such as a cost, profit or investment centre.
- Controllable cost — A cost the centre manager can materially influence within the period, used to judge that manager fairly.
- Flexible budget — A budget restated to the actual activity level so that variances reflect efficiency rather than volume.
- Return on investment — Divisional operating profit divided by the capital employed in the division, expressed as a percentage.
- Residual income — Divisional profit less a capital charge on the assets it uses, showing value added above the required return.
- Transfer price — The internal price at which one division charges another for goods or services, shaping both divisions' reported profit.

Financial Control and Divisional Performance Day by Day

Day 1: Forces Reshaping Divisional Evaluation

- Decentralised Group Structures — Why Divisions Need Separate Measures
- Investor and Lender Scrutiny of Segments — Pressure on Unit Returns
- Goal Congruence Principles — Aligning Divisional and Group Interests
- Dysfunctional Behaviour Diagnostics — Spotting Short-Term Gaming of Targets
- Evaluation Policy Charter — Setting Purpose, Owners and Review Cycle

Day 2: Responsibility Accounting Design

- Cost, Revenue, Profit and Investment Centres — Choosing the Right Centre Type
- Controllability Principle — Separating Manager Performance From Unit Performance
- Central Cost Recharges — Deciding Which Overheads Divisions Carry
- Chart of Accounts Mapping — Tracing Every Ledger Line to a Centre
- Responsibility Reporting Hierarchy — Rolling Results Up to Group Level

Day 3: Standard Costing and Flexible Budgets

- Standard Setting Methods — Ideal, Attainable and Current Standards Compared
- Flexed Budget Statements — Isolating Volume From Efficiency Effects
- Material Price and Usage Variances — Locating Purchasing Versus Production Causes
- Labour Rate, Efficiency and Idle Time Variances — Explaining Workforce Cost Gaps
- Fixed and Variable Overhead Variances — Interpreting Expenditure and Capacity Effects

Day 4: Sales and Planning Variances

- Sales Price and Volume Variances — Separating Market and Pricing Effects
- Sales Mix and Quantity Variances — Measuring Product Blend Shifts
- Planning Versus Operational Variances — Removing Forecast Errors From Manager Judgement
- Variance Investigation Thresholds — Deciding Which Gaps Deserve Follow-Up
- Root Cause Commentary Standards — Turning Numbers Into Corrective Actions

Day 5: Return on Investment

- ROI Calculation Bases — Net Book Value, Gross Assets and Average Capital
- Asset Age Distortion — How Depreciated Assets Flatter Older Divisions
- Investment Rejection Risk — When ROI Discourages Value-Adding Projects
- Leased and Shared Assets — Assigning Capital Employed Fairly
- ROI Trend Dashboards — Comparing Divisions Over Several Periods

Day 6: Residual Income and Economic Profit

- Capital Charge Rate Setting — Reflecting Divisional Risk in the Required Return
- Residual Income Calculation — Measuring Profit Above the Capital Charge
- Economic Value Added Adjustments — Treating Research, Brand and Lease Spending
- ROI Versus Residual Income Comparison — Choosing the Measure for Each Division
- Divisional Size Effects — Normalising Results Across Large and Small Units

Day 7: Transfer Pricing Between Divisions

- Market-Based Transfer Prices — Using External Prices When Markets Exist
- Cost-Plus and Marginal Cost Pricing — Setting Floors and Ceilings
- Negotiated and Dual Pricing — Resolving Divisional Profit Disputes
- Arm's Length Principle — Aligning Internal Prices With Tax Expectations
- Transfer Price Impact Modelling — Testing Effects on Group Profit

Day 8: Balanced KPI Scorecards

- Balanced Scorecard Perspectives — Financial, Customer, Process and Learning Measures
- Leading and Lagging Indicators — Pairing Drivers With Financial Outcomes
- KPI Definition Sheets — Formula, Source, Owner and Frequency
- Target Calibration Methods — Benchmarks, Trend Lines and Stretch Levels
- Weighting Financial and Non-Financial Measures — Balancing Divisional Ratings

Day 9: Evaluation, Incentives and Reporting

- Relative Performance Evaluation — Comparing Divisions Against Peers and Plan
- Bonus Link Design — Tying Rewards to Controllable Results
- Rolling Forecast Integration — Updating Targets Between Budget Cycles
- Divisional Review Meeting Packs — Structuring Board Discussion
- Exception Reporting Formats — Highlighting Units That Need Intervention

Day 10: Practising the Business Unit Performance Evaluation Report

- Responsibility Centre Map From Day Two — Structuring a Case Group
- Variance Analysis From Days Three and Four — Explaining Case Results
- ROI and Residual Income From Days Five and Six — Ranking Case Divisions
- Scorecard From Day Eight — Rating Case Units on Balanced Measures
- Business Unit Performance Evaluation Report — Final Case Submission

Applying Financial Control and Divisional Performance After the Course

- Recalculate last quarter's divisional results on both ROI and residual income and present where the rankings differ to the finance director.
- Review the current central cost recharges against the controllability principle and propose which charges move below the divisional contribution line.

Financial Control and Divisional Performance Questions FAQ

What is financial control and divisional performance, and why does it matter now?

Financial control and divisional performance is the discipline of judging each business unit on results its managers can influence. It matters now because investors, boards and divisional heads all demand fair comparisons of returns across very different units.

Which roles gain most from financial control and divisional performance?

Financial controllers, performance managers and divisional finance leads gain most. Group reporting specialists and budget owners also benefit, since they prepare segment figures and agree the controllable targets on which divisions are judged.

How does financial control and divisional performance differ from an internal controls course?

It concentrates on measuring and rating business units through variances, ROI, residual income and scorecards. An internal controls course focuses on safeguarding assets, approval rules and fraud prevention, and capital appraisal courses judge single projects rather than whole divisions.

What do you bring back from financial control and divisional performance?

You bring back an evaluation report for a case group, with a responsibility centre map, variance commentary, ROI and residual income rankings and a balanced scorecard you can adapt to your own divisions.

Financial Control and Divisional Performance: The Way Forward

The business unit performance evaluation report first informs how capital and attention are shared between divisions. Controllers present it to the executive team, and divisional heads use it to agree corrective actions. After its first use, revisit the capital charge rate and the scorecard weights, since both should move as divisional risk, strategy and asset bases change.