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COURSE BROCHURE

Activity-Based Budgeting and Capacity Cost Planning Training Course

3 – 7 October 2027
Muscat

Activity-Based Budgeting and Capacity Cost Planning Training Course

Ref: 1828_67204 **Date:** 3 – 7 October 2027 **Location:** Muscat **Fees:** 5500 GBP

Activity-Based Budgeting and Capacity Cost Planning is a 1-week training course for finance officers and planning managers who set departmental budgets, and each participant leaves with an activity-based budget and capacity cost model for one service or plant. As overheads grow faster than direct costs, organisations need budgets that show what each activity consumes and how much capacity sits idle. Jupiter Prime Training teaches activity-based budgeting as a costing discipline for planners.

Why Activity-Based Budgeting Matters Now

Two forces push activity-based budgeting up the agenda. Support functions such as procurement, IT and customer service now absorb a large share of spending, yet incremental budgets simply roll last year's totals forward. Meanwhile operations heads question allocations they cannot trace to their own demand. Organisations that budget by activity can fund growth from released capacity and defend overhead levels to boards; those that do not keep paying for unused resource. The course draws on activity-based costing ABC, time-driven activity-based costing TDABC and the capacity models of resource consumption accounting.

Who Gains Most from Activity-Based Budgeting

- Officers who build cost centre budgets and allocate shared service charges
- Planners who translate long-range financial plans into annual spending envelopes
- Cost accountants who maintain activity dictionaries and driver rates
- Capital budgeting staff who size equipment and staffing investments against demand
- Budget coordinators who run consolidation, approval rounds and monthly monitoring

A shared service centre or plant finance unit gains most when its cost accountants and planners attend together and adopt one activity dictionary.

Activity-Based Budgeting Capabilities

Participants learn to budget from forecast demand for activities rather than from last year's ledger lines.

- Map processes into an activity dictionary with measurable cost drivers — cost centre owners
- Calculate capacity cost rates from practical capacity and resource spend — operations heads
- Build an annual budget from forecast driver volumes and unit times — the budget committee
- Specify capital and cash requirements where activity demand exceeds capacity — treasury and investment panels
- Assess unused capacity and its cost before approving new headcount — senior management

- Apply flexed activity budgets in monthly monitoring against plan — budget holders

Key Activity-Based Budgeting Terms

- Activity dictionary — a structured list of the activities a function performs, each with its output, cost driver and owner.
- Cost driver — the measurable event, such as invoices processed or machine set-ups, that causes an activity's workload to rise or fall.
- Practical capacity — the output a resource can realistically deliver after allowing for breaks, maintenance and training.
- Capacity cost rate — resource spend divided by practical capacity, giving a cost per minute or hour of available time.
- Unused capacity — paid resource time not consumed by forecast activity, shown as a separate cost line.
- Flexed budget — a budget restated at actual driver volumes so spending variances exclude the effect of volume.

Activity-Based Budgeting Day by Day

Day 1: From Long-Range Plans to Activity Demand

- Long-Range Financial Plan Bridge — Annual Envelopes Derived From Strategic Targets
- Incremental Versus Activity Logic — Where Rolled-Forward Budgets Hide Waste
- Process Mapping by Value Stream — Activities Behind Each Customer Output
- Activity Dictionary Design — Naming, Outputs and Ownership Rules
- Demand Forecast Translation — Sales Volumes Into Driver Quantities

Day 2: Cost Drivers and Capacity Rates

- Driver Selection Criteria — Causality, Measurability and Data Availability
- Time-Driven ABC Equations — Unit Times for Varied Transactions
- Practical Capacity Estimation — Realistic Hours per Resource Pool
- Capacity Cost Rate Calculation — Cost per Minute by Department
- Hospital and Logistics Cases — Driver Choices Compared Across Sectors

Day 3: Building the Activity Budget

- Resource Requirement Calculation — Staff and Machine Hours From Demand
- Unused Capacity Reporting — Idle Cost Separated From Activity Cost
- Capital Budgeting Triggers — When Demand Justifies New Equipment
- Cash Planning From Activity Budgets — Timing of Payroll and Supplier Outflows
- Shared Service Charge-Out Rates — Fair Recovery From Internal Customers

Day 4: Consolidation, Approval and Monitoring

- Budget Consolidation Across Cost Centres — Eliminating Double-Counted Activities
- Approval Cycle Design — Challenge Sessions on Driver Assumptions
- Flexed Monthly Monitoring — Spending and Efficiency Variances Separated
- Capacity Utilisation Dashboard — Signals for Redeploying Resource
- Rebudgeting Rules — Responding to Sustained Volume Shifts

Day 5: Practising the Activity-Based Budget

- Activity Dictionary Applied to a Case Function — Drivers Agreed
- Capacity Rate Workbook Built — Practical Capacity Tested
- Approval Panel Simulation — Defending Headcount and Capital Requests
- Variance Commentary Exercise — Flexed Results Explained to Budget Holders
- Activity-Based Budget and Capacity Cost Model — Final Assembly

Applying Activity-Based Budgeting After the Course

- Build an activity dictionary and driver set for one support function and validate unit times with its supervisors.
- Report unused capacity cost for that function in the next monthly monitoring cycle alongside flexed variances.

Activity-Based Budgeting Questions FAQ

What is activity-based budgeting and why does it matter now?

Activity-based budgeting sets spending from forecast demand for activities and the cost of capacity to perform them. It matters now because overheads are rising and leaders want budgets that expose idle resource rather than repeat last year's totals.

Which roles gain most from activity-based budgeting and capacity cost planning?

Finance officers, planning managers and cost accountants gain most. You benefit if you prepare cost centre budgets, set internal charge-out rates or judge requests for extra staff and equipment.

How does activity-based budgeting differ from a general budgeting and financial reporting course?

It replaces line-item budgeting with activity and capacity logic. A general course covers the whole planning and reporting cycle, while this course builds budgets from cost drivers, unit times and practical capacity.

What do you bring back from activity-based budgeting and capacity cost planning training?

You bring back a working activity budget model, a capacity rate workbook and an approval briefing template for one function.

Activity-Based Budgeting: The Way Forward

The activity-based budget and capacity cost model is ready for the next budget round. Its first decision is whether a request for extra headcount can be met from unused capacity. Planning managers own it, cost accountants refresh its rates and budget holders use it monthly. After the first cycle, revisit the driver choices and unit times against actual workload records.