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COURSE BROCHURE

Cost Driver Analysis and Overhead Optimisation Training Course

25 – 29 April 2027
Online

Cost Driver Analysis and Overhead Optimisation Training Course

Ref: 1986_73118 **Date:** 25 – 29 April 2027 **Location:** Online **Fees:** 1900 GBP

Cost Driver Analysis and Overhead Optimisation is a 1-week training course for operations and finance managers who must explain why indirect costs grow and decide which ones to cut, redesign or protect, ending with an Overhead Savings Roadmap. Shared services and facility costs now absorb a rising share of spend. Jupiter Prime Training offers this course on Cost Driver Analysis and Overhead Optimisation.

Why Cost Driver Analysis and Overhead Optimisation Matters Now

Three forces shape overhead decisions today: automation that shifts spend from labour to licences and platforms, pressure from boards and lenders for leaner support functions, and operating leaders who resist allocations they cannot trace. An organisation that links each overhead pool to a measurable driver can defend its pricing, retire low-value activity and reinvest with confidence, while one relying on flat allocations cuts the wrong services. The course rests on Activity-Based Costing ABC, Time-Driven Activity-Based Costing TDABC, standard costing with variance analysis and zero-based review of support budgets.

Who Gains Most from Cost Driver Analysis and Overhead Optimisation

- Managers accountable for support function budgets
- Finance partners who allocate indirect costs
- Operations managers who must justify overhead recharges
- Cost accountants who maintain standards and explain variances
- Improvement leads who select and track cost reduction initiatives

A finance team and the operations managers it supports gain most when they attend together, so driver choices carry agreement from both sides.

Cost Driver Analysis and Overhead Optimisation Capabilities

Participants move from reporting overhead totals to tracing and shrinking them with evidence.

- Map overhead pools to activities and measurable drivers — recharge methods agreed with site managers
- Calculate driver rates and capacity cost using ABC and TDABC — product and customer pricing
- Analyse spend cubes by supplier, category and cost centre — sourcing and demand reduction choices
- Interpret price, usage and efficiency variances against standards — monthly performance reviews
- Rank cost reduction initiatives by value, effort and service risk — the steering group
- Design savings tracking with baselines and control points — finance sign-off of realised savings

Key Cost Driver Analysis and Overhead Optimisation Terms

- Cost driver — the measurable factor, such as orders or machine hours, whose volume causes an activity's cost to change.
- Overhead pool — a group of indirect costs collected together before being assigned to products, services or customers.
- Unused capacity cost — the cost of resources paid for but not consumed by any activity during the period.
- Spend cube — a view of purchasing data analysed by supplier, category and organisational unit at the same time.
- Usage variance — the difference between actual and standard quantity consumed, valued at the standard rate.
- Savings baseline — the agreed cost level before an initiative, against which realised reductions are measured and signed off.

Cost Driver Analysis and Overhead Optimisation Day by Day

Day 1: Overhead Structure and Cost Behaviour

- Fixed, Variable and Step Cost Behaviour — Which Overheads Move With Volume
- Overhead Pool Mapping by Function — Where Indirect Spend Really Sits
- Traditional Absorption Rates — Distortions in Product and Site Margins
- Cost Control Frameworks and Ownership Matrices — Who Answers for Each Pool
- Overhead Trend Profiling Across Periods — Early Signals of Cost Creep

Day 2: Tracing Costs to Drivers

- Activity Dictionaries and Activity Interviews — Defining What Support Teams Actually Do
- Activity-Based Costing Driver Selection — Choosing Causal Over Convenient Bases
- Time-Driven ABC Capacity Equations — Exposing Unused Capacity Cost
- Customer and Channel Cost-to-Serve Models — Profitability by Segment
- Driver Data Quality Checks — Confidence Before Recharges Change

Day 3: Spend Analytics and Variance Insight

- Spend Cube Construction and Cleansing — Category Priorities for Reduction
- Pareto and Tail Spend Analysis — Focusing Effort on Material Lines
- Standard Cost Setting for Support Services — Benchmarks for Monthly Control
- Price, Usage and Efficiency Variances — Separating Market Effects From Waste
- Variance Commentary Templates — Actions Owners Commit to Each Month

Day 4: Choosing and Governing Reduction Initiatives

- Zero-Based Review of Support Budgets — Justifying Each Service From Nil
- Demand Management and Service Level Redesign — Cutting Consumption Not Quality
- Initiative Scoring on Value, Effort and Risk — The Sequence of Savings Work
- Savings Baselines and Realisation Rules — When a Saving Counts as Delivered
- Control Points and Early Warning Indicators — Stopping Costs From Returning

Day 5: Practising the Overhead Savings Roadmap

- Driver Model Build for a Case Organisation — Applying Day Two Tracing Methods
- Spend and Variance Diagnosis of the Case — Applying Day Three Analytics
- Initiative Shortlist With Scored Business Cases — Applying Day Four Choices
- Stakeholder Briefing on Recharge Changes — Securing Agreement From Site Leaders
- Overhead Savings Roadmap Assembly — Targets, Owners, Baselines and Control Points

Applying Cost Driver Analysis and Overhead Optimisation After the Course

- Run a time-driven ABC pilot on one support function and publish its unused capacity cost.
- Build a spend cube for the largest indirect category and table three scored initiatives.

Cost Driver Analysis and Overhead Optimisation Questions FAQ

What is Cost Driver Analysis and Overhead Optimisation and why does it matter now?

It is the practice of linking indirect costs to the activities and drivers that cause them, then reducing those costs with evidence. It matters now because support spend is rising and leaders demand traceable recharges.

Which roles gain most from Cost Driver Analysis and Overhead Optimisation?

Operations and finance managers gain most, especially budget owners of support functions, finance business partners, cost accountants and improvement leads.

How does Cost Driver Analysis and Overhead Optimisation differ from a general budgeting course?

It goes beneath the budget totals. A general budgeting course sets and monitors spending limits, while this subject traces each overhead pool to its drivers, exposes unused capacity and selects reduction initiatives with baselines.

What do you bring back from Cost Driver Analysis and Overhead Optimisation?

You bring back a scored set of reduction initiatives built on a driver model of your own overheads. It includes savings baselines, named owners and control points.

Cost Driver Analysis and Overhead Optimisation: The Way Forward

The Overhead Savings Roadmap gives finance and operations leaders one shared view of which indirect costs to cut first and how each saving will be proven. Its first use is usually the next budget round. After that first cycle, revisit the driver choices, since automation and new service models quickly change what truly causes overhead cost.