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COURSE BROCHURE

# Time-Driven Activity-Based Costing for Services Training Course

17 – 21 May 2027
New York

# Time-Driven Activity-Based Costing for Services Training Course

**Ref:** 2203_81448 **Date:** 17 – 21 May 2027 **Location:** New York **Fees:** 7900 GBP

Time-Driven Activity-Based Costing for Services is a 1-week training course for cost accountants and management accountants in service organisations, who leave with a working service cost model built on capacity cost rates and time equations. In hotels, clinics and logistics firms, knowing what each minute costs decides pricing, staffing and which customers pay their way. Jupiter Prime Training presents this course on time-driven activity-based costing for services.

## Why Time-Driven Activity-Based Costing for Services Matters Now

Three pressures meet in service costing today. Customers expect tailored service, so the same product can consume very different staff time. Finance leaders want customer and channel margins rather than averages. And timestamped operational systems now record how long activities really take. Firms that cost services by the minute reprice loss-making variants; those that spread overhead evenly subsidise demanding accounts unseen. The course rests on time-driven activity-based costing TDABC and its two parameters, the capacity cost rate and unit times expressed in time equations.

## Who Gains Most from Time-Driven Activity-Based Costing for Services

- Accountants responsible for costing service lines, departments and shared support pools
- Analysts who prepare customer, segment and channel profitability reports
- Accountants who maintain overhead allocation and internal recharge rates
- Finance business partners who advise operations leaders on staffing and capacity
- Accountants who support service pricing and contract renewal decisions

Finance teams in hotel groups, hospitals and logistics companies gain most when cost accountants and the business partners who use the figures attend together.

## Time-Driven Activity-Based Costing for Services Capabilities

Participants learn to price a minute of each resource and express service effort as equations.

- Calculate capacity cost rates from resource pools and practical capacity — for the finance controller
- Design time equations that reflect order and customer complexity — for operations managers
- Build customer and channel profitability views from minute-based costs — for commercial leaders
- Assess unused capacity by pool and propose redeployment options — for department heads
- Test unit time estimates against system timestamps and observation — for internal reviewers
- Specify a model update routine for rates and equations — for the costing team lead

## Key Time-Driven Activity-Based Costing for Services Terms

- Capacity cost rate — the cost of resources supplied divided by their practical capacity, usually expressed as cost per minute.
- Practical capacity — the time staff and equipment can realistically work after breaks, training, meetings and maintenance are removed.
- Time equation — a formula that adds time for each driver, such as order size or special handling, to estimate activity time.
- Unit time — the minutes one occurrence of an activity takes, estimated by observation, sampling or system records.
- Unused capacity — resources paid for but not consumed by any activity, reported separately rather than loaded onto products.
- Cost-to-serve — the full service cost of supporting a customer, channel or segment, beyond the cost of the product sold.

## Time-Driven Activity-Based Costing for Services Day by Day

### Day 1: Service Cost Behaviour and Capacity

- Service Process Mapping — Locating Where Staff Minutes Are Consumed
- Conventional Activity Costing Limits — Interview Burden and Model Upkeep
- Capacity Supplied Versus Capacity Used — Exposing Idle Resource Cost
- Department Resource Pools — Grouping Salaries, Space and Systems Cost
- Practical Capacity Estimates — Setting Realistic Available Minutes per Pool

### Day 2: Capacity Cost Rates

- Cost of Capacity Supplied — Building the Numerator for Each Pool
- Practical Capacity in Minutes — Allowing for Breaks, Training and Downtime
- Capacity Cost Rate Calculation — Pricing One Minute of Each Resource
- Shared Resource Allocation — Splitting Front-Desk and Back-Office Pools
- Rate Validation With Managers — Testing Plausibility Before Model Build

### Day 3: Time Equations and Unit Times

- Unit Time Estimation — Observation, Sampling and System Timestamps
- Time Equation Design — Modelling Order and Customer Characteristics
- Complexity Drivers — Adding Terms for Rush, Special and Repeat Requests
- Hotel Guest Stay Example — Costing Check-In, Housekeeping and Billing
- Clinic Patient Pathway Example — Costing Triage, Consultation and Discharge

### Day 4: Customer Profitability and Capacity Decisions

- Customer Profitability Whale Curve — Ranking Accounts by Service Margin
- Cost-to-Serve Analysis — Comparing Channels, Segments and Order Sizes
- Unused Capacity Reporting — Deciding to Redeploy or Release Resources
- Service Pricing and Menu Design — Repricing Costly Service Variants
- Model Maintenance Routine — Updating Rates and Equations Each Period

## Day 5: Practising the Service Cost Model

- Pool and Rate Build — Applying Capacity Cost Rate Steps
- Time Equation Drafting — Applying Unit Time and Driver Terms
- Profitability Run — Applying Whale Curve and Cost-to-Serve Views
- Capacity Review Exercise — Applying Unused Capacity Reporting
- Completing the Service Cost Model — Agreeing Owners and Update Cycle

## Applying Time-Driven Activity-Based Costing for Services After the Course

- Calculate capacity cost rates for two service departments and report the unused capacity each one carries.
- Draft a time equation for one high-volume service process and compare its results with last quarter's allocated cost.

## Time-Driven Activity-Based Costing for Services Questions FAQ

### What is time-driven activity-based costing for services, and why does it matter now?

Time-driven activity-based costing for services prices each minute of staff and equipment and uses time equations to cost each service event. It matters now because tailored service makes average overhead rates misleading for pricing and staffing.

### Which roles gain most from time-driven activity-based costing for services training?

Cost accountants and management accountants in service firms gain most, together with finance business partners who advise on pricing, staffing and customer profitability.

### How does time-driven activity-based costing for services training differ from a course on standard costing for budgets?

It costs service effort by the minute with capacity cost rates and time equations. A standard costing course for budgets sets unit cost standards and overhead rates for planning, mostly in product settings.

### What do you bring back from time-driven activity-based costing for services training?

You bring back a service cost model drafted for your own organisation, with resource pools, capacity cost rates, time equations and a customer profitability view ready for testing.

## Time-Driven Activity-Based Costing for Services: The Way Forward

The service cost model becomes the reference the finance team uses whenever a service is priced or a department asks for headcount. Its first use is often a review of which customers or channels absorb far more minutes than their margins justify, led by the costing lead. After the first update cycle, the time equations deserve a fresh check against system timestamps.