QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1440

Cost Analysis for Strategic Decision Making Training Course

BUDGETING, FORECASTING & COST MANAGEMENT
FINANCE, INVESTMENT & BANKING

DURATION
5 Days

DELIVERY
Classroom

Course Overview

The Cost Analysis for Strategic Decision Making Training Course provides an advanced and practical framework for understanding cost behavior, identifying cost drivers, evaluating profitability, and using cost information to support financial, operational, and strategic decisions. The course focuses on transforming cost data from a traditional accounting resource into a practical management tool that helps organizations evaluate alternatives, allocate resources efficiently, improve operational performance, and strengthen long-term value creation.

Cost information plays a critical role in a wide range of management decisions, including pricing, resource allocation, outsourcing, make-or-buy decisions, capacity planning, product and service evaluation, supplier management, cost reduction, and profitability improvement. The course develops participants' ability to distinguish between different cost categories, understand cost behavior, identify relevant costs, and evaluate the relationship between cost, volume, pricing, contribution, and profitability.

The program covers practical cost analysis techniques, including fixed and variable costs, direct and indirect costs, controllable and non-controllable costs, relevant and irrelevant costs, contribution margin, break-even analysis, cost-volume-profit relationships, activity-based costing, product and customer profitability, and cost-to-serve analysis. Participants will also examine how historical and projected cost information can be used to evaluate scenarios, test assumptions, and assess the financial consequences of different business decisions.

A strong emphasis is placed on applying cost analysis to strategic decisions such as pricing, make-or-buy, outsourcing, product and service mix, capacity utilization, process improvement, supplier decisions, investment initiatives, and cost optimization. The course also addresses the risks of using inappropriate cost allocation methods or incomplete cost information, helping participants develop a clearer understanding of the costs that are actually relevant to specific decisions.

Through case studies, analytical exercises, profitability assessments, scenario analysis, and practical workshops, the Cost Analysis for Strategic Decision Making Training Course develops the ability to interpret cost information and convert it into actionable recommendations. The program is suitable for government entities, ministries, public sector organizations, banks, financial institutions, oil and gas companies, large corporations, and professionals working across finance, operations, procurement, strategy, and performance management.

Objectives

- Analyze cost concepts, classifications, and cost behavior and assess their relevance to strategic decisions during the course.
- Develop practical frameworks for identifying cost drivers and evaluating their impact on financial and operational performance.
- Evaluate fixed, variable, direct, indirect, controllable, and non-controllable costs within different business environments.
- Apply break-even analysis, contribution margin analysis, and profitability analysis to practical management decisions.
- Analyze relevant and irrelevant costs and distinguish decision-specific information from costs that should not influence the decision.
- Evaluate pricing, product mix, make-or-buy, outsourcing, and capacity allocation alternatives using appropriate cost information.
- Design cost analysis models for products, services, customers, processes, and business units.
- Apply sensitivity analysis and scenario analysis to assess the impact of changes in price, volume, resource utilization, and operating costs.
- Evaluate cost reduction and efficiency opportunities while protecting operational capability, quality, and customer value.
- Develop management reports using cost, profitability, productivity, and resource utilization indicators.
- Strengthen the integration of cost information with budgeting, forecasting, performance management, and corporate strategy.
- Align cost analysis with profitability, financial sustainability, resource optimization, and long-term value creation.

Who Should Attend

This course is designed for professionals working in management accounting, finance, cost analysis, financial planning, operations, procurement, strategy, and performance management. It is particularly relevant to Cost Managers, Management Accountants, Financial Analysts, Finance Managers, Operations Managers, Procurement Managers, Supply Chain Professionals, Financial Planning Specialists, Performance Managers, Profitability Analysts, and professionals responsible for preparing financial information for management decisions.

The program is also suitable for Chief Financial Officers, Finance Directors, Business Unit Managers, Strategy Directors, Planning Managers, Operations Leaders, Investment Committee Members, and senior decision makers responsible for pricing, resource allocation, efficiency improvement, cost reduction, and profitability management. Professionals working in government entities, ministries, public sector organizations, banks, financial institutions, oil and gas companies, and large corporations can benefit from the practical cost analysis frameworks covered throughout the course.

The course is particularly valuable for professionals involved in feasibility studies, product and service analysis, supplier negotiations, contract reviews, process improvement, restructuring, and cost optimization initiatives. Internal audit, risk management, governance, and strategic planning professionals can also benefit from understanding how cost information can be used to strengthen organizational control and strategic decision making.

Learning Outcomes

- Explain major cost classifications and cost behavior patterns and their relevance to financial and strategic decisions.
- Classify costs according to their nature, behavior, controllability, and relationship to business activities.
- Identify and analyze the key cost drivers affecting products, services, processes, and customers.
- Apply break-even analysis, contribution margin analysis, and profitability analysis to practical business situations.
- Identify relevant costs and exclude non-relevant information when evaluating alternative decisions.
- Analyze the profitability of products, services, customers, and business units using appropriate cost information.
- Evaluate pricing, make-or-buy, outsourcing, product mix, and capacity decisions using relevant cost analysis.
- Build scenarios and conduct sensitivity analysis to measure the financial effect of changes in cost, volume, price, and resource utilization.
- Identify opportunities for sustainable cost reduction, productivity improvement, and resource optimization.
- Prepare cost and profitability reports that provide clear information for senior management and decision makers.

- Integrate cost analysis with budgeting, forecasting, financial planning, and performance management.
- Prepare a strategic recommendation supported by cost analysis, profitability assessment, risk evaluation, and comparison of available alternatives.

Course Outline

DAY 01

Cost Analysis Foundations, Cost Behavior and Decision Support

- Principles and strategic role of cost analysis in organizational decision making
- Cost classification and alternative approaches to classifying costs
- Fixed, variable, semi-variable, direct, and indirect costs
- Controllable and non-controllable costs
- Cost behavior and the relationship between activity levels and cost
- Identifying cost drivers and linking them to operational performance
- Product costs, period costs, activity costs, and responsibility center costs
- Relationship between cost information and management decision making

> **PRACTICAL APPLICATION**
> Analyze an organization’s cost structure and identify major cost drivers, inefficiencies, and areas requiring further investigation

DAY 02

Cost-Volume-Profit Analysis, Profitability and Relevant Costs

- Relationship between cost, volume, price, and profitability
- Break-even analysis and operating break-even points
- Contribution margin and contribution analysis by product and service
- Profitability analysis under changing prices, volumes, and cost assumptions
- Relevant and irrelevant costs in management decisions
- Incremental costs and opportunity costs

DAY 02 — CONTINUED

- Short-term decision making using relevant cost information
- Product, service, and customer profitability analysis

PRACTICAL APPLICATION

Evaluate alternative operating decisions and identify the most appropriate option based on relevant costs, contribution, and expected profitability

DAY 03

Cost Analysis for Strategic Business Decisions

- Using cost analysis to support pricing decisions
- Make-or-buy decisions and supplier alternatives
- Outsourcing and insourcing analysis
- Product and service mix decisions
- Continue-or-discontinue decisions
- Capacity allocation and resource constraint decisions
- Cost-to-serve analysis by customer, product, service, or business segment
- Assessing strategic implications of cost and profitability decisions

PRACTICAL APPLICATION

Evaluate multiple strategic alternatives using relevant costs, contribution margins, profitability, and expected financial impact

DAY 04

Advanced Cost Analysis, Efficiency Improvement and Cost Optimization

- Activity-based cost analysis across functions and processes
- Supply chain, procurement, supplier, and contract cost analysis
- Process cost analysis and identification of low-value activities
- Cost of poor quality, waste, rework, delays, and operational inefficiencies
- Resource utilization and capacity efficiency analysis

DAY 04 — CONTINUED

- Identifying sustainable cost reduction and productivity opportunities
- Evaluating the financial and operational impact of cost improvement initiatives
- Scenario analysis and sensitivity analysis for cost optimization programs

PRACTICAL APPLICATION

Develop a cost analysis map and prioritize cost optimization opportunities based on value, risk, feasibility, and implementation requirements

DAY 05

Strategic Cost Management, Executive Reporting and Decision Making

- Integrating cost analysis with budgeting, forecasting, and financial planning
- Linking cost information with financial and operational performance indicators
- Preparing cost and profitability reports for senior management
- Using cost indicators to support resource allocation and strategic decisions
- Evaluating the financial impact of strategic initiatives and operational investments
- Advanced scenario analysis and decision making under uncertainty
- Cost information governance, data quality, and responsibility for cost centers
- Developing a cost-conscious and value-focused organizational culture
- Translating analytical results into clear and actionable strategic recommendations

FINAL WORKSHOP

Develop and present a comprehensive strategic cost analysis covering cost drivers, profitability, relevant cost analysis, alternative scenarios, cost reduction opportunities, resource optimization, risk considerations, and executive recommendations

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Register or Request More Information

Course page: https://quest-training.com/courses/cost-analysis-for-strategic-decision-making-training-course
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