Budgeting and Strategic Performance Measurement

“A budget tells us what we can’t afford, but it doesn’t keep us from buying it.” — William Feather

Budgeting is an essential step in the annual planning process of a company. No matter in which area you work, you are often involved in the company’s budgeting process. The first part of this seminar focuses on the development of an operating budget. We discuss different types of budgets, different approaches on how to develop a budget, and then develop a master budget for a fictional company.

In the second part of the seminar, we will examine how companies use multi-measure assessment tools to control business unit and managerial performance. In this segment, we focus on the Balanced Scorecard, a strategic performance measurement tool that includes four perspectives: Financial, Customer, Business Processes, and Learning & Growth. In an interactive exercise, we will use a strategy map to link the measurement of performance in these four perspectives to the strategic goals of a company.

FACULTY
Lasse Mertins, Ph.D. (Virginia Tech) is an Associate Professor on the practice track at the Johns Hopkins Carey Business School. He is an expert on financial statement analysis, managerial accounting and performance assessments. He is also a Certified Management Accountant (CMA). Before his academic career, Dr. Mertins worked as a management accountant in the food industry.

He has published his research in many scholarly journals such as Journal of Business Ethics, Journal of Management Accounting, Journal of Accounting Literature, Advances in Accounting, and Issues in Accounting Education.

WHO SHOULD ATTEND
Preparing operating budgets and measuring performance are essential tasks of managers. Managers also need to understand the relationships among different types of budgets. Therefore, this 2-day seminar is relevant to professionals from many areas, including marketing, sales, operations, logistics, planning and development, and general management. This seminar serves individuals at all career stages as well as rising managers who want to improve their budgeting and performance measurement skills.

FEES
(includes materials, continental breakfast and lunch)

- $3,200 for the 2-day seminar
- 20% discount to JHU and JHHS employees
- JHU employees may use tuition remission for the seminar

LOCATION
Baltimore Harbor East
Course Schedule

DAY 1

8:30AM - 9:00AM
REGISTRATION AND BREAKFAST

9:00AM - 12:00PM
MORNING SESSION (INCLUDING A COFFEE BREAK)

BASICS OF AN OPERATING BUDGET (PLANNING)
- Purposes of Budget Systems
- Top-down versus Participative Budgeting
- Cost Estimation: Variable versus Fixed Costs
- Types of Budget: Annual Budget, Flexible Budget, etc.
- How to Create an Operating Budget

12:00PM - 1:00PM
LUNCH

1:00PM - 4:00PM
AFTERNOON SESSION (INCLUDING A COFFEE BREAK)

BUDGETING SIMULATION
- Development of a Master Budget including Sales Budget, Production Budget, Inventory Budget, SG&A Expense Budget, and Cash Budget
- Development of a Budgeted Income Statement and Balance Sheet

DAY 2

8:30AM - 9:00AM
REGISTRATION AND BREAKFAST

9:00AM - 12:00PM
MORNING SESSION (INCLUDING A COFFEE BREAK)

BASICS OF STRATEGIC PERFORMANCE MEASUREMENT (CONTROL)
- Different Types of Multi-Measure Performance Evaluation Systems
- The Balanced Scorecard Framework
- Purpose of Strategy Maps
- Examples of Balanced Scorecards

12:00PM - 1:00PM
LUNCH

1:00PM - 4:00PM
AFTERNOON SESSION (INCLUDING A COFFEE BREAK)

STRATEGIC PERFORMANCE MEASUREMENT SYSTEM SIMULATION
- Development of Strategic Goals for a Company
- Determining measures that can measure the achievement of the strategic goals
- Development of a Balanced Scorecard
- Development of a Strategic Map that links the measures in the Balanced Scorecard to strategic goals