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Global Learning for Operational Leaders



ACCOUNTING AND FINANCE | AF-057

Activity-Based Costing and Profitability Analysis

Contact

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Course content

Why Attend

Traditional costing systems often spread overheads using simple measures such as labour hours or sales value. In organisations with diverse products, services, customers and channels, this can seriously distort reported costs, making some offerings appear profitable when they lose money and hiding the real causes of overhead growth.

This Activity-Based Costing and Profitability Analysis training course shows participants how to trace resources to activities and activities to products, services, customers and channels based on what actually drives cost. Participants learn to design practical activity-based models, including time-driven approaches that are easier to maintain.

Course Methodology

• Participants learn by building a working activity-based costing model in spreadsheets for a realistic multi-product company. Short explanations are followed by guided modelling steps, group analysis of results, decision-making exercises and discussion of how participants can apply the approach in their own organisations.

Course Objectives

• Explain the limitations of traditional overhead allocation methods

• Describe the structure and principles of activity-based costing

• Identify activities, resource drivers and activity cost drivers

• Build a practical activity-based costing model, including a time-driven approach

• Analyse product, service, customer and channel profitability

• Use cost-to-serve analysis to improve pricing, terms and service models

Target Audience

• Cost accountants and management accountants

• Financial controllers and finance managers

• Pricing and commercial analysts

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- Operations and process improvement managers

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Course outline

Detailed course outline

Day-by-day outline for Activity-Based Costing and Profitability Analysis.

Day 1 - Why Costing Systems Mislead

- 09:00-09:34 | Cost Behaviour Refresher: Fixed, variable, direct and indirect costs
- 09:34-10:08 | Traditional Absorption Costing: Methods and typical distortions
- 10:08-10:42 | The Growth of Overheads: Complexity, variety and support activities
- 10:42-11:00 | Activity-Based Costing Concepts: Resources, activities and cost objects
- 11:00-11:30 | Coffee break
- 11:30-11:46 | Activity-Based Costing Concepts: Resources, activities and cost objects (continued)
- 11:46-12:20 | Cost Hierarchy: Unit, batch, product, customer and facility-level activities
- 12:20-12:53 | When Activity-Based Costing Adds Most Value: Signs of cost distortion
- 12:53-14:00 | Case Study: Comparing traditional and activity-based product costs

Day 2 - Designing the Activity Model

- 09:00-09:34 | Defining Activities: Choosing the right level of detail
- 09:34-10:08 | Resource Drivers: Assigning people, systems and facility costs to activities
- 10:08-10:42 | Activity Cost Drivers: Selecting measurable and meaningful drivers
- 10:42-11:00 | Data Collection: Interviews, surveys, system data and time studies
- 11:00-11:30 | Coffee break
- 11:30-11:46 | Data Collection: Interviews, surveys, system data and time studies (continued)
- 11:46-12:20 | Time-Driven Activity-Based Costing: Capacity cost rates and time equations
- 12:20-12:53 | Unused Capacity: Identifying and reporting idle resources
- 12:53-14:00 | Practical Exercise: Designing activities and drivers for a support function

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Day 3 - Building and Validating the Model

- 09:00-10:00 | Model Structure: Building transparent and maintainable spreadsheets
- 10:00-10:30 | Calculating Activity Rates: From resources to cost per driver unit
- 10:30-11:00 | Assigning Costs to Products and Services: Bills of activities
- 11:00-11:30 | Coffee break
- 11:30-12:00 | Validating Results: Reconciliation, reasonableness checks and stakeholder review
- 12:00-12:30 | Sensitivity of Results: Testing driver and data assumptions
- 12:30-13:00 | Software and System Options: When to move beyond spreadsheets
- 13:00-14:00 | Workshop: Building a complete activity-based costing model

Day 4 - Profitability and Cost-to-Serve Analysis

- 09:00-09:34 | Product and Service Profitability: Interpreting the profit whale curve
- 09:34-10:08 | Customer Profitability: Order patterns, service demands and payment behaviour
- 10:08-10:42 | Channel Profitability: Comparing direct, distributor and online channels
- 10:42-11:00 | Cost-to-Serve Analysis: Identifying high-cost customers and service features
- 11:00-11:30 | Coffee break
- 11:30-11:46 | Cost-to-Serve Analysis: Identifying high-cost customers and service features (continued)
- 11:46-12:20 | Pricing Decisions: Using activity-based costs to set prices and terms
- 12:20-12:53 | Product Mix and Rationalisation: Making informed portfolio decisions
- 12:53-14:00 | Practical Exercise: Developing a customer profitability improvement plan

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Day 5 - Activity-Based Management and Implementation

- 09:00-09:39 | Activity-Based Management: Using cost information to improve processes
- 09:39-10:18 | Eliminating Non-Value-Adding Activities: Linking costing with lean thinking
- 10:18-10:57 | Activity-Based Budgeting: Planning resources from expected demand
- 10:57-11:00 | Implementation Roadmap: Scope, pilot, rollout and maintenance
- 11:00-11:30 | Coffee break
- 11:30-12:06 | Implementation Roadmap: Scope, pilot, rollout and maintenance (continued)
- 12:06-12:44 | Change Management: Engaging managers and avoiding defensive reactions
- 12:44-13:22 | Common Pitfalls: Excessive detail, poor data and lack of ownership
- 13:22-14:00 | Final Presentation: Recommending decisions based on activity-based insights

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Seminar dates

Available seminar dates

Live dates and pricing for Activity-Based Costing and Profitability Analysis generated from the course details page.

Date	Location	Format	Fee
14 - 18 December 2026	London	Classroom	**€2,915**
21 - 25 December 2026	Barcelona	Classroom	**€2,275**
7 - 11 December 2026	Frankfurt	Classroom	**€2,175**
25 - 29 January 2027	London	Classroom	**€2,915**
4 - 8 January 2027	Barcelona	Classroom	**€2,275**
11 - 15 January 2027	Frankfurt	Classroom	**€2,175**
18 - 22 January 2027	Amsterdam	Classroom	**€3,215**
1 - 5 February 2027	London	Classroom	**€2,915**
8 - 12 February 2027	Barcelona	Classroom	**€2,275**
15 - 19 February 2027	Frankfurt	Classroom	**€2,175**

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Seminar dates

Available seminar dates

Live dates and pricing for Activity-Based Costing and Profitability Analysis generated from the course details page.

Date	Location	Format	Fee
22 - 26 February 2027	Cape Town	Classroom	**€1,825**
8 - 12 March 2027	London	Classroom	**€2,915**
15 - 19 March 2027	Barcelona	Classroom	**€2,275**
22 - 26 March 2027	Frankfurt	Classroom	**€2,175**
1 - 5 March 2027	Dubai	Classroom	**€2,845**
19 - 23 April 2027	London	Classroom	**€2,915**
26 - 30 April 2027	Barcelona	Classroom	**€2,275**
5 - 9 April 2027	Frankfurt	Classroom	**€2,175**
12 - 16 April 2027	Geneva	Classroom	**€3,315**
24 - 28 May 2027	London	Classroom	**€2,915**

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Seminar dates

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Date	Location	Format	Fee
3 - 7 May 2027	Barcelona	Classroom	**€2,275**
10 - 14 May 2027	Frankfurt	Classroom	**€2,175**
17 - 21 May 2027	Istanbul	Classroom	**€2,825**
14 - 18 June 2027	London	Classroom	**€2,915**
21 - 25 June 2027	Barcelona	Classroom	**€2,275**
7 - 11 June 2027	Frankfurt	Classroom	**€2,175**
12 - 16 July 2027	London	Classroom	**€2,915**
19 - 23 July 2027	Barcelona	Classroom	**€2,275**
26 - 30 July 2027	Frankfurt	Classroom	**€2,175**
5 - 9 July 2027	Madrid	Classroom	**€3,400**

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Date	Location	Format	Fee
16 - 20 August 2027	London	Classroom	**€2,915**
23 - 27 August 2027	Barcelona	Classroom	**€2,275**
2 - 6 August 2027	Frankfurt	Classroom	**€2,175**
9 - 13 August 2027	Munich	Classroom	**€2,425**
13 - 17 September 2027	London	Classroom	**€2,915**
20 - 24 September 2027	Barcelona	Classroom	**€2,275**
6 - 10 September 2027	Frankfurt	Classroom	**€2,175**
4 - 8 October 2027	London	Classroom	**€2,915**
11 - 15 October 2027	Barcelona	Classroom	**€2,275**
18 - 22 October 2027	Frankfurt	Classroom	**€2,175**

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Seminar dates

Available seminar dates

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Date	Location	Format	Fee
25 - 29 October 2027	Rome	Classroom	**€2,830**
8 - 12 November 2027	London	Classroom	**€2,915**
15 - 19 November 2027	Barcelona	Classroom	**€2,275**
22 - 26 November 2027	Frankfurt	Classroom	**€2,175**
1 - 5 November 2027	Vienna	Classroom	**€3,425**
20 - 24 December 2027	London	Classroom	**€2,915**
27 - 31 December 2027	Barcelona	Classroom	**€2,275**
6 - 10 December 2027	Frankfurt	Classroom	**€2,175**
13 - 17 December 2027	Amsterdam	Classroom	**€3,215**
14 - 18 December 2026	Online / Live	Online / Live	**€1,625**

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Seminar dates

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Live dates and pricing for Activity-Based Costing and Profitability Analysis generated from the course details page.

Date	Location	Format	Fee
21 - 25 December 2026	Online / Live	Online / Live	**€1,625**
7 - 11 December 2026	Online / Live	Online / Live	**€1,625**
25 - 29 January 2027	Online / Live	Online / Live	**€1,625**
4 - 8 January 2027	Online / Live	Online / Live	**€1,625**
11 - 15 January 2027	Online / Live	Online / Live	**€1,625**
18 - 22 January 2027	Online / Live	Online / Live	**€1,625**
1 - 5 February 2027	Online / Live	Online / Live	**€1,625**
8 - 12 February 2027	Online / Live	Online / Live	**€1,625**
15 - 19 February 2027	Online / Live	Online / Live	**€1,625**
22 - 26 February 2027	Online / Live	Online / Live	**€1,625**

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Date	Location	Format	Fee
8 - 12 March 2027	Online / Live	Online / Live	**€1,625**
15 - 19 March 2027	Online / Live	Online / Live	**€1,625**
22 - 26 March 2027	Online / Live	Online / Live	**€1,625**
1 - 5 March 2027	Online / Live	Online / Live	**€1,625**
19 - 23 April 2027	Online / Live	Online / Live	**€1,625**
26 - 30 April 2027	Online / Live	Online / Live	**€1,625**
5 - 9 April 2027	Online / Live	Online / Live	**€1,625**
12 - 16 April 2027	Online / Live	Online / Live	**€1,625**
24 - 28 May 2027	Online / Live	Online / Live	**€1,625**
3 - 7 May 2027	Online / Live	Online / Live	**€1,625**

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Date	Location	Format	Fee
10 - 14 May 2027	Online / Live	Online / Live	**€1,625**
17 - 21 May 2027	Online / Live	Online / Live	**€1,625**
14 - 18 June 2027	Online / Live	Online / Live	**€1,625**
21 - 25 June 2027	Online / Live	Online / Live	**€1,625**
7 - 11 June 2027	Online / Live	Online / Live	**€1,625**
12 - 16 July 2027	Online / Live	Online / Live	**€1,625**
19 - 23 July 2027	Online / Live	Online / Live	**€1,625**
26 - 30 July 2027	Online / Live	Online / Live	**€1,625**
5 - 9 July 2027	Online / Live	Online / Live	**€1,625**
16 - 20 August 2027	Online / Live	Online / Live	**€1,625**

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Date	Location	Format	Fee
23 - 27 August 2027	Online / Live	Online / Live	**€1,625**
2 - 6 August 2027	Online / Live	Online / Live	**€1,625**
9 - 13 August 2027	Online / Live	Online / Live	**€1,625**
13 - 17 September 2027	Online / Live	Online / Live	**€1,625**
20 - 24 September 2027	Online / Live	Online / Live	**€1,625**
6 - 10 September 2027	Online / Live	Online / Live	**€1,625**
4 - 8 October 2027	Online / Live	Online / Live	**€1,625**
11 - 15 October 2027	Online / Live	Online / Live	**€1,625**
18 - 22 October 2027	Online / Live	Online / Live	**€1,625**
25 - 29 October 2027	Online / Live	Online / Live	**€1,625**

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Date	Location	Format	Fee
8 - 12 November 2027	Online / Live	Online / Live	**€1,625**
15 - 19 November 2027	Online / Live	Online / Live	**€1,625**
22 - 26 November 2027	Online / Live	Online / Live	**€1,625**
1 - 5 November 2027	Online / Live	Online / Live	**€1,625**
20 - 24 December 2027	Online / Live	Online / Live	**€1,625**
27 - 31 December 2027	Online / Live	Online / Live	**€1,625**
6 - 10 December 2027	Online / Live	Online / Live	**€1,625**
13 - 17 December 2027	Online / Live	Online / Live	**€1,625**