

NAME : **Effective Cost Control**

PURPOSE : The main purpose of this seminar is to provide real life and theoretical information about developing and administrating an Effective Cost Control System and by doing so to persuade managers and workers to the necessity of such a system and how to keep the system functioning well.

CONTENT :The concepts of Cost and Control will be identified and the general perception of managers and employees towards Cost Control System will be discussed. The Cost Control Process will be examined in two dimensions. 1. As a Management System that includes steps such as “Determining (Cost) Standards” up to “Reviewing Standards”. 2. As an Operational System that includes steps like: “Determining Purchase Needs” up to “Control in the Service Activities.” Also the relationship of the operation with suppliers will be considered. Buy or make decisions will also be analyzed because of their important potential affects on operational costs.

DETAILS OF THE SUBJECT :

- Basic Concepts
 - What is Cost, Potential Cost, Actual Cost, Opportunity Cost, and How should they be calculated?
 - Cost Control Process
 - Quality VS Price? Which one should win?
 - Cost, Quality and Price? How are they relate one an other?
- Perceptions of Managers and employees towards Cost Control Process
 - Why is Cost Control essential for the financial success of the operation?
- Cost Control System (As a Management System)
 - “Determining Cost Standards” (Potential Cost) (Right product, at right quality, at the quantity, at the right price, at the right time, from the right supplier.)
 - “Measuring Actual Results” (Actual Cost) (Daily, weekly and monthly Cost Reports)
 - “Determining Variance” in the Cost and reasons for the variance
 - “Determining the Corrective Action” and applying it.
 - “Evaluate the results of the Corrective Action

- “Review Cost Standards”
- Cost Control System (As an Operational System)
 - “Forecasting Needs”
 - “Asking Quotas and evaluating offers”
 - “Ordering” Who should order?
 - “Receiving” Who should receive?
 - “Storing”
 - “Issuing” Paper trail!
 - “Production / Consumption”
- Purchase or Make Decisions
 - Determining employee skills and labor costs
- Tools and Equipment need for Effective Cost Control
 - In the Kitchen
 - In the Bar
 - At the Housekeeping
 - At the Office