

# Activity Costing Executive Seminar for Performance Accountability Course

Executives and decision makers need to know what projects, processes, activities, and programs cost to make the best use of limited resources in achieving efficient and effective operations while promoting a performance accountability culture. This seminar is an essential overview for understanding and applying activity based costing to data-driven planning and actions.

Group classes in Live Online and onsite training is available for this course. For more information, email [onsite@graduateschool.edu](mailto:onsite@graduateschool.edu) or visit: <https://sdfm.graduateschool.edu/courses/activity-costing-executive-seminar-for-performance-accountability>



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## Course Outline

### Module 1: Getting Started

- Review the strategic role of cost management in public and private sectors
- Challenge common misconceptions about cost control and financial stewardship
- Understand managerial vs. financial costing and the value of credible measurement

### Module 2: The Mechanics of Activity-Based Costing

- Differentiate between guessing, direct costing, and allocation
- Learn cost driver theory and application
- Explore cost objects, cost pools, and distribution methodologies

### Module 3: Pitfalls in Designing ABC Approaches

- Identify common mistakes in cost driver selection and system design
- Understand the risks of cross-subsidization and over-precision
- Explore behavior-driven implications of cost measurement errors

### Module 4: Other Allocation Considerations

- Apply Level of Effort (LOE) as a driver in service-oriented environments
- Explore random error vs. systematic bias in estimates
- Compare direct, step-down, and reciprocal allocation methods

### Module 5: ABC's Mission Benefits and Cost Benefit Analysis (CBA)

- Review case studies from FDA and Army cost-informed decisions
- Apply an 8-step process for CBA and cost estimation

- Integrate ABC into CBA for more strategic resource allocation

### **Module 6: Framework for Cost Measurement – Part 2**

- Explore alternatives to budget compliance as cost control strategy
- Learn how productivity gains drive organizational capacity
- Discuss leadership's role in driving cost-informed decision-making

### **Module 7: Role-Based Control and ABC Applications**

- Implement role-based cost control systems within support/core structures
- Use ABC to reallocate overhead and motivate cost reductions
- Review practical examples from SPAWAR and NRaD

### **Module 8: Summary and Conclusions**

- Compare organization-based, role-based, and output-based control systems
- Explore applications in the Bureau of Engraving and Printing
- Establish practices for sustaining a cost-managed organization