Cost Volume Profit Analysis and Breakeven Decision Making

2 days | 14 training hours | 08:30 to 17:00 | 23 scheduled dates

Pricing a tender, dropping a product line or accepting a special order all hinge on understanding how cost, volume and profit move together. This practical course builds the cost volume profit toolkit that South African commercial and finance staff use to find breakeven, protect contribution margin and test decisions before committing. Delegates work through local scenarios covering rising input costs, foreign exchange pressure and volume swings.

Course objectives

This programme builds the practical capability to plan, control and evaluate the work it covers, to a standard the delegate's own organisation can rely on. By the end of the 2 days, delegates should be able to:

- Separate fixed, variable and semi variable costs from real ledger data.
- Calculate contribution margin, breakeven volume and margin of safety.
- Model the profit impact of price, cost and volume changes.
- Evaluate special orders, product mix and make or buy decisions.
- Apply sensitivity analysis to test decisions against uncertainty.
- Present cost volume profit findings clearly to non financial decision makers.

Learning outcomes

On successful completion of the course, delegates will be able to:

- Explain the principles and practical applications of cost volume profit analysis.
- Distinguish between fixed, variable and semi variable costs.
- Analyse cost behaviour using financial and management accounting information.
- Calculate contribution per unit and contribution margin ratios.
- Calculate and interpret the breakeven point in units and in monetary value.
- Calculate and interpret the margin of safety.
- Determine the sales volume required to achieve a target profit.
- Assess the effect of selling price changes on profitability.
- Analyse the impact of changing variable and fixed costs.
- Evaluate product mix decisions where resources or capacity are limited.
- Analyse special order decisions using relevant and incremental costs.
- Apply make or buy analysis to business decisions.
- Use sensitivity and what if analysis to test different business scenarios.
- Assess the effect of volume fluctuations, rising input costs and foreign exchange pressure.
- Communicate cost volume profit findings clearly to management and non financial stakeholders.
- Use cost volume profit information to support better pricing, cost control and profitability decisions.

Who should attend

This course suits professionals involved in costing, pricing, budgeting, profitability analysis and commercial decision making: management, cost and financial accountants, finance managers, finance business partners and financial analysts, commercial managers and analysts, pricing and business analysts, business unit and operations managers, procurement and supply chain professionals, sales and commercial teams, budgeting and planning professionals, management consultants, and anyone pricing a tender or deciding on products and volumes. It is also written to work for non financial managers who need to see how cost, volume and pricing decisions move organisational profit.

RECOMMENDED ENTRY LEVEL

No formal accounting qualification is required. Delegates should be comfortable reading a basic income statement and working with percentages, since every module is built on worked calculations. Delegates who bring their own product, cost and volume figures get the most from the exercises, and are encouraged to do so.

Course modules at a glance

Module	Topic	Main competency
01	Cost behaviour and cost classification	Reading cost behaviour from real ledger data
02	Contribution margin fundamentals	Confident contribution and margin calculation
03	Breakeven analysis	Breakeven in units and in money, correctly interpreted
04	Margin of safety and target profit	Measuring operating risk and planning profit
05	Product mix and limiting factor decisions	Allocating scarce capacity to the best return
06	Special orders and relevant cost decisions	Judging incremental business on relevant cost
07	Make or buy analysis	Financially sound outsourcing decisions
08	Sensitivity and what if analysis	Testing a decision against uncertainty
09	Applying cost volume profit analysis to business decisions	A defensible management recommendation

The 2 day programme

Training days start at 08:30 and finish by 17:00, with morning and afternoon breaks and a lunch break. Timings can be adjusted to suit an in house group or a client's shift pattern.

Day 1: Cost, contribution and breakeven analysis

Time	Session	Key topics	Activity
08:30 to 09:00	Registration and introductions	Participant introductions; course expectations; overview of the programme; introduction to cost volume profit analysis; why it matters in commercial decision making; linking financial information to business decisions	Delegate introductions

Time	Session	Key topics	Activity
09:00 to 10:30	Module 1: cost behaviour and cost classification	What cost behaviour is; fixed costs; variable costs; semi variable and mixed costs; direct and indirect costs; relevant and irrelevant costs; avoidable and unavoidable costs; identifying cost behaviour from accounting information; cost drivers; common classification challenges	Exercise: classify real business costs as fixed, variable or semi variable and discuss how each behaves as activity changes
10:30 to 10:45	Morning break		
10:45 to 12:30	Module 2: contribution margin fundamentals	Revenue and variable costs; contribution margin; contribution per unit; contribution margin percentage; the relationship between contribution and profit; contribution against gross profit; how pricing affects contribution; how variable costs affect contribution; using contribution for decision making	Exercise: calculate contribution per unit and margins for several products, then test the effect of price and variable cost changes
12:30 to 13:30	Lunch		
13:30 to 15:00	Module 3: breakeven analysis	Understanding the breakeven point; breakeven units; breakeven sales value; the effect of fixed costs, variable costs, selling price and contribution margin on breakeven; interpreting breakeven results; using breakeven in business planning	Exercise: calculate breakeven for a business and analyse how price, variable cost and fixed cost changes move the required volume
15:00 to 15:15	Afternoon break		
15:15 to 16:30	Module 4: margin of safety and target profit	Understanding and calculating margin of safety; margin of safety percentage; actual sales against breakeven sales; understanding operating risk; calculating the sales required for a target profit; profit planning; assessing the impact of declining sales volumes	Case study: a business with falling sales volume, and the effect on breakeven, margin of safety and profit
16:30 to 16:45	Day one review and questions	Key learning points; questions and discussion; practical application of the day one concepts	Facilitated review

WHAT DELEGATES TAKE AWAY FROM DAY 1

- The ability to split a real cost base into fixed, variable and semi variable behaviour.
- Contribution per unit and contribution margin ratios calculated from the delegate's own figures.
- A breakeven point in both units and money, and the confidence to interpret it.
- A margin of safety figure that shows how much room the business actually has.

Day 2: Commercial decision making and scenario analysis

Time	Session	Key topics	Activity
08:30 to 08:45	Day one recap	Review of cost behaviour, contribution, breakeven and margin of safety	Short calculation exercise
08:45 to 10:30	Module 5: product mix and limiting factor decisions	Understanding product mix; contribution per product; identifying limiting factors; capacity, labour, machine hour and material constraints; contribution per limiting factor; allocating scarce resources; product mix decisions	Exercise: several products competing for limited capacity, and how contribution guides the allocation
10:30 to 10:45	Morning break		
10:45 to 12:15	Module 6: special orders and relevant cost decisions	What a special order is; relevant costs and revenues; incremental revenue and incremental cost; spare capacity against full capacity; pricing below the normal selling price; qualitative considerations; accepting or rejecting additional business; avoiding the common special order errors	Case study on a discounted customer order
12:15 to 13:15	Lunch		
13:15 to 14:15	Module 7: make or buy analysis	Understanding make or buy decisions; relevant costs; avoidable costs; unavoidable fixed costs; supplier pricing; internal production costs; capacity considerations; quality, operational and strategic considerations	Exercise comparing internal cost against a supplier proposal
14:15 to 15:30	Module 8: sensitivity and what if analysis	Introduction to sensitivity analysis; what if modelling; changes in selling price, variable costs, fixed costs and sales volume; multiple variable scenarios; rising input costs; foreign exchange pressure; identifying the key profitability drivers; understanding uncertainty and commercial risk. The modelled scenario combines a 10 percent input cost increase, a 5 percent price reduction, a 15 percent volume change, an exchange rate movement and a change in fixed operating costs	Scenario exercise, reading the effect on contribution, breakeven and profit
15:30 to 15:45	Afternoon break		
15:45 to 16:30	Module 9: applying cost volume profit analysis to business decisions	An integrated business case covering pricing, cost behaviour, contribution margin, breakeven, target profit, margin of safety, product mix, special orders, make or buy and sensitivity analysis	Integrated business case, worked in groups
16:30 to 17:00	Course review, assessment and close	Review of the key concepts; participant questions; final practical exercise; course feedback; key takeaways; individual action planning; certificate of attendance	Final exercise and individual action plan

WHAT DELEGATES TAKE AWAY FROM DAY 2

- A method for ranking products by contribution per unit of the limiting factor.
- A defensible way to accept or decline a discounted order.
- A make or buy comparison that separates avoidable from unavoidable cost.
- A what if model the delegate can rebuild on their own numbers, and a management level recommendation drawn from it.

How the course is taught

The programme is run as practical, competency based training rather than a series of presentations, so delegates rehearse the tasks they are expected to perform in their own working environment. Methods used include:

- Facilitated presentations
- Worked calculations
- Practical exercises
- Business case studies
- Cost classification exercises
- Contribution and breakeven calculation exercises
- Limiting factor and product mix exercises
- Special order evaluation
- Make or buy comparison exercises
- Scenario and what if modelling
- Group discussion
- An integrated business case and management recommendation

How delegates are assessed

Formative assessment

- Worked calculations throughout each module
- Group discussion and questioning
- Case study analysis
- A short calculation exercise opening day two

Practical assessment

- Classifying real business costs by behaviour
- Calculating contribution per unit and contribution margin ratios
- Calculating breakeven and testing it against price, cost and volume changes
- Analysing a declining sales scenario for breakeven, margin of safety and profit
- Allocating constrained capacity across competing products
- Evaluating a discounted special order
- Comparing internal production against a supplier proposal
- Modelling combined cost, price, volume and exchange rate movements

Final assessment

- An integrated business case covering the whole programme
- Interpretation of the financial results
- A concise management level recommendation
- An individual action plan

Certification

- Delegates who complete the programme receive a BMC Training certificate of attendance, subject to the attendance and course requirements.

Dates, venues and fees

The programme runs at 23 scheduled dates across the BMC Training network. Every date below is open for registration.

Dates	Venue	Days	Fee per delegate
29 to 30 Sep 2026	Johannesburg	2 days	R10,000
30 Sep to 1 Oct 2026	Cape Town	2 days	R10,000
1 to 2 Oct 2026	Durban	2 days	R10,000
5 to 6 Oct 2026	Pretoria	2 days	R10,000
6 to 7 Oct 2026	Windhoek	2 days	US$1,100
7 to 8 Oct 2026	Gaborone	2 days	US$1,100
8 to 9 Oct 2026	Maseru	2 days	US$1,100
12 to 13 Oct 2026	Mbabane	2 days	US$1,100
13 to 14 Oct 2026	Lusaka	2 days	US$1,100
14 to 15 Oct 2026	Harare	2 days	US$1,100
15 to 16 Oct 2026	Lilongwe	2 days	US$1,100
19 to 20 Oct 2026	Blantyre	2 days	US$1,100
20 to 21 Oct 2026	Mozambique	2 days	US$1,100
21 to 22 Oct 2026	Nairobi	2 days	US$1,100
22 to 23 Oct 2026	Dar es Salaam	2 days	US$1,100
26 to 27 Oct 2026	Kigali	2 days	US$1,100
27 to 28 Oct 2026	Kampala	2 days	US$1,100
28 to 29 Oct 2026	Accra	2 days	US$1,100
29 to 30 Oct 2026	Lagos	2 days	US$1,100
2 to 3 Nov 2026	Cairo	2 days	US$1,100
3 to 4 Nov 2026	Mauritius	2 days	US$1,100
4 to 5 Nov 2026	Dubai	2 days	US$1,100
5 to 6 Nov 2026	Online	2 days	US$900

Fees are per delegate. South African venues are priced in rand; other locations and live online in US dollars. Fees exclude 15% VAT where applicable. Group bookings of three or more delegates from the same organisation qualify for a reduced rate. This course is also available as in house training, delivered at your own site on dates that suit your operation.

To book or request a quotation

Email registration@bmctrainings.org, WhatsApp +27 68 540 3736 or call +27 12 012 6265. Full course details and the live calendar are at www.bmctrainings.org.