

Finance for Non-Finance Managers

Duration: Two Days

Course Objective

In today's competitive business world organisations are under unprecedented pressure to deliver value to their key stakeholders. Managers in all parts of the organisation are finding that they need some degree of financial know how to cope with the responsibility placed on them as business managers and key decision-makers; monitoring and improving business performance, investing in capital projects, mergers and acquisitions: all require some degree of financial knowledge. The key financial skills are not as difficult to learn as many people believe and in the hands of an experienced senior executive they can provide a formidable competitive advantage. This practical guide to analysing financial information will provide you with the skills to enable you to contribute to the financial performance of your business.

By the end of the course, participants will be able to:

- 🌈 Understand fundamental business finance concepts; understand, analyse and interpret financial statements: Profit Statement, Balance Sheet and Cashflow Statement
 - 🌈 Understand the vital difference between profit and cashflow; identify the key components of working capital and how they can be managed to generate strong cashflow
 - 🌈 Evaluate pricing decisions based on an understanding of the nature of business costs and their impact on gross margin and break-even sales; managing pricing, discounts and costs to generate strong business profits; understand how lean manufacturing methods improve profit
 - 🌈 Use powerful analytical tools to measure and improve the performance of their own company and assess the effectiveness of their competitors
 - 🌈 Understand the role of business finance in formulating and implementing competitive business strategy; the role of budgeting as part of the planning process and the various approaches to budgeting and performance measurement
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Course Elements

Business and finance fundamentals

- o The objectives of the firm: delivering value to shareholders and key stakeholders
- o Understanding shareholder returns - dividends and share price drivers
- o The vital link between strategy and finance
- o Who uses financial statements and why
- o The role and scope of financial planning and management

 **Basic principles**

- Understanding business funds flow
- Understanding and using the balance sheet
- Understanding and using the profit statement
- Recognising the vital difference between profit and cashflow
- Understanding and using the cashflow statement
- What financial statements can and cannot tell us

 **Managing and improving cashflow**

- What is working capital and why is it so important?
- Managing stocks, debtors and creditors
- Understanding how working capital drives business growth
- Understanding and avoiding the over-trading trap
- Managing and improving business cashflow

 **Managing and improving profit**

- Understanding how profits generate cashflow
- The fundamental nature of costs: fixed and variable business costs
- Understanding gross margin and break-even
- How common pricing methods affect gross margin and profit
- Improving profit – effective and defective strategies

 **Measuring and managing business performance**

- Measures of financial performance and strength
- Investor behaviour: the risk and reward relationship
- Return on investment (ROI): the ultimate measure of business performance
- How profit margin and net asset turnover drive return on net assets
- Why some companies are more profitable than others
- Understanding competitive advantage: cost and differentiation advantage

- o Why great companies fail - what happened to Kodak?
- o Using a 'Pyramid of Ratios' to improve business performance

Planning, forecasting and decision making

- o The business planning cycle
- o Using budgets to support business strategy
- o Objectives and methods for effective budgeting
- o Monitoring and managing business performance
- o Understanding business risk
- o Understanding and Identifying key business drivers
- o Using 'what-if' forecasts to aid decision making and support strategy delivery

Training Methods

This is a highly interactive and participative workshop that is designed to give participants an understanding of, and the practical ability to use the key business financial skills to improve their business decision making.

It uses a combination of participative seminars, discussion, case studies and problem solving to ensure that participants learn and develop the confidence to use the various principles and techniques.