

THE IN-HOUSE TRAINING COMPANY

Advanced financial analysis

Overview

In today's competitive business world firms are under unprecedented pressure to deliver value to their shareholders and other key stakeholders. Senior executives 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.

Learning objectives

After completing this course delegates 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
- Apply and interpret techniques for assessing and comparing investment opportunities in capital projects, business acquisitions and other ventures; understand and apply common methods of business valuation
- 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

Who should attend?

This two-day programme is a highly interactive and participative workshop that is designed to give senior executives and understanding of and the practical ability to use the key business financial skills to improve their business decision making.

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

Course format

A highly interactive one- or two-day course, with workshops and informal breakout discussions a feature of every session. The numerous teaching points will be brought out in highly interactive sessions where delegates will be encouraged to share and learn from their joint experience. Additionally, the course notes have been prepared as a real aid to inform, containing many checklists and example forms to assist participants in their workplace.

Expert trainer

Paul Lower, FCMA, is an enthusiastic business finance trainer and coach with comprehensive experience of writing and delivering financial, business and negotiation skills training courses for private and public sector delegates from the UK and overseas.

He is a seasoned finance professional with more than twenty years 'sharp-end' experience as Finance Director of global media, publishing and retail companies. He has board level experience in high growth businesses and companies managing change, evolving market channels and supply chains. He is also an experienced consultant and adviser to small and medium sized businesses.

Paul has extensive practical experience of strategic planning; investment and acquisition appraisal; design and implementation of financial reporting and budgetary control systems. This gives him a wealth of practical experience with which he can bring to life his seminars and workshops.

'Truly inspiring.'

'Paul is able to write and deliver training courses in a way that allows delegates to understand and use the key business finance skills. We always receive very high scores for his sessions.'

'Paul has a knack of explaining things in a way that makes them easy to grasp'

'A great course that will teach you real financial skills you can apply to a real business.'

Workshop outline

1 Basic principles

- Delivering value to key stakeholders
- Accounting concepts, GAAP, IFRS and common terms
- 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

2 Managing and improving cashflow

- Sources of finance and their advantages and disadvantages
- 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
- Unlocking the funds tied up in fixed assets: asset backed loans and leasing

3 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
- Effective strategies to improve gross margin
- Using value chain analysis to reduce costs
- Lean manufacturing methods – understanding Just-in-time, 6 Sigma and Kaizen methods
- Improving profit – effective and defective strategies

4 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
- Why great companies fail – what happened to Kodak?
- Using a 'Pyramid of Ratios' to improve business performance
- Using Critical Success Factors to develop Key Performance Indicators

5 Budgeting and forecasting methods

- Using budgets to support strategy
- Objectives and methods for effective budgets
- Using budgets to monitor and manage business performance

- Alternative approaches to budgeting
- Developing and implementing Balanced Scorecards
- Beyond Budgeting
- Forecasting methods and techniques
- Identifying key business drivers
- Using rolling forecasts and 'what-if' models to aid decision-making

Any questions?

Please just give us a call on 01582 463463 – we're here to help!
Or visit www.theinhousetrainingcompany.com