

FINANCE & ACCOUNTING KNOWLEDGE FOR CORPORATE DIRECTORS

Drive the financial success of your business...

The success or failure of business depends on several factors – one of the key ones being the quality of financial management. In the modern organisation, every member of the management team needs to be financially savvy and be able to discuss financial issues and plans in specific terms. Lack of specialist knowledge may actually hold back a manager with excellent business skills. This program is designed to ensure that you are not left behind in your ability to effectively communicate the financial impact of your business plans to colleagues, bankers and investors.

YOUR INVESTMENT OF TIME: One day: 9am to 5 pm (a Saturday)

YOUR KEY TAKE-AWAYS:

- Understand the specific message of each financial statement – The Balance Sheet, Profit & Loss and Cash Flow Statement
- Understand the significance of changes in key values and what they reveal about your business
- Appreciate the use of management tools like Discounted Cash Flows (DCF) and look at the practical application of such tools.

KEY TOPICS:

- The financial structure of an organisation as reflected by the Balance Sheet
- Revenue Generation and cost build up - analysing the net impact in the Income Statement or Profit and Loss Account
- Analysing the Cash Flow movements in your business in the areas of: day to day operations, long term investment and financing issues
- Key terms and concepts you need to know
- Making sense of numbers - answering specific questions by monitoring key financial indicators
- Cash Flow projections - how to read feasibility reports
- Making sense of sensitivity and establishing tolerance levels

The sessions are conducted with real life examples and hands on demonstrations of financial models. All the discussions will be e-mailed to each participant. This will include free soft copies of financial models illustrated during the program.

COURSE TOPICS

- ◆ UNDERSTANDING THE NUMBERS
 - Your Balance Sheet
 - Your Profit and Loss Account
 - Key Ratios that you should know

- ◆ THE SIGNIFICANCE OF NUMBERS
 - Is your RATE OF PROFITABILITY improving
 - Are you LIQUID
 - Are you FINANCIALLY EFFICIENT
 - Have you OVERBORROWED (How to tell?)
 - Is your CASH BUFFER adequate?
 - Are you creating and adding VALUE to the business?

- ◆ RISK MANAGEMENT FACTORS
 - Risk and Uncertainty
 - Risk in Budgets and Sensitivity
 - Tolerance levels
 - Establishing Target Rate on Return on business cash flows

- ◆ BUDGETARY COST CONTROL
 - Not budgets - but a SYSTEM of Budgetary Controls
 - ◆ Pre-budget discussions
 - ◆ Agreement on principle budgets
 - ◆ The power of the Zero Base paradigm
 - Looking beyond your budget period - Rolling Budgets
 - ◆ Extending budget cycle for effective risk monitoring
 - Cost Leadership - beyond Cost Control
 - ◆ How costs build up in our business
 - ◆ How the value chain interacts with the cost chain
 - The role of JIT, Kaizen and ABM

- ◆ THE CASH-FLOW CHALLENGE
 - Tracking Cash Flows
 - ◆ Understanding the three sources of cash inflows and outflows
 - The Cash Availability Budget on a monthly reporting basis
 - Cash Forecasts for Feasibility on a project basis
 - What does NPV really mean
 - Are we financially savvy?? - review session

- Q & A