

Strategic Financial Skills For Directors & Senior Management

Typical 2 Day Workshop Content:

You will need to bring:

- A calculator
- Your own set of accounts P&L & balance sheet for 2 years or a set of listed company's accounts

- 1 Strategic Financial Skills – Delivering Performance
 - i. Balanced scorecard
 - ii. Competitors analysis
 - iii. SWOT analysis
- 2 Linking Corporate Governance and Financial Analysis
- 3 Cost Behaviour
 - i. How costs are categorised
- 4 Duty of Control, control systems & variances
 - i. Checklist re control for directors
- 5 Variance analysis
 - i. Analysing the variances to isolate & quantify changes from the budget in actual results
 - ii. Volume, price, mix & unit cost variances
- 6 So what do accountants do in producing accounts?
 - i. Book keeping
 - ii. Producing accounts
 - iii. P&L v Balance sheet
- 7 Identifying funding items & isolating operational profit
 - i. Getting the financial balance sheet ready for analysis
 - ii. Identifying the 3 types of funding debt, equity & other funding
- 8 Use a one page analysis format to understand the numbers
 - i. P&L, Balance sheet, cashflows & key ratios on one easy to use page
 - ii. Understand all key ratios their formulae & implications
- 9 Cashflow & ROCE
 - i. Get a quick grasp of cashflow
 - ii. Isolate the operational returns and profitability
- 10 One.Tel-Analysis Format & Formulae
 - i. Look at the growth of One.Tel and try and save the company with a different strategy
 - ii. Again using the one page analysis format
- 11 Forecasting on a consistent basis
 - i. Use the one page analysis format to consistently forecast both P&L, Balance sheet, & cashflow in one step

- 12 Sensitivity Analysis and its role in Strategy Formulation
 - i. Consider the financial dynamic of the case study using sensitivity analysis to quickly quantify the impact of a change to strategy on the financial numbers before you agree to the change
- 13 Analyse your own accounts
 - i. Use the one page analysis format to analyse your own accounts
- 14 Continuous Improvement by Improving Products or Services
 - i. Analyse the products & services to find out where you make a profit and generate the cashflow
 - ii. Then benchmark these and re-engineer the individual products & services to generate more cashflow
- 15 Case study- Improving Product or service Cashflow strategy
 - i. Take a given region of the business and re-do the strategy to calculate the impact of moving to best practice in costs and working capital management
 - ii. Then consider the impact of price changes and calculate the optimal strategy to maximise cashflow
 - iii. Then consider the non financial aspects of the market & competition & modify your strategy
- 16 Complex Customer Profitability Example
 - i. Consider the interaction between cost structures, volume of business, pricing and price elasticity of demand
 - ii. Show that a price increase can lead to a cost blow out and reduction in profitability if applied as a blunt instrument to lift profits.
- 17 Financial Risk Assessment & Optimal Size of the Business
 - i. This uses breakeven analysis to tease out the factors which will make the organisation move from profits to losses e.g. price, volume, unit cost
 - ii. You then consider what action you can take to reduce these risks
- 18 Financial Sustainable Growth
 - i. You are targeting growth how are you going to fund it
 - ii. Simple concepts to ensure you manage the business to be able to fund your target growth
- 19 Shareholder Value
 - i. The shareholder value calculations are only a few simple steps beyond the one page analysis format
 - ii. All aspects needed to maximise shareholder value are contained within the one page analysis format
 - iii. The business's cost of capital and debt to equity structures are calculated