

Foundations of Business Finance for Non Financial Managers

Duration: 5 days

This course has been designed to provide managers with an insight into key aspects of business finance and to demonstrate how decisions taken at various levels in an organisation can impact favourably or unfavourably on its financial position.

The course goes beyond the concept that 'businesses exist to make a profit'. It explores the relationship between strategic and operational planning and highlights the importance of cross-functional co-ordination of activities.

Delegates attending the course will be encouraged to actively participate in the group case study sessions.

The course combines traditional classroom teaching of the basics with tutor led discussion on key issues and group exercises. Each of the five days will culminate in a detailed case study, providing delegates with an opportunity to apply the knowledge and skills they have acquired. As with the shorter practical exercises, the case studies will be undertaken in small groups. Each group will be invited to present its findings in a plenary session.

Who should attend this course?

- Middle managers from all sectors of industry who have received little or no previous finance training. The course is particularly relevant to those employed in manufacturing, production, engineering or sales.
- First appointment managers and graduate trainees on fast-track development programmes.
- Managers who have previously received finance training but who would benefit from attending a refresher course.
- Owner managers who wish to increase their level of understanding of business finance.

Course Objectives

- To show how managers working at operational level can assist an organisation achieve its strategic financial objectives
- To illustrate the benefits of effective cross-functional communication and co-ordination
- To assist delegates to understand financial language and concepts
- To demonstrate the importance of financial planning and control
- To provide delegates with the skills required to undertake meaningful financial analysis
- To explain how businesses fund their short term and long term requirements

On completion of the course, participants will be better able to:

- Understand financial terminology
- Identify opportunities for profit enhancement and cost-savings
- Apply sound cash management procedures

- Recognise the financial benefits to be derived from effective co-ordination of activities
- Implement effective financial monitoring and control systems
- Interpret financial statements
- Calculate financial ratios and identify trends
- Assess the financial viability of capital projects
- Make a balanced judgement about a company's growth prospect

Course Outline

Day 1 - Introduction to Financial Management

- Course Introduction and Aims
- Setting Financial Objectives
- Financial Language and Concepts
- Profit and Profitability
- Working Capital Control
- Cash Flow Timing Differences
- Identifying Costs
- Breakeven Analysis
- Pricing for Profit
- Case Study: Bridging the Profit Gap

Day 2 - Financial Planning and Control

- Strategic and Operational Planning
- The Budgetary Planning Process
- Constructing Budgets
- Co-ordinating Budgets
- Cost Control
- Budgets as a Control Mechanism
- Variance Reporting
- Zero Based Budgeting
- Case Study: Budget Preparation

Day 3 - Capital Investment

- The Need to Invest
- The Investment Decision
- Investment Appraisal Techniques
- Payback, NPV, IRR
- The Financing Decision - Cost of Capital
- Considering Alternatives
- Case Study: Investment Appraisal

Day 4 - Understanding Financial Statements

- The Annual Report – Structure and Content
- Financial Statements – What purpose do they serve?
- Readers of Financial Statements
- The Profit & Loss Account, Balance Sheet and Cash Flow Statement
- Notes to the Accounts
- Analysing Financial Statements
- Calculating Key Ratios

- Trend Analysis
- Source and Application of Funds
- Short Term and Long Term Funding
- Case Study: Analysing Financial Performance

Day 5 - Financing Growth

- Planning for the Future
- Forecasting Growth in Sales
- Resource Planning
- Identifying Financing Needs
- Sourcing Capital
 - Using Internally Generated Funds
 - External Funding
- Case Study: Business Expansion

Course Review