

# Implementing Financial Strategy at Operation Level

**Duration: 3 days**

Businesses under-perform for a variety of reasons but a common failing is that managers at operational level frequently work 'in a vacuum'. That is, they take decisions they believe to be in the best interest of their particular business unit or department without knowing if, or to what extent, those decisions are compatible with the overall objectives of the organisation.

This course has been designed specifically to address this issue. Built around a challenging business-simulation, it provides delegates with an opportunity to take on a range of managerial positions and responsibilities in an under-performing business, with a view to assisting it to achieve its strategic goals. At each stage, delegates will be able to see how the decisions taken impact on the company's profitability and cash-flow.

The course, which is highly participative, will appeal to anyone who enjoys a challenge!

The course combines a series of short tuition sessions titled **Financial Fundamentals** with a comprehensive and challenging business simulation. The simulation is the means through which delegates will be able to use their own judgement, supplemented by the knowledge and skills gained from the tuition sessions, in a practical business simulation exercise reflecting 'real life'. The simulation is based on a company suffering from the consequences of low profitability and potential cash-flow problems. Working in small groups, participants will be invited to address a number of issues affecting relationships with customers, suppliers and the company's bankers, whilst at the same time attempting to plan a sustainable longer-term strategy for the business.

Unlike many simulations, success will not be measured in terms of which group makes the most profit, but rather by what individuals learn from the experience. Again, unlike some simulations, delegates will not be limited to roles such as Production Director or Purchasing Manager, but over the duration of the course will experience the key issues and problems facing a variety of departmental functions, including sales, production, purchasing and finance.

Towards the end of the course each group will be invited to give a short presentation based on its experience of running the simulation business and this will be followed by a facilitator led discussion of the main issues.

The course will conclude with completion of individual action plans whereby delegates will be encouraged to identify profit improvement action points for discussion with their respective line managers on return to the workplace.

## **Who should attend this course?**

- Middle and first appointment managers with operational responsibilities
- Personnel employed in sales, purchasing and production
- Graduate trainees
- Senior supervisors and other with managerial aspirations

## Course Objectives

In addition to providing a general understanding of business finance the course aims to:

- Show how decisions taken within the sales, production and purchasing functions of an organisation impact on its overall financial performance
- Demonstrate the benefits of effective communication and co-ordination
- Create an understanding of other peoples roles and responsibilities in a business environment and the issues they face
- Illustrate the importance of cash management
- Identify cost-saving opportunities
- Highlight opportunities and risks in the supply chain

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

- Implement a Profit Improvement Programme
- Undertake a SWOT analysis
- Perform 'what-if' calculations to assess the impact of a range of options, both individually and collectively, on the profitability of an organisation
- Recognise potential problems which could prove detrimental to the business if not addressed promptly
- Appreciate the need for accurate forecasts
- Prepare Profit and Cash-flow Forecasts
- Recognise the importance of cross-functional co-operation
- Identify growth opportunities
- Assess the financial viability of capital projects
- Prepare a capital investment proposal

## Course Outline

### Day 1

#### Financial Fundamentals

- Setting Strategic Objectives
- Communicating Strategic Goals
- Long Range and Short Range Planning
- Measuring and Monitoring Performance
- Meeting Investor Expectations
- Identifying Constraints and Opportunities
- Controlling Costs
- Cash Management and Timing Differences
- The Budgetary Process

#### Business Simulation

- Introduction and Identification of Key Issues
- SWOT Analysis
- Setting Short-Term Objectives
- Preparation of a Sales Forecast

## **Day 2**

### **Financial Fundamentals**

- Managing the External and Internal Supply Chains
- Cross-functional Communication and Co-ordination
- Assessing Customer Profitability
- Production and Procurement Issues
- Controlling Inventory

### **Business Simulation**

- Customer Profitability
- Prospects for Growth
- Production and Procurement (including Inventory Control)
- Analysing Performance: Interim Review
- Re-assessment of Short-Term Objectives

## **Day 3**

### **Financial Fundamentals**

- Managing Resources
- Fixed Assets
  - Acquisition and Utilisation
- Investment Appraisal
  - Characteristics, Criteria and Techniques

### **Business Simulation**

- Managing Fixed Assets
- Planning for the Future
- Investment Appraisal
- Analysing Performance: Presentations and Final Review
- Preparation of Individual Action Plans

### **Course review**