Introduction

Financial analysis, planning, and control offer an in-depth understanding of an organization’s financial health, encompassing the enhancement of decision-making and control processes. This course emphasizes the practical application of economic and financial models used to evaluate strategic and operational positions, providing tools for effective financial planning and analysis.

By attending this course, participants will become adept at assessing organizational performance, planning for the future, and understanding key financial data necessary for guiding strategic decisions. The course also equips participants with the expertise to manage financial risks, making it an essential skill set for finance professionals and managers.

Targeted Groups

- Finance managers.
- Financial officers, controllers, and accountants.
- Treasurers, corporate planning, and business development professionals.
- Managers and professionals from non-financial backgrounds wishing to grasp the financial aspects of analysis, planning, and control.

Course Objectives

By the end of this course, participants will be able to:

- Plan more effectively for the future and make well-informed decisions.
- Implement financial planning and analysis tools for planning and control.
- Enhance business performance through proficient use of economic and financial analysis tools.
- Connect planning and budgeting with costing and performance measurement.
- Expand financial knowledge to better manage the financial aspects of their roles.
- Increase confidence in dealing with financial issues and professionals.
- Use financial data to support strategic organizational decisions.
- Choose appropriate quantitative analysis tools for investment, operations, or financing decisions.
- Understand the significance of a robust costing and budgeting process.
- Gain insights into strategic planning and budgeting.

Targeted Competencies

- Interpretation of financial statements.
- Processing and analyzing financial data.
- Proficiency in economic and financial analysis.
- Risk management strategies.
- Financial forecasting and budgeting skills.

Course Content

Unit 1: The Challenge of Financial Economic Decision-Making

- Financial-economic analysis best practices.
- Maximizing corporate and shareholder value.
- Strategic benchmarking and competitor analysis.
- Tackling the agency problem and improving corporate governance.
- Selecting relevant information and data for analysis.
- Understanding the nature of financial statements.
- The context of financial analysis and decision-making.

Unit 2: Assessment of Business Performance

- Conducting ratio analysis for business performance evaluation.
- Analyzing perspectives from management, owners, and lenders.
- A system-based view of ratios – pyramids of ratios.
- Integrating financial performance through the “Dupont” system.
- Appraising economic value added (EVA).
- Predicting financial distress using best practices.

Unit 3: Projection of Financial Requirements

- Interrelationships between financial forecasts and projections.
- Creating operative budgets.
- Implementing standard costing, planning, and variance analysis.
- Developing cash forecasts and budgets.
- The role of sensitivity analysis in financial planning.
- Understanding the dynamics of business growth systems.
- Utilizing operating leverage in planning and analysis.
- Crafting financial growth plans.
- Financial modeling essentials.

Unit 4: Planning and Analysis of Investment Decisions

- Application of time-adjusted financial measures.
- Assessing Net Present Value (NPV) and Internal Rate of Return (IRR).
- Investment decisions from a strategic perspective.
- Parallels between EVA and NPV.
- Advanced considerations in investment analysis.
- Evaluating Equivalent Annual Cost (EAC) and Modified Internal Rate of Return (MIRR).

- Approaches to sensitivity analysis, scenario analysis, and NPV breakeven point determination.
- Managing investment risk and adapting to changing circumstances.

Unit 5: Valuation and Business Performance

- Strategies for maximizing shareholder value.
- Shareholder value creation and its evolution.
- The impact of value-based methodologies on firm performance.
- Value creation in business restructurings and combinations.
- Financial strategies in acquisitions.
- Comprehensive business valuation techniques.
- Business restructuring, reorganizations, and management buyouts (MBOs).

Unit 6: Strategic and Financial Planning

- The roles of financial vs. managerial accounting.
- Synergies between strategy, budgeting, costing, and performance measurement.
- Strategic planning fundamentals: mission, vision, goals, and financial objectives.
- Conducting external and internal environmental analyses: SWOT and PESTEL.
- Identifying drivers of value creation within a company.

Unit 7: The Framework for Budgeting

- The concept and purpose of budgeting.
- Exploring various types of budgets.
- Understanding the budgeting process and human factors.
- Executing sales forecasting and budgeting schedules.
- Top-down vs. Bottom-up budgeting methods.
- Comparing incremental and zero-based budgeting.

Unit 8: Cost Financial Analysis for Budgeting

- Defining and classifying costs.
- Behavioral analysis of costs (fixed and variable expenses).
- Using breakeven models and the contribution margin concept.
- Differentiating between direct and indirect costs.
- Contrasting traditional and activity-based costing systems.
- Product vs. period costs.

Unit 9: Controlling the Budget Variances

- Analyzing budget organization within a company.
- Assessing budget variances at departmental and project levels.
- Calculating flexible-budget variances and sales-volume variances.
- Using standard costs for practical variance analysis.
- Integrating continuous improvement frameworks into variance analysis.

Unit 10: Beyond Budgeting, Broadening Performance Measurement Systems

- Pros and cons of traditional budgeting.
- Strategies for enhancing budgeting practices.
- Exploring innovative practices beyond traditional budgeting.
- Implementing the Balanced Scorecard to align strategy, budgeting, and performance.
- Building financial, customer, internal business process, and learning perspectives in performance systems.