Introduction

This Mastering Leadership and Financial Skills seminar brings together two of the most critical areas of financial management: understanding finance to influence strategic decisions and financial analysis, planning, and control.

Targeted Groups

- Financial analysts.
- Financial controllers.
- Accountants.
- Treasurers.
- Corporate planning professionals.
- Business development professionals.
- Middle and junior management (a valuable element in their career advancement).

Course Objectives

At the end of this Mastering Leadership and Financial Skills course, participants will be able to:

- Think and manage strategically and plan more effectively for the future.
- Identify the role of financial management in strategic decision-making.
- Use the financial techniques of planning and control.
- Improve performance from the use of the tools of economic financial analysis.
- Develop business strategies.
- Understand how financial management supports strategic development.
- Broaden their financial knowledge.
- Develop and manage the financial aspects of their role more effectively and enhance their performance.
- Increase their self-confidence in dealing with economic and financial issues and financial professionals.
- Appreciate how such decisions may affect their departments, business units, and companies.
- Acquire the ability, when involved in decisions about investment, operations, or financing, to choose the most appropriate tools from a wide variety of financial techniques available to provide a quantitative analysis.
- Understand the exact nature and scope of the business problems to be analyzed.
- Obtain quick ‘ballpark’ estimates of likely outcomes of decisions.
- Understand the implications and relative importance of cash flow distinct from accounting profit in economic and financial analysis.

Targeted Competencies

- Strategic planning and thinking.
- Financial statements.
- Budgeting.
- Financial risk management.
- Business performance management.
- Financial, economic decision-making.
- Investment decision-making.

Course Content

Unit 1: Fundamentals of Strategic Planning

- What is strategy?
- Strategic management.
- Strategic analysis.
- Mission.
- Objectives.
- Strategic decision-making.
- The strategic planning process.
- Environmental analysis.
- Resources analysis.
- Strategic choice and strategic decision-making.
- Strategic implementation.
- Corporate objectives and accountability.
- Forecasting financial data.

Unit 2: Fundamentals of Financial Statements

- Financial statements.
- Balance sheet.
- Income statement.
- Alternative asset valuation methods.
- Cash flow statement.
- Standard size (or horizontal) trend analysis of financial statements.
- Vertical trend analysis of financial statements.
- Segmental analysis of financial statements.
- Value-added analysis of financial statements.
- Understanding the cash flow cycle and the operating cycle.
- Break-even and multiple product break-even analysis.

Unit 3: Capital Structure and Leverage

- Sources of funds.
- Capital cost models.
- Cost of equity.
- Cost of debt.

- Weighted average cost of capital (WACC).
- Can we determine a company’s optimal capital structure?
- Capital structure models.
- Preparing projections to assess financing needs.

Unit 4: Capital Budgeting

- Future values, present values, and DCF.
- Capital budgeting principles.
- Methods of evaluating capital investment projects.
- Accounting rate of return (ARR) and payback.
- Net current value (NPV) versus internal rate of return (IRR).
- How do you choose which method to use?
- Equivalent annual cost (EAC) method.
- Capital budgeting methods.
- Capital asset pricing model (CAPM) versus arbitrage pricing theory (APT).
- Does it make a difference whether we lease or buy?

Unit 5: Managing Financial Risks

- The value of perfect information (VOPI).
- Types of risk.
- Risk management principles.
- Talking to your bankers about managing risk.
- How do you develop the tools for your company?
- How to minimize risk?
- Insurance and hedging.
- Interest rate and foreign currency exchange rate risk.

Unit 6: The Challenge of Financial Economic Decision-Making

- The practice of financial-economic analysis.
- Corporate value and shareholder value.
- A dynamic perspective of business.
- Benchmarking your own strategic position/competitor analysis.
- The agency problem and corporate governance.
- What information and data to use?
- The nature of financial statements.
- The context of financial analysis and decision-making.

Unit 7: Assessment of Business Performance

- Ratio analysis and business performance.
- Management’s point of view.
- Owners’ point of view.
- Lenders’ point of view.
- Ratios as a system – pyramids of ratios.
- Integration of financial performance analysis – the “Dupont” system.
- Economic value added (EVA).
- Predicting financial distress.

Unit 8: Projection of Financial Requirements

- Interrelationship of financial projections.
- Operating budgets.
- Standard costing and variance analysis.
- Cash forecasts and cash budgets.
- Sensitivity analysis.
- Dynamics and growth of the business system.
- Operating leverage.
- Financial growth plans.
- Financial modeling.

Unit 9: Analysis of Investment Decisions

- Applying time-adjusted measures.
- Net present value (NPV) and internal rate of return (IRR).
- Strategic perspective.
- EVA and NPV.
- Refinements of investment analysis.
- Equivalent annual cost (EAC).
- Modified internal rate of return (MIRR).
- Sensitivity analysis, scenario analysis, simulation, and NPV break-even.
- Dealing with risk and changing circumstances.

Unit 10: Valuation and Business Performance

- Managing shareholder value.
- Shareholder value creation in perspective.
- Evolution of value-based methodologies.
- Creating value in restructuring and combinations.
- Financial strategy in acquisitions.
- Business valuation.
- Business restructuring and reorganizations.
- Management buyouts (MBOs) and management buy-ins (MBIs).