

# € TRAINING

The Advanced Finance Program





## The Advanced Finance Program

### Introduction:

This seminar brings together two most of the most important areas of financial management: Understanding Finance to Influence Strategic Decisions, and Financial Analysis, Planning, and Control.

### Course Objectives:

At the end of this course the 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 financial analysis
- Develop business strategies
- Understand how financial management support 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 financial issues and financial professionals.
- Appreciate how such decisions may affect their departments or business units, as well as their companies.
- Acquire the ability, when involved in decisions about investment, operations, or financing, to choose the most appropriate tools from the wide variety of financial techniques available to provide quantitative analysis.
- Understand the exact nature and scope of the business problems to be analyzed
- Obtain a quick "ballpark" estimates of likely outcomes of decisions
- Understand the implications and relative importance of cash flow as distinct from accounting profit in economic and financial analysis

### Targeted Audience:

- Financial Analysts
- Financial Controllers
- Accountants
- Treasurers
- Corporate Planning
- Business Development Professionals
- Middle and Junior Management as a useful element in their career advancement

### Course Outlines:

#### 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
- Common 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
- The weighted average cost of capital WACC
- Can we determine a company's optimal capital structure?
- Capital structure models
- Preparing projections to determine 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 present 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 to 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 for 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