

€ TRAINING

Basics of Financial Planning & Analysis





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Introduction:

The Basics of Financial Planning & Analysis course is designed to provide participants with a comprehensive understanding of key financial concepts and analytical tools. This course is tailored to equip individuals with the skills necessary for effective financial decision-making and planning within an organizational context.

Course Objectives:

- Develop a foundational understanding of financial planning principles.
- Acquire proficiency in financial analysis techniques.
- Learn how to create and interpret financial statements.
- Gain insight into budgeting and forecasting processes.
- Understand the role of financial planning in strategic decision-making.

Targeted Audience:

This course is ideal for finance professionals, business analysts, managers, and anyone seeking a solid understanding of financial planning and analysis. No prior financial knowledge is required, making it suitable for individuals at various career stages.

Course Outline:

Unit 1: Fundamentals of Financial Planning

- Introduction to Financial Planning: Understanding the importance of financial planning in the overall management of an organization. Exploring the key components and processes involved in creating a comprehensive financial plan.
- Key Financial Concepts: Delving into fundamental financial concepts such as time value of money, risk and return, and the principles of compounding and discounting.
- Understanding Financial Statements: A detailed examination of financial statements, including income statements, balance sheets, and cash flow statements. Participants will learn how to read and interpret these statements to assess the financial health of a business.

Unit 2: Financial Analysis Techniques

- Ratio Analysis: Exploring the use of financial ratios to evaluate a company's performance, liquidity, and solvency. Participants will gain hands-on experience calculating and interpreting ratios to make informed business decisions.
- Trend Analysis: Understanding how to analyze financial data over time to identify patterns and trends. Participants will learn to use trend analysis to forecast future financial performance and identify areas for improvement.

- **Variance Analysis:** Exploring the concept of variance and its application in assessing the difference between planned and actual financial outcomes. Participants will engage in practical exercises to analyze variances and recommend corrective actions

Unit 3: Creating and Interpreting Financial Statements

- **Income Statements:** In-depth exploration of income statements, including revenue recognition, cost of goods sold, and operating expenses. Participants will learn to analyze income statements to assess profitability.
- **Balance Sheets:** Understanding the structure and components of balance sheets, including assets, liabilities, and equity. Participants will learn to interpret balance sheets to evaluate a company's financial position.
- **Cash Flow Statements:** Exploring the importance of cash flow in financial management. Participants will learn to analyze cash flow statements to assess a company's ability to generate cash and meet its financial obligations.

Unit 4: Budgeting and Forecasting

- **Basics of Budgeting:** An introduction to budgeting as a crucial tool for planning and controlling financial activities. Participants will learn to create and manage budgets, considering revenue, expenses, and capital expenditures.
- **Forecasting Techniques:** Exploring various forecasting methods, including time series analysis and regression analysis. Participants will learn how to use historical data to make informed predictions about future financial performance.
- **Budget Monitoring and Control:** Understanding the importance of monitoring and controlling budgets. Participants will learn techniques for tracking actual performance against budgeted figures and implementing corrective actions when necessary.

Unit 5: Financial Planning in Strategic Decision-Making

- **Integrating Financial Planning with Business Strategy:** Exploring the alignment of financial planning with overall business strategy. Participants will learn to develop financial plans that support the organization's strategic goals.
- **Capital Budgeting:** Understanding the process of capital budgeting, including evaluating and selecting long-term investment projects. Participants will engage in case studies to apply capital budgeting techniques.
- **Risk Analysis in Financial Planning:** Exploring the role of risk in financial planning. Participants will learn to identify, assess, and manage financial risks, ensuring that the financial plan remains robust in dynamic business environments.