



Arabian Institute For Training

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# Financial Management for Non-Financial Professionals

## INTRODUCTION

- Business professionals need to understand the financial factors critical to business success. This interactive Financial Management for Non-Financial Professionals training seminar will show how finance works in today's fast-moving business environment. For any business the key elements of profitability, liquidity and financial structure are critical to continuing success and competitiveness. So these three elements are comprehensively explored and developed at all levels of business activity.
- You will learn about the accounting processes of recording and reporting business transactions, and how these are summarised as periodic financial reports in accordance with statutory requirements. You will also learn how these financial reports are analysed by a variety of user groups.
- This Financial Management for Non-Financial Professionals training seminar also has an inward focus, and will explain why management accounting is essential to business survival, and success. It will show how budgeting can control costs and improve profitability. It will explain and develop tools and techniques for evaluating proposed new investment projects. This training seminar will enable you to understand the business from both a financial and strategic perspective, and how business decisions will impact on corporate profitability.

### Highlights of this training seminar:

- The strategic and operational role of the Finance Function
- The principles of accounting and financial reporting
- How to understand and analyse financial reports?
- How management accounting helps to maintain control and improve efficiency?
- How we can ensure that investment returns meet the stockholders expectations?

## OBJECTIVES

### Having completed this training seminar, you should be able to:

- Explain the nature and role of financial statements and their interpretation
  - Use the language of accounting and finance to communicate effectively with financial professionals
  - Review the financial performance and financial position of an organisation using the appropriate financial ratio and break-even analysis techniques
  - Use budgetary control to compare actual against planned performance and to identify corrective actions
  - Evaluate investment projects using DCF and other appraisal methods
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## **TRAINING METHODOLOGY**

- This interactive training seminar will comprise a range of learning activities, including tutor presentations, with question and answer opportunities, demonstration and practice of analytical techniques, group exercises and discussions, using case studies and current company and market information sources. Whilst the theoretical background to financial management will be explained and justified, the main emphasis will be on putting these into a real world context by providing a practical 'toolkit' of financial techniques.

## **ORGANISATIONAL IMPACT**

- Greater awareness of the role of accounting and finance
- Ability to understand the structure of accounting systems, and financial reports
- Ability to make more effective and better informed contributions to financial discussions
- Ability to use tools and techniques for financial control and financial management
- Greater understanding of the key drivers which ensure sustainable growth and competitiveness
- Awareness of how business risks can be identified, analysed, and managed

## **PERSONAL IMPACT**

- More knowledgeable about accounting and finance systems, and the meaning of financial reports
- Better informed financially, to enable improved management decision-making
- Better able to contribute to financial discussion, and communicate in financial language
- Better able to contribute to the effective financial management of their organisation
- Able to evaluate alternative courses of action and identify the most effective choices with regard to the future improvement of their organisation
- Able to liaise more effectively with other departments on financial matters

## **WHO SHOULD ATTEND?**

- Sales and Marketing Executives
  - Supply-stream Professionals
  - Project Professionals
  - Internal Auditors
  - Any Non-financial Professionals who are required to read, interpret, and contribute to business financial reports
  - Senior Professionals of manufacturing, marketing, engineering
  - Human Resources Professionals
  - Legal Professionals
  - Executive Professionals who are involved with development of long-term customers, suppliers, outsourcing partners, and other global strategic alliances
  - Consultants who work with professionals and executives, to support improvements to operational and financial processes
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## Course Outline

### The Business Environment and the Role of Accounting

- The Business Environment
- The Uses and Purpose of Accounting
- Users of Accounting and Financial Information
- Accounting Terminology
- The Dual Entry Accounting System
- The Income Statement – financial performance
- The Balance Sheet – financial position
- Cash Flow vs. Profit
- The Cash Flow Statement - Where the cash comes from and where it goes to?

### The Financial Statements and Financial Analysis

- Accounting Conventions and Accounting Standards (IFRS)
- The Key Elements of Published Annual Financial Reports (AFR)
- Techniques for Interpreting the Financial Statements - Common-Size Analysis and Ratio Analysis
- Financial Statements analysis – Case Study
- Cash Flow Ratios – A different perspective
- Predicting Business Failure with Ratios and other Key Indicators
- Publicly Available Sources of Corporate Financial Information

### Budgeting and Break-even Analysis

- Management Accounting – The Internal Perspective
- The Importance of Cost Analysis – materials, labour and overheads
- Understanding Overheads, and How they should be treated in internal analysis and decision-making
- Cost / Volume / Profit (CVP) Analysis and The Break-even Point
- Using CVP Analysis to make Profitable Decisions
- The Purpose and Importance of Budgeting
- Preparing and Implementing Your Budget
- Different Budgeting Models – Are they relevant for your business?
- Is budgeting an effective management technique?
- Issues of Risk, Uncertainty, Motivation and Asymmetric Behaviour

### Budgetary Control and Capital Investment Appraisal

- Budgetary Control with Monthly Management Reports
  - Standard Costing and Variance Analysis
  - Case Study on Calculating and Interpreting Variances
  - Internal Growth Strategies – Types of Capital Investment
  - Basic Appraisal Techniques as a Filtering Process – ARR and Payback
  - Why you should consider the time value of money?
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## Financing the Business and Re-organisation Strategies

- Financing the Business – Why and When
- Financing Principles, Short-term vs. Long-term, Debt vs. Equity
- Sources and Types of Finance
- Determining the Cost of Long-term Finance - The cost of Capital Models:
- Cost of Equity ( $K_e$ ) – Dividend Valuation Model
- Cost of Equity ( $K_e$ ) - Capital Asset Pricing Model
- Cost of Debt ( $K_d$ )
- Weighted Average Cost of Capital (WACC)
- Review of External Growth Strategies:
- Mergers, Acquisitions and Joint Ventures
- Review of Restructuring Strategies: Demergers, Spin-offs, Unbundling, MBO, MBI, BIMBO



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