

# € TRAINING

Financial Management for Non-Financial  
Professionals



21 - 25 October 2024  
Madrid (Spain)



# Financial Management for Non-Financial Professionals

REF: F174 DATE: 21 - 25 October 2024 Venue: Madrid (Spain) - Fee: 5300 Euro

## Introduction:

Business professionals need to understand the financial factors critical to business success. This course 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, under statutory requirements. You will also learn financial reports are analyzed and by a variety of user groups

The course 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 also explain and develop tools and techniques for evaluating proposed new investment projects. The course will enable you to understand the business from both a financial and strategic perspective and how business decisions will impact corporate profitability.

## Course Objectives:

At the end of this course the participants will 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 organization 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
- Appreciate the important role of strategic accounting in business performance improvement
- Gain knowledge about accounting and finance systems, and the meaning of financial reports
- Enable improved management decision-making.
- Contribute to financial discussion, and communicate in financial language
- Contribute to the effective financial management of their organization.
- Evaluate alternative courses of action and identify the most effective choices concerning the future improvement of their organization.
- Coordinate with other departments on financial matters more effectively

## Targeted Audience:

- 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 the 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

## Course Outlines:

### Unit 1: A Strategic View of the Business Environment:

- The business environment
- The uses and purpose of accounting
- Users of accounting and financial information
- Accounting terminology
- Cash versus profit
- Profit and profitability
- The structure of the balance sheet
- The income statement - financial performance
- What is profit?
- The structure of the income statement
- The links between the income statement and the balance sheet
- Accounting conventions
- The published annual report

### Unit 2: The Financial Statements and Financial Analysis:

- The cash flow statement
- What is included in the cash flow statement?
- Why is cash flow so important?
- The structure of the cash flow statement
- The links between the cash flow statement, profit and loss account, and balance sheet
- Interpreting the annual report
- The key elements of published reports and accounts
- Ratio analysis: profitability; efficiency; liquidity; investment; cash flow; the Dupont system
- Cash versus profit as a measure of performance, EBITDA and
- Predicting business failure - the Altman Z-score
- Sources of financial information

### Unit 3: Budgeting and Break-even Analysis:

- Management accounting
- Cost behavior
- The overhead problem, traditional versus activity-based absorption
- Cost/volume/profit CVP analysis
- Break-even analysis
- The impact of cost structure changes
- Limitations of CVP analysis
- Purposes of budgeting
- The budget process, including activity-based budgeting
- Uncertainty and risk - worst and best outcomes
- Motivation and the behavioral aspects of budgeting
- Problems in budgeting

### Unit 4: Budgetary Control, DCF, and Capital Investment Appraisal:

- Budgetary control
- Standard costing
- Flexed budgets and variance analysis
- Types of variances and the reasons they occur
- Planning and operational variances
- Investment decisions
- Time value of money
- Appraisal techniques
- The effect of inflation
- Free cash flows
- Capital rationing and control of capital investment projects
- Risk and uncertainty and decision-making - sensitivity analysis

## Unit 5: Financing Business and Strategic Accounting:

- Financing the business
- Financing principles, including Short-Term VS Long-Term, and Debt VS Equity gearing
- Sources and types of finance
- The cost of capital, cost of equity  $K_e$ , and cost of debt  $K_d$
- The weighted average cost of capital WACC
- Capital Asset Pricing Model CAPM
- Strategic management accounting
- The effect of competitive strategy, and how to gain competitive advantage
- Competitor information and strategic positioning
- Cost of debt and equity capital
- The disadvantages of traditional cost analysis
- The balanced scorecard and critical success factors
- Economic value added
- Benchmarking