

FINANCE FOR NON-FINANCIAL PERSONNEL **Lessons To Understand and Evaluate Financial Health**

Key focus

1. Understand the definitions and terms of 'depreciation', 'profits', 'income', 'costs', 'losses', 'capital'.
2. Will know the differences between capital vs. revenue
3. Able to identify what are financial statements and their purposes
4. Understand what is 'matching' concept and 'accrual' concept
5. Able to know the differences between accrual accounting vs. cash accounting.
6. Able to use the balance sheet to examine assets and liabilities
7. Understand the income statement in detail
8. Understand the use of ratio analysis for evaluating performance
9. Understand the importance of business units in achieving corporate business

Who will benefit

Manager and Executives of all department/ functional areas be it IT/ Sales & Marketing/ Business Development/ Production/ Human Resource, Legal, Engineering, CEOs, and Directors

Take The Next Step

Day one

1. LEARNING THE LANGUAGE: FINANCIAL JARGONS

- ▶ Definitions and terms (depreciation, profits, income, costs, losses, capital, etc)
- ▶ Capital vs. Revenue Expenditure (Capex vs. Opex)
- ▶ Identifying what are financial statements and their purposes

0900-1030

Morning tea break

1030-1045

2. ACCOUNTING CONVENTIONS, STANDARDS and ACCOUNTING MANAGEMENT

- ▶ Understanding 'Matching' concept and 'Accrual' concept
- ▶ Other financial standards and their role in financial reports
- ▶ Accrual accounting vs. Cash accounting

1045-1300

3. YOUR FINANCIAL STATEMENTS: INTERPRETING YOUR COMPANY'S FINANCIAL SIGNS

- ▶ Using the Balance sheet to examine assets and liabilities
- ▶ Analyzing the Income Statement to assess revenues and expenses
- ▶ Statement of Cash flow: sources and uses of funds
- ▶ Analyzing and making sense of management reports

Lunch

1300-1400

4. CRITICAL COMPONENT 1 : ANALYZING INCOME STATEMENT

- ▶ Understanding the Income Statement in detail
- ▶ Use of ratio analysis for evaluating performance

1400-1530

Afternoon tea break

1530-1545

- ▶ Use of Key Performance Indicators (KPI) to track performance effectiveness
- ▶ Improving performance based on Income Statement Report

1545-1700

Take The Next Step

Day two

5. CRITICAL COMPONENT 2 : ANALYZING BALANCE SHEET

- ▶ Understanding the Balance Sheet
- ▶ Use of 'Ratio analysis' for monitoring financial health
- ▶ Performing Ratio Analysis on profitability, liquidity and solvency of the organization

0900-1030

Morning tea break

1030-1045

6. CRITICAL COMPONENT 3 : MASTER BUDGET & PROJECT BUDGETING

- ▶ Budget as an essential driver in corporate planning
- ▶ Profit planning and costs control in Project Budgeting
- ▶ Importance of business units in achieving corporate objectives
- ▶ How to prepare an effective and meaningful Budget.
- ▶ Scope of accountability
- ▶ Budgeting and Forecasting

1045-1300

Lunch

1300-1400

7. CRITICAL COMPONENT 4 : COSTING AND COSTS ANALYSIS

- ▶ Departmental Fixed and variable costs - understanding the cost structure
- ▶ Break-even point analysis and Margin of safety
- ▶ Cost control measures and implementation, etc

1400-1530

Afternoon tea break

1530-1545

8. CRITICAL COMPONENT 5 : INVESTMENT APPRAISAL & CAPEX

- ▶ Understanding Capital Expenditures (CAPEX) vs. Operating Expenditures (OPEX).when does expenditure fall in either category.
- ▶ Payback analysis (Case study)
- ▶ Time value of money and investment decision using NPV, IRR methods (Case study)

1545-1700

Take The Next Step