

FINANCE FOR MANAGERS



EDUCATION GOALS

- Understand and analyse the financial statements: balance sheet and income statement
- Perform a financial diagnostic
- Build financial dashboards
- Be able to measure the impact of financing choices on the financial health of the company
- Communicate with banks
- Understand shareholders expectations when the company raises capital

WORD FROM THE AUTHOR - Franck NICOLAS, Rémy PALIARD

« Although you may be a manager, an entrepreneur, a project manager or head of a business unit, you are not necessarily an expert in business finance.

Nevertheless, managers have to understand and deal with their company's overall financial figures on a daily basis. Assessing risks and understanding the financial impacts of decision making are prerequisites for successfully managing your business. This course will help you to include financial aspects in your operational decision making, and to learn how to use the methods and tools needed to run your business like a financial manager according to the company's return on capital employed objectives, and subject to the requirements of the providers of funds. »

Level
Intermediate
Expert

8
Modules

5 H



M111 – PRE-COURSE EVALUATION

Objectives education

- Assess your existing financial management knowledge
- Evaluate your knowledge of financial management and analysis

Word from the author

« I'm not trying to turn you into a financial expert. Instead, I will use various scenarios to help you get a better understanding of financial management concepts. Quite a programme, wouldn't you say! Maybe you already know something about the topic? Let's find out how much you know by doing a short test. Shall we get started? »

Chapters

- Introduction

Quiz

M112 – INTERPRETING FINANCIAL STATEMENTS

Objectives education

- Know how to interpret the financial statements
- Be more confident when using the key financial analysis ratios
- Understand the impacts of your decisions on cash, the balance sheet and the income statement

Word from the author

« A financial vision is essential for any manager wanting to better understand the financial health or operations of a company, be it a competitor or a customer.

The financial statements compare two or more financial periods (balance sheet, income statement and note to the accounts)) and are used to generate the ratios needed to determine the financial health of the company.

We can use the financial statements to answer the following five questions:

- *Does the company have sufficient cash to meet its short-term obligations?*
- *How important is equity financing compared to debt financing?*
- *What is the total borrowing capacity?*
- *What is the Days Sales Outstanding (DSO)? What is the Days Payables Outstanding (DPO)?*
- *What is the inventory turnover rate? »*

Chapters

- Introduction
- Balance sheet
- Income Statement
- Financial balances
- Conclusion

Quiz

M113 – CHANGES IN CASH AND INCOME

Objectives education

- Understand the concepts used in risk analysis
- Be able to define and calculate the company's operating cash flow
- Understand how the OCF affects operations and working capital requirement

Word from the author

« In the previous module, we saw that the financial statements answer five questions.

We need to add two additional questions asked by banks:

What is the company's operating cash flow (OCF)?

How will operating conditions change going forward, and how will this affect the company's working capital requirement? »

Chapters

- Introduction
- Operating Cash Flow (OCF)
- Working Capital Requirement (WCR)
- Examples
- Conclusion

Quiz

M114 – TOOLS AND RATIOS FOR ANALYSIS EFFICIENCY

Objectives education

- Know how to extract the figures from the balance sheet and the income statement that we need to analyse the company's economic and financial situation
- Understand the challenges of financial analysis
- Understand the key management subtotals

Word from the author

« The financial statements compare two or more financial periods (balance sheet, income statement and notes to the accounts) in order to determine the financial health of the company.

The financial analysts generally have to comment on the company's financial independence, financial equilibrium, liquidity, efficiency and value added.

These calculations are generally based on ratios.

Financial strength is a key concern for all company directors because it is one of the main factors ensuring the company's long-term survival. »

Chapters

- Introduction
- Key management subtotals
- Operating performance ratios
- Risk analysis ratios
- Conclusion

Quiz

M115 – PERFORMANCE CHALLENGES

Objectives education

- Know how to interpret the various productivity, profitability and efficiency ratios
- Understand the basics of value creation and performance measurement

Word from the author

« We will analyse the company's performance in function of its economic and financial resources, its business sector and its results.

We will analyse productivity, profitability and efficiency by comparing these different factors to one another.

These ratios are useful because the challenges faced by companies in terms of performance and sound financial management depend on finding the maximum return for the minimum risk. »

Chapters

- Introduction
- Profitability, Productivity, Efficiency
- Leverage effect
- Conclusion

Case study

- Practical case study – “Moderno”

Quiz

- Performance challenges

M116 – GOLDEN RULES FOR A SOUND MANAGEMENT

Objectives education

- Remember the fundamental rules of good financial management

Word from the author

« Contrary to popular belief, generating turnover is not enough to guarantee success!

In fact, income and cash are not the same thing.

To make a company more efficient and to limit its risk of bankruptcy, always remember the four key rules that we will develop in this module. »

Chapters

- Introduction
- Golden rules and impacts
- Conclusion

Quiz

M117 – VALUE CREATION APPROACH

Objectives education

- Give you the tools needed to increase the company's value creation

Word from the author

« As we saw previously, contrary to popular belief, generating turnover is not enough to guarantee success! So, what is the company trying to achieve?

Why? Who for?

What is value creation?

How do we measure it?

Are there any prerequisites for value creation?

How can the manager's daily actions increase value creation? »

Chapters

- Introduction
- WACC: a financial cocktail
- Value creation
- How can we increase value creation?
- Conclusion

Quiz

M118 – POST-COURSE EVALUATION

Objectives education

- Assess yourself and check your progress since beginning the training
- Check whether you have properly understood all the key concepts of financial management

Word from the author

« I created this final assessment for you to evaluate your understanding of financial management. If your score is under 50%, I suggest that you take another look at the chapters you didn't understand. »

Quiz