

GULF INSTITUTE



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Financial Analysis, Planning & Control

INTRODUCTION

- Management has now become an integral part of operation in a wide range of organizations. Financial analysis, planning and control provides an understanding of the various aspects in an organisation from calculative aspect to other related practices in organisation. The key element of the programme is the focus on practical application of financial models and analysis, which are used to assess strategic and operational positions of the organisation.
- This is crucial for organisation in terms of understanding cost reductions and create additional value for companies. You will learn about the financial business environment, strategic planning, management reporting, and decision control support.
- This training seminar on Financial Analysis, Planning & Control is aimed to provide a clear insight of decision-making process, various valuations methods, planning and interpreting financial information.

This training seminar will highlight:

- The conceptual backdrop for both the financial and economic dimensions of analysis and decision-making
- The nature of financial statements and the key financial tools and techniques in the broader context of how and where they are applied in the assessment of business performance
- The projection of financial requirements and analysis of financial information for planning and control
- The analysis of investment decisions using time-adjusted measures, taking strategic perspective and dealing with risk and uncertainty
- The valuation of businesses and how value may be enhanced through mergers and acquisitions, and restructuring and reorganisations
- Develop and monitor specific performance indicators, reporting on trends and identifying causes on unexpected variance

OBJECTIVES

- What is the exact nature and scope of the problems to be analysed, and which specific variables, relationships, and trends are likely to be helpful in analysing specific problems?
- How precise an answer is necessary in relation to the importance of the problem itself?
- How reliable are the available data, and how is this uncertainty likely to affect the range of results?
- Should the outputs of decisions be expressed in cash flow terms, or in terms of accounting profit, to evaluate the financial implications of a decision?
- What limitations are inherent in the tools to be applied, and how will these affect the range of results obtained?
- How important are qualitative judgments in the context of decision-making, and what is the ranking of their significance?

TRAINING METHODOLOGY

- This training seminar is presented in a very user-friendly seminar to suit individuals with varying levels of financial knowledge and experience. This training seminar will be conducted along workshop principles with formal presentations, case studies and interactive worked examples. Numerous relevant examples and participative case studies are provided to illustrate the application of each of the topics covered. Each learning point is reinforced with practical examples and participative exercises. Difficult mathematical concepts are minimised wherever possible and handled in a visual way that is easy to understand with numerous illustrative examples.

ORGANISATIONAL IMPACT

This training seminar will provide participating delegates:

- An understanding of the use of financial statements and tools and techniques of financial analysis that assist managers in support of more informed and therefore better decision-making
- An understanding of the links between long and short-term planning, and being able to develop and prepare financial models and operating budgets and the use of Excel models to build financial growth planning models and prepare traditional and activity based budget models
- The use of the techniques of budgetary control: development of product standards, flexed budgets, variance analysis and use of the results of variance analysis to improve operational performance
- The use of Discounted Cash Flow (DCF) and other appropriate techniques that will support the company in its more effective analysis of capital investment projects
- An understanding how corporate value and shareholder value may be increased through the use of appropriate financial strategies, including mergers and acquisitions, and restructuring and reorganisations
- The sharing of knowledge gained throughout other divisions and departments of the company

PERSONAL IMPACT

Delegates will develop an understanding of:

- The creation of corporate value and shareholder value
- Choosing the most appropriate tools and using Excel to develop long-term financial models and budgets
- How to analyse and interpret the financial statements: Balance Sheet; Income Statement; Statement of Cash Flows, in order to make more informed and therefore better financial decisions
- How to develop and manage the financial aspects of their role more effectively, enhance their performance, broaden their role, and appreciate how their decision-making may impact on their own department or business unit and the organisation as a whole
- How to improve their self-confidence in dealing with finance and financial professionals
- How to be better placed to liaise effectively with other professionals on financial issues
- This seminar provides an integrated conceptual backdrop both for the financially / economic dimensions of systematic business management and for understanding the nature of financial statements.

WHO SHOULD ATTEND?

This training seminar is a 'must' for:

- Financial officers, controllers, and accountants
- Treasurers, corporate planning and business development professionals
- Sales and marketing professionals
- Managers from any other non-financial areas that need or wish to understand the financial aspects of analysis, planning, and control
- Middle and junior management as a useful element in their career advancement
- All participants will be able to offer their input, based on their individual experiences, and will find the seminar a forum for upgrading and enhancing their understanding of best corporate financial practices in the areas examined.

This training course is suitable to a wide range of professionals, but will greatly benefit:

- Individual with No Basic Finance Backgrounds
- Individual with the ambitions to pursue advance courses in Finance
- Individual looking to acquire specific skills needed to secure a new role or improve their career prospects
- Junior Managers involved in Planning and Forecasting
- Managers involved in Financial Decision Makings

Course Outline

The Challenge of Financial Economic Decision-Making

- The Practice of Financial / Economic Analysis
- The Value-creating Company
- Corporate Value and Shareholder Value
- A Dynamic Perspective of Business
- The Agency Problem and Corporate Governance
- What information and data to use?
- The Nature of Financial Statements
- The Context of Financial Analysis and Decision-making

Assessment of Business Performance

- Ratio Analysis and Business Performance
- Management's Point of View
- Owners' Point of View
- Lenders' Point of View
- Ratios as a System – Pyramids of Ratios
- Integration of Financial Performance Analysis
- Economic Value Added (EVA)
- Predicting Financial Distress and Z-score Model

Analysis of Investment Decisions

- Applying Time-adjusted Measures
- Net Present Value (NPV) and Internal Rate of Return (IRR)
- Modified Internal Rate of Return (MIRR)
- Strategic Perspective
- EVA and NPV
- Refinements of Investment Analysis
- Equivalent Annual Cost (EAC)
- Sensitivity Analysis, Scenario Analysis, Simulation, and NPV Break-even
- Dealing with Risk and Changing Circumstances

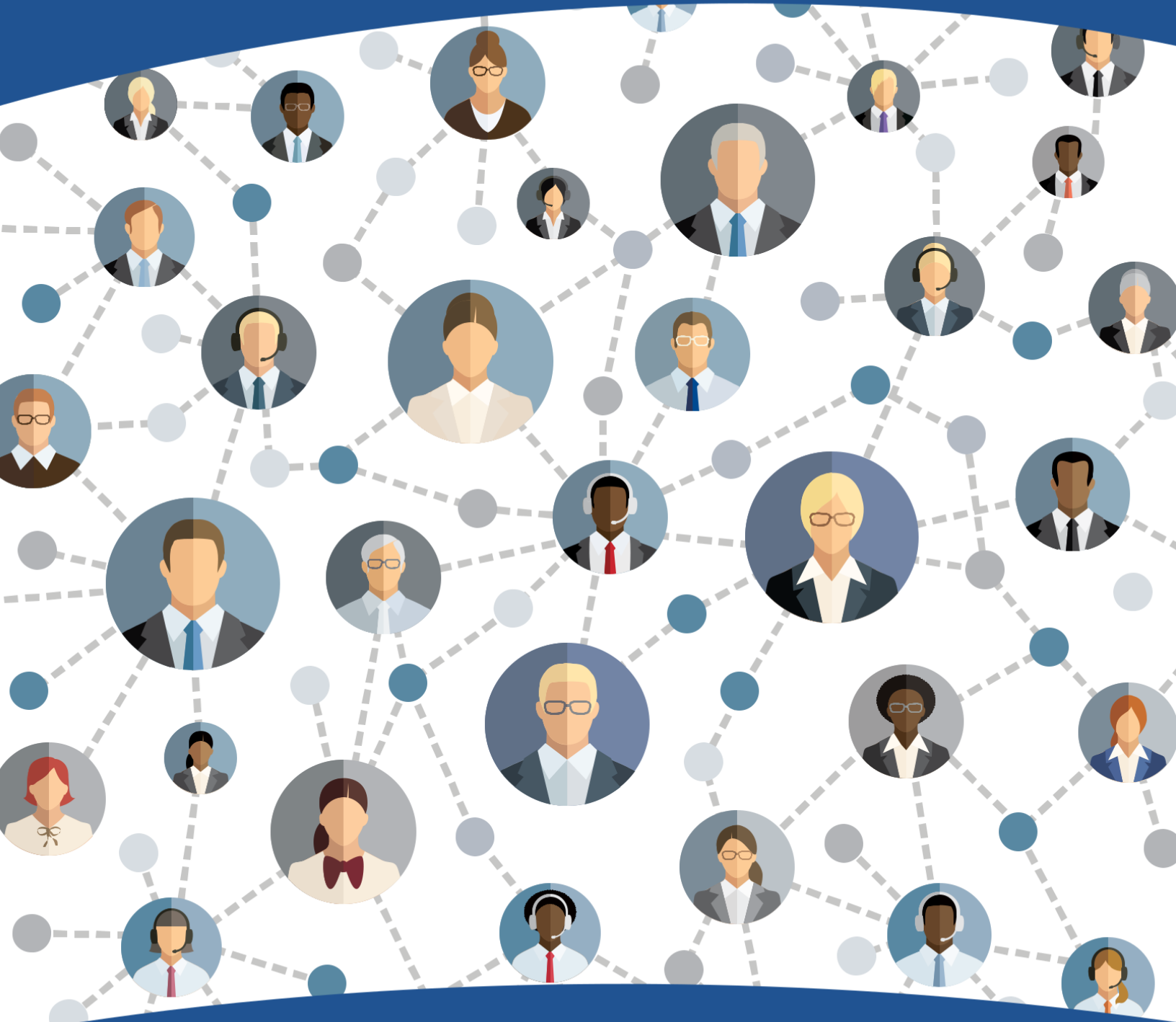
Projection of Financial Requirements

- Interrelationship of Financial Projections
- Operating Budgets
- Standard Costing and Variance Analysis
- Cash Forecasts and Cash Budgets
- Sensitivity Analysis
- Dynamics and Growth of the Business System
- Operating Leverage
- Financial Growth Plans

Valuation and Business Performance

- Managing for Shareholder Value
- Shareholder Value Creation in Perspective
- Evolution of Value-based Methodologies
- Creating Value in Restructuring and Combinations
- Financial Strategy in Acquisitions
- Business Valuation
- Business Restructuring and Reorganisations
- Management Buy Outs (MBOs) and Management Buy Ins (MBIs)

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