

# GULF INSTITUTE



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# The Oxford Financial Excellence Programme

## INTRODUCTION

- This training seminar entitled The Oxford Financial Excellence Programme provides business professionals with a deeper understanding of financial management as practiced by today's most powerful companies by demystifying the complex world of finance, and providing the tools and insights that you will need to meet your own professional goals and the greater goals of the organisations you serve.

## OBJECTIVES

By the end of this training seminar, delegates will be able to:

- Acquire an understanding of the fundamentals of the successful management of corporate financial performance, from the development of strategy through planning and budgeting to performance monitoring and control
- Develop practical experience of the workings of a best practice financial performance management model, and of how to improve corporate financial performance in real-life
- Gain the insights required to win in the global marketplace, for example relating to:
  - Interpreting financial statements
  - Evaluating financial performance
  - Financial forecasting
  - The financing decision
  - Determining the cost of capital
  - Evaluating investment opportunities
  - Managing risk
- Raise financial skills

## TRAINING METHODOLOGY

- Using a combination of training seminars, team exercises and individual exercises, delegates will gain both a theoretical and practical knowledge of the topics covered. The emphasis is on the practical application of the topics and as a result, delegates will return to the workplace with both the ability and the confidence to apply the techniques learned.
- There will be a strongly participative, learning-by-doing, style, making extensive use of short case studies (both numeric / analytical and non-numeric / descriptive) and syndicates, as well as open plenary discussion sessions.
- Some parts of this training course will include short revision / refresher sessions on accounting and DCF basics. Each day will comprise several sessions, introducing new material to build on the learning in the previous sessions.
- The training seminar manual will include copies of all the material used.

## ORGANISATIONAL IMPACT

- Delegates will develop a set of transferable skills which will improve their powers of financial planning helping the company to increase profit, improve cash flow whilst minimizing costs and risk
- Delegates will not only be able to analyse various business problems but will also be able to evaluate various courses of action and make sound recommendations for action using leading software
- They will become more aware of the importance of effective planning, budgeting and forecasting making the capital budgeting process more cost effective
- Updating delegates with recent developments in risk management
- Providing exposure to numerous annual reports and real life cases
- Emphasizing the role of risk in decision-making

## PERSONAL IMPACT

- Develop an understanding of today's major issues in international corporate finance and budgeting
- Make improved finance and capital budgeting decisions, which will increase your importance to your organization
- Be able to identify areas in which they may be able to contribute to improvements in the financial performance of your company which will help improve your career development
- An ability to utilise sophisticated investment appraisal techniques
- An appreciation of the key items from an annual report and recognition of important ratios and linkages
- Recognition of the appropriate tool to manage risk

## WHO SHOULD ATTEND?

- Staff who wish to gain an up-to-date and broader perspective on how industry leaders continually improve their financial performance, learn about current best practices, and improve their competencies in this area
- Financial and non-financial business professionals from all functions of an enterprise
- Financial professionals wanting an update or a 'refresher' of their knowledge
- Recent company recruits who need to learn about modern corporate financial performance management processes, and develop their competencies in this area
- People from outside business who require a thorough conceptual and practical introduction to the performance management processes and techniques adopted by the leading players

## Course Outline

### MODULE I: Corporate Financial Planning, Budgeting & Control

#### Corporate Financial Planning

- Strategic Planning
- The Objective of the Firm – Meeting Shareholder & Stakeholder Objectives
- Agency Theory – The Relationship between Shareholders & Management
- Creative Accounting and the Case of Enron
- Financial Management & Financial Planning – The Scope, Role & Responsibilities of Financial Management
- Preparing a Financial Plan – The Master Budget
- Forecasting Future Cash-flows and Financial Modelling
- Time Series Analysis, Correlation & Regression

#### Financing the Plan

- Sources of Finance – Long Term & Short Term
- Evaluation of The Types of Finance - Equity vs. Debt Finance
- Hybrid Finance & Financial Engineering
- The Dividend Decision
- The Cost of Capital and Weighted Average Cost of Capital (WACC)
- Capital Asset Pricing Model (CAPM)
- Accounting Rate of Return (ARR)
- Net Present Value (NPV), Internal Rate of Return (IRR) Capital Rationing & Payback

#### Preparing & Managing Budgets to Support the Financial Plans

- Definition of Budgets, the Budgetary Process and Budgetary Control
- Types of Budgets-Fixed, Flexible, Incremental and Zero Based
- The Purpose / Benefits & Problems / Limitations of Budgets
- Setting / Implementing Effective Budgets - Eliminating the Problems
- Responsibility Accounting and Absorption Costing

#### Managing and Controlling Cash Flow to Support the Financial Plan

- Cash vs. Profit & The Cash Conversion Cycle
- Calculating and Managing the Cashflow Cycle
- Cash Flow Ratios
- Working Capital
- The Cost of Maintaining Working Capital
- Maintaining The Optimum Level of Working Capital
- Working Investment Ratios
- Preparing a Monthly Cash Flow Forecast

## Managing Financial Risk

- Risk Management & Types of Risk
- Identifying Risk – SWOT Analysis
- The Major Quantitative & Qualitative Risks Facing Companies
- Establishing a Risk Management Strategy
- Financial Risk Management & Hedging Techniques
- Managing Exchange Rate & Interest Rate Risk
- Derivatives-Forwards, Futures, Options & Swaps
- Risk Management Glossary of Terms

## MODULE II: The Oxford 5-Day MBA in Finance

### An Introduction to the Financial Markets

- An Introduction to the Equity Markets
- IPO
- Market Indices
- International Equity Market Links
- An Introduction to Bond Markets
- Long Term vs. Short Term
- Treasury vs. Corporate
- Types of Bond
- An Introduction to the FX market
- The Spot and Forward Market
- Exchange Rate Trends and Linkages
- Carry Trades
- An Introduction to the Derivatives Market
- Futures
- Options
- The Link between Risk and Return

## Evaluating Investment Opportunities

- The Markowitz Model of Portfolio Risk
- The Capital Asset Pricing Model
- A Practical Application of the CAPM to a range of companies
- The Time Value of Money and Discounted Cash Flow Techniques
- The Gordon Growth Model
- A Practical Application of Forecasting Dividends
- Determining the Cost of Debt
- The Weighted Average Cost of Capital (WACC)
- The Ameritrade Case
- Investment Appraisal using the Net Present Value Approach
- The Importance of the Cost of Capital
- Scenario Analysis
- Payback and Adjusted Payback
- The Internal Rate of Return (IRR) approach
- A Practical Application of the IRR Approach
- Pitfalls in using the IRR Approach
- Real Options

## A Walk through An Annual Report

- The Balance Sheet
- The Income Statement
- The Cash Flow Statement
- Ratio Analysis
- A Practical Application of Ratio Analysis
- Apple vs. Microsoft
- Next vs. Tesco
- Easyjet vs. British Airways
- Forecasting Sales
- The Cost of Sales Approach

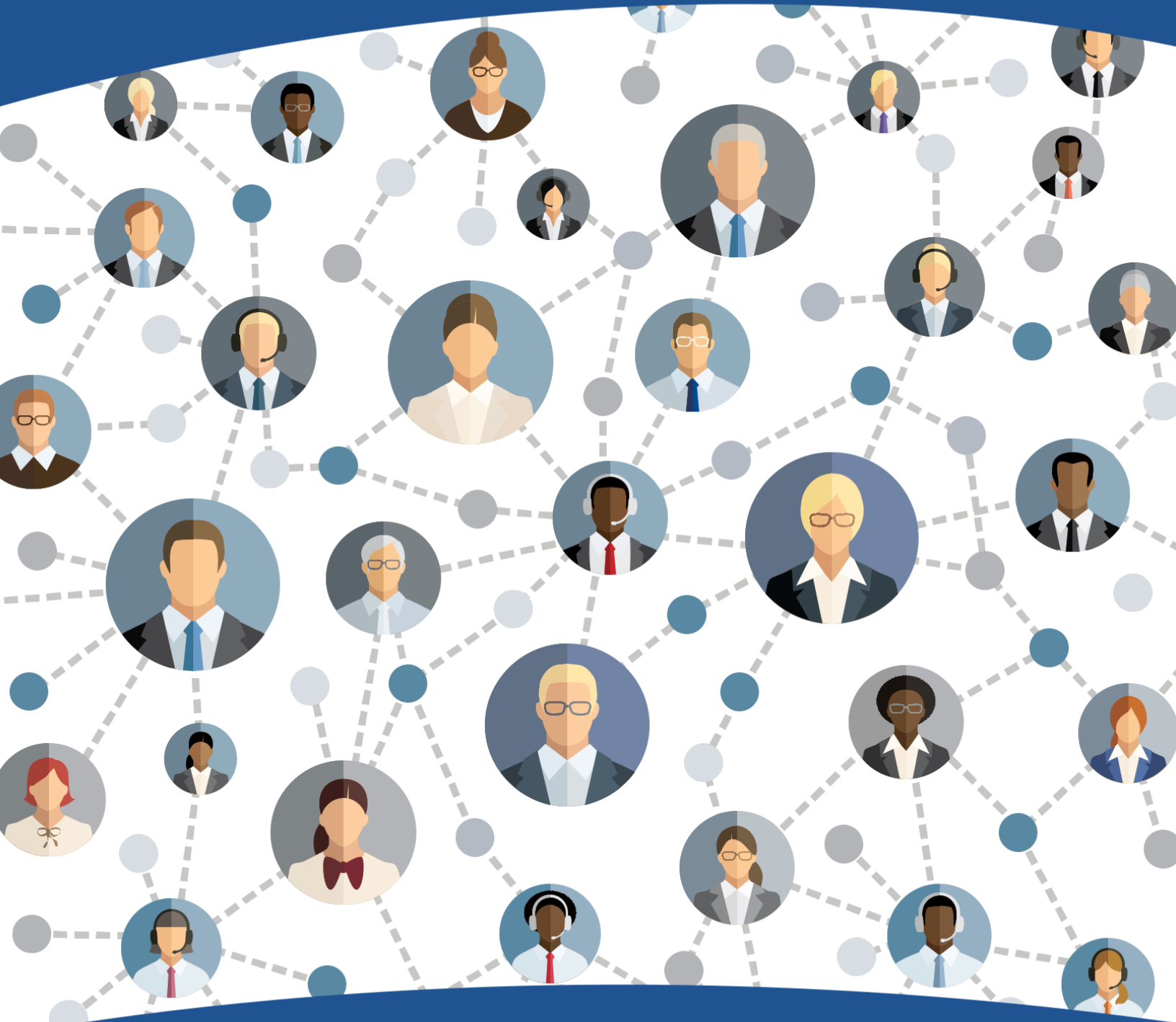
## The Corporate Financing Decision

- Financial Leverage
- Modiglianni and Millers Theory of Capital Structure
- The Risk of Bankruptcy
- The Optimal Capital Structure
- The Dividend Decision
- The Clientele Effect
- The Taxation Effect
- The Principal Agent Problem
- The Market for Corporate Control

## Risk Management

- Hedging Exchange Rate Risk using
- The Forward Market
- The Options Market
- Zero Cost Collars
- Hedging Commodity Price Risk using
- Options
- Futures
- Practical Application of Airlines Hedging Fuel Price Risk - The importance of correlation

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