

## Program Overview

- Introduce Course/PCI/Staff
- Course components and learning objectives

## Team Formation

- Participant introductions
- Team formation exercise

## Purpose of Financial Reporting

- Principles of finance/accounting
- GAAP & SOX

## Financial Statements

- Three basic statements
- Overview of each

## Income Statement Basics

- Period based
- Basic components
- Matching concept
- Client income statement
- Simulation income statement

## Balance Sheet Basics

- Basic formula
- Assets
- Liabilities
- Owners equity
- Client balance sheet
- Simulation balance sheet

## Move to Simulation

- Simulation overview
- Concepts
- Definitions
- Transaction flows

## The Simulation - Period 1

### Decisions

- Initial capitalization
- Pricing strategy
- Capacity decisions:
  - Staffing
  - Equipment
  - Processing/Production
- Purchase assets
- Pay operating expenses and debt

### Discuss Results of Period 1

## The Simulation - Periods 2

### Decisions

- Cash planning
- Strategy evaluation
- Pricing decisions
- Re-tune capacity decisions
- Revenue recognition

### Post and Discuss Results of Periods 2

## Cash Flow Statement

- Description of statement and basics of cash flow
- Sources and uses of cash
- Operating activities
- Investing activities
- Financing activities
- Client cash flow statement
- Simulation cash flow report

## Financial Statement Relationships

- Period vs. point in time

## The Simulation - Periods 3

### Decisions

- Cash planning
- Strategy evaluation
- Pricing decisions
- Re-tune capacity decisions

### Post and Discuss Results of Period 3

## Metrics

- Visual tool for margins & profit
- Margin analysis
  - Gross margin
  - Contribution margin
  - Operating and net margins
- Ratio Analysis
  - Debt & Liquidity
  - Efficiency
  - Returns
- Ratio concerns

## The Simulation - Periods 4-6

- Strategy and pricing decisions
- Capacity decisions
- Financing decisions

### Post and Discuss Results of Periods 4, 5 & 6 Including:

- Ratio and margin results
- Comparison among teams
- Real world examples and tie in

## Summary and Wrap-up

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