

Bottom-Line Finance Advanced

f a c t s h e e t

Objective:

For managers and professionals with 5+ years of experience who need to (1) increase finance, accounting and business decision-making knowledge beyond the basics, (2) integrate key financial reports and ratios into a scorecard, and (3) prepare capital appropriation requests to fund new initiatives, programs and projects.

Day One reviews three basic financial reports and ratios under GAAP accounting. Then participants read, interpret and analyze your company's financial reports and key performance ratios. All these ratios are integrated together in one model so people can trace and link all performance metrics to build a scorecard. They learn product costs, setting prices, selecting business strategy, and choosing the best decisions to achieve that strategy.

Day Two gets teams to forecast revenues and costs, develop a budget, and manage against their budget. They learn to calculate capital requirements for new products or projects, and compute the cost of capital, define product costs and set prices. They learn to prepare appropriation requests and calculate the time value of money, new present value, payback and hurdle rates. Finally, each team prepares a capital project justification which they present to others for critique.

Learning Model - This type of course is usually taught with dry lectures, long cases and pre-existing reports, which students tear apart trying to place and remember where each number came from. This method only creates confusion and apathy.

In **PCI's Bottom-Line Finance II**, students learn and work in a team with a **computer simulation** of a start up business, NOT a board game. They choose a business strategy: (1) low cost producer, (2) choose only high value customers, or (3) a blended approach. Each team makes operational and tactical decisions to achieve their strategy within strict time limits. They raise capital, borrow funds, set prices, hire staff and order equipment, with *immediate feedback on results*. They see funds *on screen flow* into each account on each report right before their eyes; key ratios are updated on a master spreadsheet.

Key Learning Points:

DAY ONE

- Review of 3 key financial reports, performance ratios and your company's latest financials
- Learn how to effectively use the automated spreadsheets and templates
- Set business strategies and make decisions to achieve them
- Define product costs and choose a pricing strategy; set product prices

DAY TWO

- Understand the Price Elasticity of Demand
- Set customer service strategy and pricing
- Prepare Forecast of Revenues and Costs - set budget; manage a business against a budget; plan vs. actual
- Identify Capital Allocation Strategies and tools used by senior management
- Prepare Capital Appropriation Requests (CAR) and cost benefit analysis for new products, programs or capital investment projects
- Present your teams CAR to critique and feedback

Recommended for:

For Program and Project Managers, Product and Brand Managers, or anyone with profit and loss responsibility who manages against a budget and makes or decides on capital investment requests.

Length: 2 days

CEU Credits: 1.6

PDU Credits: 16

PreRequisite: Basic Finance Course or Bottom-Line Finance I - Foundations

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