

# The Oxford Advanced Finance Programme

## INTRODUCTION

- This leading edge 10-day training seminar entitled, The Oxford Advanced Finance Programme is a must for all those who would like to attend a course that comprehensively deals with all the key topics of strategic management, financial planning, and financial management. It is also for those who wish to sharpen up their financial management skills, or who wish to refresh or update the skills they already have.

The 10-day training seminar highlights:

- Strategic decision-making, financial planning, forecasting and budgeting
- The financial statements and their links with financial planning, budgeting and decision-making
- Ratio analysis of the income statement, balance sheet, and statement of cash flows
- Traditional costing, and Activity Based Costing (ABC), Budgeting (ABB) and Management (ABM)
- Financing decisions, capital structure optimisation, and Weighted Average Cost of Capital (WACC)
- Performance measurement systems including budgeting and budgetary control, and the linking of KPIs to strategies using a balanced scorecard
- Interest rate and foreign currency exchange rate risk exposures, and financial risk management
- Capital project investment appraisal using Discounted Cash Flow (DCF), business valuations, acquisitions and restructuring

## OBJECTIVES

- How are business strategies developed?
- How does financial management support strategic development?
- What is the exact nature and scope of the business problems to be analysed?
- Which specific variables, relationships, and trends are likely to be helpful in analysing problems?
- Are there possible ways to obtain a quick 'ballpark' estimates of likely outcomes of decisions?
- How precise an answer is necessary with regards to problem-solving and decision-making?
- How reliable are available financial data, and how is uncertainty and risk likely to impact on the outcomes of decisions?
- In economic and financial analysis, what are the implications and relative importance of cash flow as distinct from accounting profit?
- What limitations are inherent in financial data and the key financial statements, and how will these affect financial analysis?

## TRAINING METHODOLOGY

- This training seminar entitled, The Oxford Advanced Finance Programme includes numerous practical examples and real life illustrations, and participative exercises and case studies. It will be presented in a very user-friendly way to suit individuals with varying levels of financial knowledge and experience. Our aim is for this to be an enjoyable learning experience. The training methodology combines presentations, discussions, team exercises and case studies. Delegates will gain both a theoretical and a practical knowledge of all 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.

## ORGANISATIONAL IMPACT

This training seminar will enable delegates to:

- Recognise the importance of finance as a component of the strategic decision-making process
- Appreciate the significance of the theoretical concepts underlying the use of financial tools in the strategic decision-making process
- Apply the appropriate financial tools in the strategic decision-making process
- Identify the impact of external factors on a company's strategic financial plans and decision-making
- Evaluate the financial consequences of alternative strategic decisions
- Organisations should benefit from an increase in the ability of their managers to understand and analyse the key financial statements and anticipate the financial factors that form the basis of strategic decision-making, which should ultimately result in better strategic planning, and improved company performance.
- All the topics in this training seminar are considered in the context of maximisation of shareholder wealth, which is the primary objective of all commercial organisations.

## PERSONAL IMPACT

- Enable individuals to broaden their financial knowledge, develop and manage the financial aspects of their role more effectively, and enhance their performance
- Increase their self-confidence in dealing with financial issues and financial professionals
- Better understanding of how financial considerations help to support an organisation's strategic decisions
- Enable them to better appreciate how such decisions may affect their own departments or business units, as well as their companies
- Acquire the ability, when involved in decisions about investment, operations, or financing, to choose the most appropriate tools from the wide variety of financial techniques available to provide a quantitative analysis

## WHO SHOULD ATTEND?

- This training seminar is designed for business professionals that need or wish to understand the financial aspects of the strategic decision-making process. It is crucial for every role and at every management level in the organisation, including for example:
- Sales and Marketing
- Engineering
- Project Management
- Purchasing
- Logistics
- Human Resources, and is a 'must' for:
- Interns, financial analysts, financial controllers, accountants, treasurers, corporate planning and business development professionals, and others active in the planning process
- 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 training seminar a useful forum for upgrading and enhancing their understanding of best corporate financial practices in the areas covered.

## Course Outline

### Module I: Understanding Finance to Influence Strategic Decisions

#### Linking Strategic Management and Decision-Making with Financial Planning and Budgeting

- Strategy and Strategic Management
- Vision, Mission, and Objectives
- Key Features of Strategic Decision-making
- Rolling out and Implementing Strategies
- Value Creation and Maximisation of Shareholder Wealth
- Corporate Objectives, Accountability, and Corporate Governance
- Management Accounting and the links between Strategic Planning and Budgeting

#### The Financial Statements and Their Links with Planning and Financial Decisions

- The Three Key Financial Statements
- Balance Sheet
- Income Statement
- Statement of Cash Flows
- Sources of Internal and External Financing
- Cost of Equity, Cost of Debt, and the Weighted Average Cost of Capital (WACC)
- Capital Structure Models to minimise WACC

## Costing Systems and Measurement Systems that Support Financial Decision-Making

- Costs and Activities
- Cost Behaviour
- Fixed Costs and Variable Costs
- Cost-Volume-Profit (CVP) Relationships, Break-even and Sensitivity Analysis
- Direct and Indirect Costs
- Activity Based Costing (ABC) and Management (ABM)
- Refining the Costing System for improved Decision-making

## Capital Investment Decisions

- Future Values, Present Values and Discounted Cash Flow (DCF)
- Capital Budgeting Principles
- Evaluating Capital Investment Projects using Accounting Rate of Return (ARR) and Payback
- DCF Evaluation Methods of Net Present Value (NPV), Internal Rate of Return (IRR), Modified Internal Rate of Return (MIRR), Equivalent Annual Cost (EAC)
- Deciding on which Investment Appraisal Methods to Use
- Capital Budgeting, Capital Rationing and the Profitability Index (PI)
- Further Factors to Consider in Investment Appraisal

## Linking Performance Measures to Strategic Decisions and Financial Risk Management

- Linking Strategic Objectives to Key Performance Indicators (KPIs) in a Balanced Scorecard
- Obstacles to Achieving Strategic Objectives created by the Accounting and Costing System
- Uncertainty and Risk Analysis
- Types of Business Risk and Financial Risk
- Risk Management Principles
- Development of Risk Management Tools to Mitigate and Minimise Risk
- Insurance and Hedging
- Interest Rate Risk and Foreign Currency Exchange Rate Risk

## Module II: Financial Analysis, Planning and Control

### 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

## 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
- Financial Modelling

## Analysis of Investment Decisions

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

## 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)