



BUDGETING, FORECASTING Planning & Cash Flow

Course Introduction:

Most managers are educated and trained for their functions, not for finance. Yet every manager is expected to understand finances well enough to make realistic budgets, manage cash, and hit his or her targets. This workshop will provide you with the skills and tools to do this, with the aim of achieving your organization's overall goals.

Course Objectives:

By the end of the program, participants will be able to:

- Pinpoint the key drivers of financial performance in your unit
- Prepare a realistic budget and gain approval from senior management
- Communicate progress on your goals to key stakeholders
- Apply tools and methods to improve your financial performance
- Base your business decisions on solid analysis of financial drivers
- Prepare a financial investment case for projects and initiatives

Who Should Attend?

This workshop is designed for senior managers of operational units, general managers, or department heads with budget responsibility. Managers are expected by their key stakeholders to be able to forecast into the future, make the right analyses, and then make the right decisions, even in an environment of uncertainty. They need managerial finance skills, but not all managers received this as part of their professional education. The workshop is also for finance people who want to better understand the realities of the non-finance colleagues.

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Course Outline:

Before the workshop, you will gather information and bring it with you to work on during the workshop

- Your organization's mission, vision and values
- Key financial statements, including performance on your key ratios
- Your own department's budget, and any project budgets that you are dealing with

You will not have to share this information with any of the other participants, but you will have time to work on, understand and analyze your own individual finances.

During the workshop, you will benefit from the experience of managers with a strong background in business re-engineering and turnaround management. This workshop will not dwell on academic

concepts and theories, but provide hands-on advice and best practice on business finance.

Budgets and Forecasting

This module covers how to build and manage a realistic budget in line with your strategic plan.

- Preparing and presenting annual plans
- Getting approval from senior management
- Rolling forecasts – what are they and how to prepare /manage them
- Re-forecasting when there are changes in the environment
- Variance analysis and reporting
- Actions required to get back on track and achieve the goals

Sources of Finance and Cash Flow

Money is the juice that keeps your business going, both in commercial businesses and non-commercial organizations. As a manager, you have to know where the money comes from. You have to know how money is needed to keep your business running, and how much you need to invest to grow your business.

- Clients, customers, investors, donors, investments, bank loans, etc.
- Raising new finance – different methods
- Managing cash flow (when credit and cash are tight)
- Short term vs long term – taking care of today while planning for the future.

Customers, Clients & Key Activities

Your activities are either directly or indirectly connected to providing value for an end customer, client, or important stakeholder. A focus on the “value creation” aspect of your activity is a must for any successful manager.

- Who are our customers or clients and why should they prefer us?
- Segmenting customers by their real needs – identifying the profitable segments
- Which products or services are bringing the profits which are not?
- Managing customer loyalty as a driver of future revenues
- Implications of going for growth vs going for profit
- Marginal costing and pricing decisions

New product development and launch

All organizations must continually refresh their offering to their clients. Product lifecycles are getting shorter and the speed of new product/service introduction is increasingly critical to success. But where to invest? Managers need to be able to predict which investments will bring the most return and should therefore be pursued.

- Product life cycles
- Growth and profit matrix for managing a portfolio of products/services/activities

- Buy or build decisions
- R&D costs
- Time-to-launch / time-to-market assumptions
- Future predictions of growth and profit for new activities

Capital expenditure decisions

Before making investments to maintain today's business or for new activities, managers need to be able to prepare and present a "capex" analysis, and get it approved by a formal committee. A typical capex shows the future returns the company is expected to receive on an investment made today. It is a trade-off of costs and benefits over time. You will learn to how to prepare:

- Benefits of the proposed investment and impact on cash flows
- Total costs of the proposed investment
- Asset depreciation rates and how to calculate them
- Payback period
- Internal rate of return
- Risk analysis
- Putting it all together and presenting your argument

Insourcing and Outsourcing

Deciding whether to do an activity in-house, or to outsource it to someone who can do it externally is a key management decision. It can be a source of value when you do it right, and a big drain on value when you do it wrong.

- Core vs non-core activities
- When to do it
- How to do it
- Preparing a business case including costs, people, physical assets, emotions, strategic considerations, etc

Profit Improvement Programs

On a regular basis, you are involved in or managing projects which are intended to improve the overall profitability of the organization (restructuring, process change, cost control, new sources of revenues and profit, etc)

- Setting up a plan for improvement
- Setting must-win goals, must-do activities, milestones, measurements and reporting mechanisms
- Allocating resources and responsibility
- Achieving quick wins while keep an eye on the big picture

Dealing with Finance Departments

The relationship between finance and other functions is a two-way street. Non-finance managers need to understand finance basics and the financial implications of their decisions and actions. Finance managers need to understand the realities of doing business that other managers face and the strategic value of some benefits which cannot be directly monetized.

- Understanding finance basics – P&L, Balance Sheets and Cash Flow statements
- Key financial ratios that drive the business
- Non-tangible benefits – can they be measured?
- Managing the mutual relationship between finance and the rest of the organization

Course Certificate:

International Center for Training & Development (ICTD) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Fees:

To be advised as per the course location. This rate includes participant's manual, and-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Methodology:

A variety of methodologies will be used during the course that includes:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test
- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionnaires
- Group Work
- Discussion
- Presentation

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee / Tea
08:20 - 10:00	First Session
10:00 - 10:20	Coffee / Tea / Snacks
10:20 - 12:20	Second Session
12:20 - 13:30	Lunch Break & Prayer Break
13:30 - 15:00	Last Session

