

Finance and Accounting for Nonfinancial Managers Training Course Outline

Why Finance Matters –

- Demystifying financial jargon
- Generally Accepted Accounting Principles (GAAP)
- Public vs. private financial methodologies
- Accountability and responsibility

The Key Building Blocks of Financial Control –

Decoding the income statement

- Differentiating income, operating and capital expense items
- Putting the pieces together to measure profit and business success
- When a sale becomes a sale: sales recognition

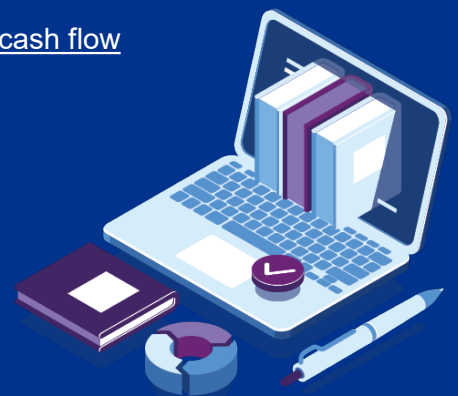
Analysing the balance sheet

- Evaluating the worth of an established business
- Distinguishing between fixed and current assets and liabilities
- Defining depreciation and amortisation
- Linking the income statement to the balance sheet
- Shareholder equity

Cash Flow: The Lifeblood of Organisations –

Making the key connection between business activity and cash flow

- Differentiating between cash flow, profit and net worth
- Connecting cash management to line management
- Credit and cash flow
- How much cash is enough?



The importance of depreciation and amortisation

- How depreciation impacts your budget over time
- Methods for calculating depreciation
- Advantages and disadvantages of various key methods
- Impacting the management budget

Managing a Profit or Cost Centre –

Selecting the best costing method for your situation

- Absorption, marginal, activity-based costing
- Determining costs in service businesses
- Avoiding costing traps

The unique features of project costing

- Estimating project duration and future costs
- Leveraging debt to your advantage
- Anticipating problems using cost control
- Making estimates based on incomplete information

Choosing projects that optimise shareholders' interests

- Making the financial case using ROI
- Advantages and disadvantages of ROI, payback, discounted cash flow (DCF) and NPV techniques
- Selecting viable projects

A Manager's Guide to Budgeting –

Recognising that budgets are more than numbers

- Budgeting as sociology, not accounting
- The politics of getting a budget approved
- The relationship between a well-designed budget and how others measure your performance
- Managing effectively within budgeting constraints



Comparing budget approaches

- Top-down
- Bottom-up

Types of budgets

- Incremental
- Zero-based
- Rolling
- Others
- Developing the budget numbers

Budgeting as a planning and control tool

- Using the budget to control the business
- Limiting factors
- Budget process and coordination
- Forecasting sales revenues and expenses
- Adjusting the budget to reality

Pulling It All Together -

- Applying financial tools and concepts in the real world
- Evaluating a company's health through its annual report
- Comparing public and private sector practices
- Recognising potential traps in creative accounting

