



## UNDERSTANDING FINANCE TO INFLUENCE STRATEGIC DECISIONS

<b>Ref.</b>			
<b>Date</b>	<b>December 14 - 18, 2008</b>	<b>December 21 - 25, 2008</b>	<b>December 28 - 31, 2008</b>
<b>Venue</b>	<b>Doha, Qatar</b>	<b>Manama, Bahrain</b>	<b>Muscat, Oman</b>
<b>Price</b>	<b>US\$ 2,250</b>	<b>US\$ 2,250</b>	<b>US\$ 2,250</b>

Influence strategic business decisions with a deepened understanding of financial concepts, and feel confident to challenge financial specialists and dictate strategic direction.

This program focuses on the financial objectives of your business, the pressures from shareholders and the financial markets. Working on your own live issues, you will examine how they are translated into practical business decisions.

### **Program benefits for delegates**

- Acquire a clear understanding of financial concepts
- Communicate more effectively with your financial colleagues
- Make better use of financial information
- Influence decision making in the boardroom
- Understand the interaction of finance and strategy
- Transform theory into practice using your own live business project
- Receive personal support from the program director during and after the course.
- Improved cross-functional team operation
- Greater understanding of the external financial pressures on your organization
- Broadened knowledge of financial concepts and language
- Focused strategic development of a current business project.

### **During this program, you will learn and understand:**

- Financial statements
- Cash-flow and implications of major strategic and operating decisions
- The role of financing and the determination of the cost of capital
- Working with financial executives
- The financial environment – the objectives of your organization
- Shareholder value
- Time value of money
- Basic investment appraisal – payback, discounted cash flow and internal rate of return
- Cost of capital – what returns do businesses have to achieve

### **Who is it for?**

Senior non-financial directors and managers who would like to have more influence in strategic decision making. Participants attend from all industry sectors and larger organizations.



## **Program Content**

### **Introduction and course overview**

- The importance and benefits of Corporate Finance
- Examples of where and how Corporate Finance is used
- Linkage between investment decisions (including acquisitions) and financing decisions
- Overview of topics to be covered

### **Time Value of Money**

- Present and Future Value
- Compounding (annual, periodic, continuous)
- Annuities and Perpetuities
- Complex Problems

### **Project Analysis / Capital Budgeting**

- Capital budgeting
- Process of capital budgeting
- Identifying cash flows
- Incremental cash flows
- Inflation i.e., constant vs. current dollar cash flows
- Issues around identification of cash flows

### **Payback and Discounted payback**

- Drawbacks: time value of money; life after payback period
- Internal Rate of Return (IRR)
- Drawbacks: lending/borrowing; multiple rates of return; mutually exclusive projects
- Net present value (NPV)
- Making decisions with NPV
- Separating the financing and investment decisions

### **Brief Review of Financial Statements**

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Issues with accounting numbers
- Cash Flow Statement
- Accruals not cash flows
- Differential interpretation of GAAP
- International differences in GAAP

### **Interpreting Financial Reports**

- Identifying the conceptual underpinnings of corporate reporting
- Reading and understanding corporate financial statements
- Qualitative assessment of financial performance

### **Forecasting Cash Flows**

- Review - What is cash flow?



- NOPAT and free cash flows
- Key areas to forecast
- Determining the length of the forecast period
- Real V nominal returns

#### **Evaluating Investments**

- Investment evaluation criteria
- Estimation of cash flows, including the consequences of product cannibalization, shared production facilities, and inflation
- Applying discounted cash-flow and multiples valuation methods
- Strategic acquisitions
- Understanding the stock market's response to operating decisions

#### **Financial Decisions and Value Creation**

- Overview of financial markets
- Intra-industry performance evaluation
- Alternative sources of capital for short- and long-term financing
- Managing capital structure
- Estimating the cost of capital