



# FINANCE FOR MARKETING & SALES MANAGERS

*Measurable and improved results through skills transfer, practical application and on-going development.*

## Program Outline

**While we may not always enjoy it, understanding and interpreting the figures is critical to success. And the concern should not solely rest with the accountants. It is everybody's responsibility to ensure profitability for the organisation.**

In a practical and easy to understand manner we demystify accounting jargon to enable participants to interpret a Balance Sheet and Profit & Loss Account, use ratios to measure performance, calculate Break-even and Return on Investment and understand the importance of Cash Flow.

This is a "must" for individuals serious about their career and organisations wanting to develop their managers.

## Participant Benefits

A practical and interactive workshop to understand financial management concepts and skills. This will enable participants to improve the performance of their businesses and communication with financial personnel.

- Be familiar with accounting jargon
- Recognise the importance of and the need for value creation for stakeholders
- Be able to read and construct the Key Financial Reports: the Balance Sheet, the Profit & Loss Statement and the Cash Flow Statement
- Know the difference between profit and cash flow
- Use performance measures, ratios and indicators to recognise and remedy poor performance
- Understand pricing and costing methods
- Create budgets for profits and cash flow

## Program Content

### *Module 1: Value Creation for Stakeholders*

When we invest in an enterprise, we seek a return which is equal to or better than another investment. This return will not just be a monetary one, but a total value benefit. As part of an organisation we should be constantly seeking ways to add value for the stakeholders.

- Defining the stakeholders
- The value chain
- Variables for the Sustainable Competitive Advantage
- Skills and characteristics of financially oriented personnel

### *Module 2: Accounting Function and Process*

Accounting is the process of identifying, measuring, recording and communicating economic information so informed judgements and decisions can be made.

- The financial management process
- Accounting Principles and concepts
- Classifying and recording transactions
- Demystifying the jargon
- Difference between cash and accrual accounting



### ***Module 3: The Key Financial Reports***

Organisations compile and present financial data on their position, operating performance and funds flow for an accounting period. Financial statements and related information is contained in various forms for external party use, such as in the annual report.

- What are they for, what do they mean?
- The Balance Sheet and the key elements
- Profit and Loss Statement and its components
- Cash Flow Statement and its compilation
- Reading and understanding the reports
- The links between the reports
- Constructing the financial reports

### ***Module 4: Assessing performance***

It is important to quantify the organisation's efficiency and effectiveness in conducting its business operations. This can then be compared to objectives and decisions made.

- How ratios provide a structured methodology
- What ratios to use
- How to interpret the results
- Comparative and trend analysis
- Approaches to improving profitability

### ***Module 5: The Cost of Money***

Whenever organisations use money, there is always a cost of doing so. When money is borrowed, there are fees and interest costs. When money is used to invest in assets, justifications have to be made that this will be the best return.

- Risk, return and value
- The cost of capital
- Present and future value of money
- Weighted Average Cost of Capital
- Value Added Earnings
- Assessing the best return

### ***Module 6: Liquidity Management***

If an organisation wants to stay in business, it has to do more than generate profits. It has to have enough cash to pay its bills when they become due.

- Cash vs profit
- Overcoming cash flow problems
- Working capital
- Managing accounts receivable and payable
- Controlling inventory

### ***Module 7: Profitability Management***

The major reason for the company being in business is to make a profit. Making consistently good profits is managing the dynamic relationship between price, cost and volume.

- Product costs and costing methods
- Fixed and variable costs
- Contribution margin
- Pricing methods
- Break-even analysis
- Volume, Price and Profit

### ***Module 8: Budgeting***

The preparation of a plan or forecast of future operations gives a projection of the activities necessary to reach established goals. Budgeting serves as a control and means of measuring the efficiency of operations.

- Sales forecasting
- Expense forecasting
- Cash flow budgeting
- Capital Forecasting
- Constructing the budget



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