



*Training Course:  
Understanding Finance to Influence Strategic  
Decisions*

*23 - 27 December 2024  
Madrid (Spain)  
Pestana CR7 Gran Vía*

## Training Course: Understanding Finance to Influence Strategic Decisions

Training Course code: FI2026 From: 23 - 27 December 2024 Venue: Madrid (Spain) - Pestana CR7 Gran Vía Training Course Fees: 5250 € Euro

### Introduction

A good understanding of strategic analysis and decision-making and the links between these and finance enables all managers at every level to make better strategic decisions and achieve improved performance.

This highly interactive seminar has been designed to build on the theoretical framework by developing practical tools and techniques for analyzing and evaluating strategic alternatives and making strategic financial decisions.

### Objectives

The objectives of this seminar are to enable delegates to:

- Develop strategic thinking, and use the strategic management process to develop missions and objectives and carry out strategic analysis and decision-making
- Forecast financial data using various Excel® models
- Understand the structure of the income statement, balance sheet, and cash flow statement, and analysis of the cash operating cycle, for improved financial performance, and better management of working capital and cash flow
- Identify the alternative sources of finance and financial or capital structure, and evaluate the models of optimum capital structure and minimization of the weighted average cost of capital WACC
- Use the technique of discounted cash flow DCF for capital budgeting and evaluation of capital project investment, using net present value NPV, internal rate of return IRR, equivalent annual cost EAC, and the profitability index PI
- Use the techniques of uncertainty analysis and risk analysis and develop appropriate risk management tools of insurance and hedging of interest rates and foreign currency exchange rates.

### Methodology

This seminar is presented in a very user-friendly way to suit individuals with varying levels of financial knowledge and experience. The seminar will be conducted along with workshop principles with formal presentations, case studies and interactive worked examples. Numerous relevant examples and participative case studies are provided to illustrate the application of each of the topics covered. Each learning point is reinforced with practical examples and participative exercises.

Difficult mathematical concepts are minimized wherever possible and handled in a visual way that is easy to understand with numerous illustrative examples.

# *O u r a i m i s f o r t h i s t o b e*

## Organizational Impact

- Recognition of the importance of finance as a critical component of the strategic decision-making process, and the development of managers to be able to think strategically to:
  - understand and anticipate the financial factors that form the basis of strategic decision-making
  - evaluate the financial consequences of alternative strategic decisions
  - all of which should ultimately result in better strategic planning, and improved company performance
- Increased awareness of the importance of effective forecasting
- Use of the financial statements and tools and techniques of financial analysis that will help managers make more informed and therefore better management decisions
- Use of techniques that will support the company in its more effective planning and evaluation of capital investment projects, and cash flow improvement
- The mitigation and minimization of financial risk through risk analysis and the effective use of the appropriate techniques of risk management
- The sharing of knowledge gained throughout other divisions and departments of the company.

## Personal Impact

- The influence of financial considerations on an organization's strategic decision-making
- The use of Excel® tools to develop long-term financial models and forecasts
- How to analyze and interpret the financial statements: balance sheet; income statement; cash flow statement, in order to make more informed and therefore better financial decisions
- How to develop and manage the financial aspects of their role more effectively, enhance their performance, broaden their role, and appreciate how their decision-making may impact on their own department or business unit and the organization as a whole
- How to improve their self-confidence in dealing with finance and financial professionals
- How to be better placed to liaise effectively with other professionals on financial issues.

## Outline

### Fundamentals of Strategic Planning

- What is strategy?

- Strategic management
- Strategic analysis
  - Mission
  - Objectives
  - Strategic decision-making
- The strategic planning process
- Environmental analysis
- Resources analysis
- Strategic choice and strategic decision-making
- Strategic implementation
- Corporate objectives and accountability
- Forecasting financial data

#### Fundamentals of Financial Statements

- Financial statements
- Balance sheet
- Income statement
- Alternative asset valuation methods
- Cash flow statement
- Common size or horizontal trend analysis of financial statements
- Vertical trend analysis of financial statements
- Segmental analysis of financial statements
- Value-added analysis of financial statements
- Understanding the cash flow cycle and the operating cycle
- Break-even and multiple product break-even analysis

#### Capital Structure and Leverage

- Sources of funds
- Capital cost models
- Cost of equity
- Cost of debt
- The weighted average cost of capital WACC
- Can we determine a company's optimal capital structure?
- Capital structure models
- Preparing projections to determine financing needs

### Capital Budgeting

- Future values, present values, and DCF
- Capital budgeting principles
- Methods of evaluating capital investment projects
- Accounting rate of return ARR and payback
- Net present value NPV versus internal rate of return IRR
- How do you choose which method to use?
- Equivalent annual cost EAC method
- Capital budgeting methods
- Capital asset pricing model CAPM versus arbitrage pricing theory APT
- Does it make a difference whether we lease or buy?

### Managing Financial Risks

- The value of perfect information VOPI
- Types of risk
- Risk management principles
- Talking to your bankers about managing risk
- How to develop the tools for your company?

- How to minimize risk?
- Insurance and hedging
- Interest rate and foreign currency exchange rate risk

## Registration form on the Training Course: Understanding Finance to Influence Strategic Decisions

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Complete & Mail or fax to Global Horizon Training Center (GHTC) at the address given below

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Full Name (Mr / Ms / Dr / Eng): .....  
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Personal E-Mail: .....  
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### Company Information

Company Name: .....  
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### Person Responsible for Training and Development

Full Name (Mr / Ms / Dr / Eng): .....  
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