Bottom-Line Business Acumen

Business Acumen Advanced

OBJECTIVE:

For managers, professionals and entrepreneurs with 5+ years of business experience who need to (1) increase finance, accounting and business decision-making knowledge beyond the basics, (2) integrate key financial reports and ratios into a scorecard, and (3) prepare capital appropriation requests to fund new products, initiatives, programs and projects.

Day One reviews three basic financial reports and ratios under GAAP accounting. Then participants read, interpret and analyze your company's financial reports and key performance ratios with insights gained from initial discussion. All these ratios are then integrated together in one model so people can trace and link all performance metrics to build a scorecard. They learn product costs, setting prices, selecting business strategy, and choosing the best decisions to achieve that strategy.

Day Two gets teams to forecast revenues and costs, develop a budget, and manage against their budget. They learn to calculate capital requirements for new products or projects, and compute the cost of capital, define product costs and set prices. They learn to prepare appropriation requests and calculate the time value of money, net present value, payback and hurdle rates. Finally, each team prepares a capital project justification which they present to others for critique.

Learning Model - This type of course is usually taught with dry lectures, long cases and pre-existing reports, which only creates confusion and apathy.

In **Business Acumen Advanced,** participants learn from finance experts and work in a team to run a **computer business game-simulation** of a start up business. They choose a business strategy: (1) low cost producer, (2) choose only high value customers, or (3) a blended approach. Each team makes strategic and tactical decisions, competing with other teams, to build a **profitable** business and manage cash. They raise capital, borrow funds, set prices, hire staff, order equipment and materials, with *immediate feedback on results*; as they see funds *on screen flow* into each account on each report. Key ratios are updated on a master spreadsheet. **Compresses one year of business experience into 16 hours of intensive hands-on learning.**

KEY LEARNING POINTS:

DAY ONE

- Review of 3 key financial reports, performance ratios and your company's latest financials
- Learn how to effectively use the automated spreadsheets and templates
- Set business strategies and make decisions to achieve them
- Define product costs and choose a pricing strategy; set product prices
- Analyze global supply chain, inventories with cost and cash implications. Use ratios to better judge performance

DAY TWO

- Understand the Price Elasticity of Demand
- Set customer service strategy and pricing
- Prepare Forecast of Revenues and Costs - set budget; manage a business against a budget; plan vs. actual
- Identify Capital Allocation Strategies and tools used by senior management to analyze competitive proposals for limited funds
- Prepare Capital Appropriation Requests (CAR) and cost benefit analysis for new products, programs or capital investment projects
- Implement new product or project to see financial impacts

RECOMMENDED FOR:

For Program and Project Managers, Product and Brand Managers, and entrepreneurs or anyone with profit and loss responsibility who manages against a budget and makes or decides on capital investment requests.

PreRequisite: Basic Finance Course or Bottom-Line Finance Foundations

Length: 16 Hours **PDU's:** 15

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