

Finance for Non-Financial Managers

Based on SAQA's Unit Standard 117156, Level 4, 3 Credits

Introduction

Straightforward and no-nonsense, this course enables you to get straight to the heart of financial issues, demystifies financial information and gives you confidence and control when making financial decisions.

This two-day overview course has won praise for the straightforward way in which it untangles the web of mystery that surrounds financial and management accounting in the eyes of many non-financial managers. By so doing it enables them to understand and manage the impact of their decisions on business results, interact more productively with their finance-based colleagues and exert greater influence on decision making in their organisation.

This course is suitable for managers who want to gain a clear understanding of the fundamentals of business finance and the financial implications of decisions they make.

Course Objectives

- Understand how your day-to-day decisions impact profit and cashflow
- Demystify the rules of capital expenditure vs operational expenditure helping you to justify investments to your senior managers and finance team
- Review financial information relating to:
 - your business (helping you to set targets for improvement)
 - your subsidiaries (helping you to manage and set targets for your team)
 - existing customers (are they still viable?) and potential customers (are they a credit risk?)
 - competitors (what can we learn from benchmarking their results?)
- Manage the budgeting process to:
 - ensure business strategy is implemented
 - negotiate funding for improvement or efficiency initiatives
 - win in the negotiation over funds allocated to your budget, ensuring it's achievable
 - manage financial performance, understanding variances and taking action to achieve your budget and objectives
 - simply assess the viability of entering new markets or developing new products

Course Outline

The Nature and Purpose of Accounting

- A simple model of an organisation's accounting framework
- Who uses the accounts and what do they use them for?
- Where can I find out about my organisation's/my competitors' financial position

Profit and Loss Accounts, Balance Sheets and Cash Flow Statements

- Their structure and terminology, what they tell us and why they need to be reviewed together to gain a full understanding of business performance
- Using financial information as a management tool
- Understanding how operational income and costs are accounted for and the implications for how you manage costs in your department

Managing Finance

- Understanding working capital : What it is? How can we manage it?
- Why too much working capital is bad for you and too little may be disastrous
- Optimising working capital for your organisation and the implications for negotiating with customers and suppliers
- The distinction between profit and cash flow
- Considering sources of funding

Understanding Management Accounting Including Budgeting

- Putting together a robust budget
- Negotiating budget funding
- Assessing variances and re-forecasting the budget
- Evaluating feasibility of operational projects via break-even analysis
- The effects of depreciation