



The Oxford Advanced Finance Programme



4 - 22 August 2024



Manama (Bahrain)

# The Oxford Advanced Finance Programme

course code: F2005 From: 4 - 22 August 2024 Venue: Manama (Bahrain) - Crowne Plaza course Fees: 3750 Euro

## Introduction

This seminar brings together two most of the most important areas of financial management: Understanding Finance to Influence Strategic Decisions, and Financial Analysis, Planning and Control. It will help business professionals:

- Think and manage strategically and plan more effectively for the future
- Identify the role of financial management in strategic decision-making
- Use the financial techniques of planning and control
- Improve performance from the use of the tools of financial analysis

## The seminar is split into two modules:

MODULE I - Understanding Finance to Influence Strategic Decisions

MODULE II - Financial Analysis, Planning & Control

## Objectives

**The seminar provides delegates with the knowledge required to find better answers to questions such as:**

- How are business strategies developed?
- How does financial management support strategic development?
- What is the exact nature and scope of the business problems to be analysed?
- Which specific variables, relationships, and trends are likely to be helpful in analysing problems?
- Are there possible ways to obtain a quick 'ballpark' estimates of likely outcomes of decisions?
- How precise an answer is necessary with regard to problem-solving and decision-making?
- How reliable are available financial data, and how is uncertainty and risk likely to impact on the outcomes of decisions?
- In economic and financial analysis what are the implications and relative importance of cash flow as distinct from accounting profit?
- What limitations are inherent in financial data and the key financial statements, and how will these affect financial analysis?
- How important are qualitative judgments in the context of decision-making?

## Training Methodology

The seminar includes numerous practical examples and real life illustrations, and participative exercises and case studies. It will be presented in a very user-friendly way to suit individuals with varying levels of financial knowledge and experience. Our aim is for this to be an enjoyable learning experience. The training methodology combines presentations, discussions, team exercises and case studies. Delegates will gain both a theoretical and a practical knowledge of all the topics covered. The emphasis is on the practical application of the topics and as a result delegates will return to the workplace with both the ability and the confidence to apply the techniques learned.

All delegates will receive a comprehensive manual of the seminar to take back to the company, which will serve as a useful source of reference in the future. In addition, all delegates will receive a CD containing a soft copy of the manual and additional material such as Excel models used during the seminar.

## Organisational Impact

### This seminar will enable delegates to:

- Recognise the importance of finance as a component of the strategic decision-making process
- Appreciate the significance of the theoretical concepts underlying the use of financial tools in the strategic decision-making process
- Apply the appropriate financial tools in the strategic decision-making process
- Identify the impact of external factors on a company's strategic financial plans and decision-making
- Evaluate the financial consequences of alternative strategic decisions Organisations should benefit from an increase in the ability of their managers to understand and anticipate the financial factors that form the basis of strategic decision-making, which should ultimately result in better strategic planning, and improved company performance

Organisations should benefit from an increase in the ability of their managers to understand and analyse the key financial statements and anticipate the financial factors that form the basis of strategic decision-making, which should ultimately result in better strategic planning, and improved company performance.

All the topics in this seminar are considered in the context of maximisation of shareholder wealth, which is the primary objective of all commercial organisations.

## Personal Impact

- Enable individuals to broaden their financial knowledge, develop and manage the financial aspects of their role more effectively, and enhance their performance.
- Increase their self-confidence in dealing with financial issues and financial professionals.
- Better understanding of how financial considerations help to support an organisations' strategic decisions
- Enable them to better appreciate how such decisions may affect their own departments or business units, as well as their companies.
- Acquire the ability, when involved in decisions about investment, operations, or financing, to choose the most appropriate tools from the wide variety of financial techniques available to provide a quantitative analysis.

## Module I

### Understanding Finance to Influence Strategic Decisions

#### SEMINAR 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
- 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 minimise risk?
- Insurance and hedging
- Interest rate and foreign currency exchange rate risk

### Module II

#### Financial Analysis, Planning and Control

#### The Challenge of Financial Economic Decision-Making

- The practice of financial economic analysis
- Corporate value and shareholder value
- A dynamic perspective of business Benchmarking your own strategic position/competitor analysis
- The agency problem and corporate governance
- What information and data to use?
- The nature of financial statements
- The context of financial analysis and decision-making

## Assessment of Business Performance

- Ratio analysis and business performance
- Management's point of view
- Owners' point of view
- Lenders' point of view
- Ratios as a system - pyramids of ratios
- Integration of financial performance analysis - the Dupont system
- Economic value added (EVA)
- Predicting financial distress

## Projection of Financial Requirements

- Interrelationship of financial projections
- Operating budgets
- Standard costing and variance analysis
- Cash forecasts and cash budgets
- Sensitivity analysis
- Dynamics and growth of the business system
- Operating leverage
- Financial growth plans
- Financial modelling

## Analysis of Investment Decisions

- Applying time-adjusted measures
- Net present value (NPV) and internal rate of return (IRR)
- Strategic perspective
- EVA and NPV
- Refinements of investment analysis
- Equivalent annual cost (EAC)
- Modified internal rate of return (MIRR)
- Sensitivity analysis, scenario analysis, simulation, and NPV break-even
- Dealing with risk and changing circumstances

## Valuation and Business Performance

- Managing for shareholder value
- Shareholder value creation in perspective
- Evolution of value-based methodologies
- Creating value in restructuring and combinations
- Financial strategy in acquisitions
- Business valuation
- Business restructuring and reorganisations
- Management buy outs (MBOs) and management buy ins (MBIs)