Finance and Accounting for Nonfinancial Managers - 3 Days

Course 281 Overview

You Will Learn How To

• Integrate financial concepts and policies into the management decision and budgeting process
• Evaluate the financial viability of projects
• Employ cash flow to analyze business status
• Calculate the cost of business activities
• Control business operations through effective budget management

Who Should Attend

Nonfinancial managers and anyone who wants to develop their knowledge of financial practices to improve their managerial skills and operational performance.

Workshop Activities Include:

• Analyzing and creating income statements, balance sheets and cash flow statements
• Establishing and managing realistic operating budgets
• Selecting the most profitable projects or activities
• Calculating a budget to achieve financial goals
• Applying financial principles to real-world situations
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Course 281 Outline

Why Finance Matters
• Demystifying financial jargon
• Generally Accepted Accounting Principles (GAAP)
• Public vs. private financial methodologies
• Accountability and responsibility

The Key Building Blocks of Financial Control
Decoding the income statement
• Differentiating income, operating and capital expense items
• Putting the pieces together to measure profit and business success
• When a sale becomes a sale: sales recognition

Analyzing the balance sheet
• Evaluating the worth of an established business
• Distinguishing between fixed and current assets and liabilities
• Defining depreciation and amortization
• Linking the income statement to the balance sheet
• Shareholder equity

Cash Flow: The Lifeblood of Organizations
Making the key connection between business activity and cash flow
• Differentiating between cash flow, profit and net worth
• Connecting cash management to line management
• Credit and cash flow
• How much cash is enough?

The importance of depreciation and amortization
• How depreciation impacts your budget over time
• Methods for calculating depreciation
• Advantages and disadvantages of various key methods
• Impacting the management budget

Managing a Profit or Cost Center
Selecting the best costing method for your situation
• Absorption, marginal, activity-based costing
• Determining costs in service businesses
• Avoiding costing traps
• Recognizing potential traps in creative accounting

The unique features of project costing
• Estimating project duration and future costs
• Leveraging debt to your advantage
• Anticipating problems using cost control
• Making estimates based on incomplete information

Choosing projects that optimize shareholders’ interests
• Making the financial case using ROI
• Advantages and disadvantages of ROI, payback, discounted cash flow (DCF) and NPV techniques
• Selecting viable projects

A Manager’s Guide to Budgeting
Recognizing that budgets are more than numbers
• Budgeting as sociology, not accounting
• The politics of getting a budget approved
• The relationship between a well-designed budget and how others measure your performance
• Managing effectively within budgeting constraints

Comparing budget approaches
• Top-down
• Bottom-up

Types of budgets
• Incremental
• Zero-based
• Rolling
• Others
• Developing the budget numbers

Budgeting as a planning and control tool
• Using the budget to control the business
• Limiting factors
• Budget process and coordination
• Forecasting sales revenues and expenses
• Adjusting the budget to reality

Pulling It All Together
• Applying financial tools and concepts in the real world
• Evaluating a company’s health through its annual report
• Comparing public and private sector practices

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