



STRATEGIC FINANCE PROGRAM

Today's fast paced, uncertain business environment requires leaders to effectively use financial reports and analysis to support strategy formulation and strategic decision making. Understanding financial dynamics and relationships is a critical foundation to enhance a leader's ability to think and act strategically. Strategic Finance is the practice of testing strategy and operating decisions by understanding and evaluating the financial implications of the options on the business, the market, and investor perceptions. Leaders develop strategic finance acumen through experience and practice; so a business simulation is a powerful tool to enable leaders to learn by applying these concepts in a complex business environment.

Description

The Strategic Finance Program is targeted to leaders who need a broader financial perspective in their work. The program encourages participants to use financial analysis to support strategic decisions about:

- How to operate
- Where to invest
- Forecasting practices
- Competitive dynamics
- Leveraging assets
- Managing cash flow

Using a blend of pre-workshop assignments, business simulation decision making, instructor-led classroom discussion, executive presentations, and post program activities, the classroom session (typically 2-3 days) challenges participants to explore the financial questions of strategy in application. The program encourages leaders to think about the inputs and outputs of financial analysis: what information is needed to consider financial tradeoffs, how to differentiate between assumptions and data, and how to use financial insight to communicate strategic decisions more effectively. By integrating a rich business simulation with conceptual descriptions and real world examples, participants gain a deep understanding of the impacts and tradeoffs they will encounter as they use their Strategic Finance acumen on the job.



		Strategic Finance Simulation				Save	Review Decisions	Submit Decisions	About
		Sales Forecast	Sales & Marketing	Product Supply	Research & Regulatory	Finance & Admin	Leadership		
		H-Basic	H-Basic	H-Plus	H-Plus				
Business Plan		PF Q4 Plan	PF Q4 Actual	Quarter 1 Plan	Quarter 2 Plan	Q4 Actual vs Q1 Plan			
\$ in 000s	Revenue	\$108,976	\$108,740	\$108,740	\$108,740	0.0%			
Staff	H-Basic Dense	\$54,100	\$54,100	\$47,731	\$47,003	-11.8%			
Core	H-Plus Dense	\$71,352	\$71,208	\$71,208	\$71,208	0.0%			
	H-Plus Sparse	\$27,288	\$27,288	\$28,368	\$28,376	+4.0%			
Prod	Revenue Total	\$362,719	\$362,839	\$287,047	\$287,347	-2.0%			
Operating Profit									
Total	H-Basic Dense	38.2%	38.0%	37.3%	37.3%				
	H-Basic Sparse	26.1%	26.0%	23.1%	21.7%				
Staff	H-Plus Dense	27.8%	27.7%	26.9%	26.8%				
Prod	H-Plus Sparse	12.8%	12.3%	12.8%	12.3%				
Total	Product Gross Margin	43.2%	43.1%	42.3%	42.8%				
OpEx	EBIT %	7.3%	7.3%	6.1%	6.0%	-18.3%			
Total	Cash	\$38,253	\$37,818	\$48,636	\$48,026	+20.2%			
Asset	D/E Ratio	0.88	0.88	0.86	0.84				
Fin	Asset Turns	0.36	0.36	0.35	0.34				
ROI	ROIC	4.3%	4.3%	3.7%	3.7%				
TTM	Total Headcount	585	585	585	585	0.0%			

Impact

As a result of participating in this session, participants will make better day-to-day operating decisions by:

- Understanding how operating, investing and forecasting decisions impact operating results.
- Experiencing the interdependencies of key financial measures and elements among the balance sheet, cash flow and income statements.
- Identifying critical financial questions to consider before making strategic choices.
- Applying the output of tools and measures such as Net Present Value, ROI (Return on Investment), Breakeven, and ROIC (Return on Invested Capital).
- Experiencing a General Manager's perspective on running a business.



Core Content

The Strategic Finance course presents financial concepts from two perspectives: strategic and analytical. Participants consider and develop financial analysis to support strategic decisions about where to compete, how to operate, how to differentiate relative to competition, and how to sequence and prioritize investments.

In addition to the strategic perspective, this program also provides an overview of basic financial analysis tools (NPV, ROI, ROIC), and the tradeoffs and applications of each.

Business Simulation Overview

The Strategic Finance business simulation focuses on the interplay of operational decisions and financial results. Decisions in the simulation impact all elements of the cost structure as well as the asset and capital requirements of business. To be successful in the simulation, participants have to balance the financial dynamics of current operating decisions and long-term investment choices. This computer-based business simulation challenges leaders to make decisions across multiple business functions (Sales and Marketing, Engineering, Production, Customer Service and Finance) in a multi-product, multi-market business.

Acting in the role of a general manager, teams first create a strategic plan outlining their long-term objectives. They then develop sales forecasts, make investment decisions, manage organization and resource levels, and address specific issues facing the business each quarter. The simulation generates full financial reports on a quarterly basis. Through the simulation, participants see the application of financial analysis on real business decisions, the challenges of aligning short-term decisions with longer-term strategy, and the impacts on business performance. Participants also enjoy the complex, competitive, hands-on environment of the business simulation.

Program Flexibility

The Strategic Finance program can be highly tailored to address a client's specific learning objectives. The options for tailoring are many, and include:

- Adding information on the client's business and competitive environment to help participants assess the state of their own business and to strengthen the links to current business opportunities and challenges.
- Creating custom issues that parallel current client business concerns.
- Integrating client-specific presentations by executives or external subject matter experts.
- Reconfiguring the operating departments within the simulation to better reflect the client organization.

To learn more about the **Strategic Finance Program**, contact info@insight-experience.com.

