

Business Seminars for Accounting and Finance Professionals

Topics:

Analysing Financial Statements

Cash Management

Cost Planning and Control: Methods and Techniques

Costing in an Advanced Manufacturing and Service Provision Environment

Finance and Accounting for the Non-Financial Manager

Foreign Currency and Interest Management: An Introduction for Executives

Mergers and Acquisitions: The Practical Aspects

Money Market

Practical Aspects of Budgeting

Reading and Using the Financial Press

Management of Working Capital

Role and Work of the Financial Controller



Welcome

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Welcome to the Tony Surridge Business and Finance Seminar Course Programme – a unique service offering high-quality 2-3 day intensive training for all levels of management in the finance sectors.

Our teaching packages are aimed to improve performance, efficiency, provide a new angle of analyse, and reiterate forgotten techniques.

Our highly experienced speakers and trainers have many years of industry experience.

The approach taken in our intensive training seminars will be practical as well as conceptual, qualitative and quantitative. The intention is that you'll be able to apply conceptual principles to practical situations at your workplace. Our seminars will incorporate various solved examples and case studies with step-by-step guidelines at appropriate intervals so that you get an opportunity to integrate practice and theory with ample chance to discuss various issues aired during the seminar. We want you to be able to apply your new knowledge from Day 1 back at work!

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“ A
powerful
single base of
information

It's a whole new world of work. Increasing regulation, corporate governance, tight economic pressures, diversity, relentless innovation by competitors, and digital technology have changed the landscapes of managers facing tough financial responsibilities - as well as for the financial professionals who are there to help them.

Today more than ever success depends on managers at all levels, held accountable for bottom line results, being able to speak and interact intelligently with their financial colleagues, and for financial professionals to master the technical, accounting, automation and management changes that are occurring around them.

Tony Surridge Training offers an exclusive range of high-quality seminars in our specialist area of accountancy and finance. Illustrated with real-world case studies, our fast-paced cutting-edge business seminars are designed to constantly track the latest trends and developments in the accountancy and finance arena to make sure that our content is completely relevant, hands-on driven and of utmost value for your organisation's needs and for your own career progression.

Our unique brand of training, sharpens skills, contributes to organisational and career success and is delivered at low cost in flexible ways. Along with some of the country's best trainers – specialists in their field and known for the interesting and stimulating ways they engage their subjects – we accomplish a true value-for-money service through:

An exclusive range of finance-orientated seminars

From finance basics through to complex mergers and money markets, we bring a focused range of 12 powered seminars, to various locations around the world:

In-house business training

Our In-house business courses are an extremely strong value-driven and effective way to develop the skills of your employees. Whether you are a small group or an entire department we can offer you effective bespoke training tailored to your needs, at a time suited to you and, of course, in your premises or at a venue of your choice. We can:

- design unique courses specifically for your requirements
- alter the level of the course to include: 'beginner', 'intermediate' or 'advanced'
- customise or combine existing course content to obtain the required range and scope
- extend or reduce the length of the course
- include particular methods or styles of training to best suit the needs of teams and individuals
- incorporate company policy, conventions, templates and case-studies for practical relevance.

“ It's a
whole new
world of
finance!

Whatever your needs or interests, Tony Surridge Training is here to help. We offer a popular range of public courses and tailor-made in-house training, and our scope is wide ... current conventional thinking through to new and progressive development... accountancy systems through to financial control... money markets through to financial strategy. At every Tony Surridge business seminar expect nothing less than a high-quality learning experience that produces results and lifetime skills that you will use again and again.

“ We focus
exclusively
on finance!

“ We
track latest
trends and
developments

“ Tony
Surridge is a
frequent speaker
to executive
audiences

SEMINAR OVERVIEW

Quite simply, financial analysis - while often performed by professionals who prepare reports that are difficult to read and even more difficult to interpret - is vitally important if you want to make sense out of the viability, stability, and profitability of your company, business area, department, investment or project. Based on these reports, you may:

- continue, extend or discontinue a main operation or business sector;
- borrow and buy, or lease capital equipment and assets;
- change the mix of your products or services;
- make or outsource your operational inputs;
- issue shares (stock) or loan bonds to acquire long-run funds;

or make numerous other decisions based on sound financial knowledge and acumen.

Financial statements – when complete, and well-prepared – contain an incredible amount of timely, pertinent and revealing information which sharpens your ability to: monitor the performance of your department... identify and solve problems... make tough decisions... seize opportunities... justify investments... argue your position... avoid financial disasters... and plan effectively.

This comprehensive seminar shows you how to really *understand* what is going on by simplifying the principles, practices and tools used for interpreting and using financial statements.

The seminar covers 8 main areas:

- 1: The nature of financial analysis – the backdrop
- 2: The scope and process of financial analysis – what is involved
- 3: The Income Statement – your dynamic measure of financial performance
- 4: The Balance Sheet – A snapshot of your financial health
- 5: The Statement of Cash Flows – the lifeblood of your business
- 6: Analytical tools and techniques – your management tool-bag
- 7: Capital project analysis – the throttle or brake decision
- 8: Risk analysis – covering all the bets

“

“... your unique approach to “putting across” your subject, your enthusiasm and your ability to maintain a high interest level throughout the whole day were, for me, extremely motivating ...”

”



Epsom, England

WHAT YOU WILL LEARN

You'll gain essential knowledge and benefit from knowing how to:

- Interpret the meaning of any financial statement and quickly focus on the most pertinent and significant numbers.
- Undertake genuine financial analysis instead of just performing lip service to the accounting moguls.
- Read between the lines of a financial report and avoid getting misled by facts and figures which are presented in 'financial speak'.
- Recognise when numbers look questionable and should be more carefully analysed – rather than simply taking them at face value.
- Be able to make money-based decisions with confidence and justify them.
- Discuss complex financial issues confidently with those inside and outside your organisation.
- Be assertive in dealing with financial facts and figures.
- Be able to plan more robust investment proposals.
- Present your plans and ideas on a solid financial foundation – and gain faster acceptance.
- Understand your own financial strengths, vulnerabilities and challenges.
- Monitor and control the performance of your department and projects in financial terms.
- Forecast future revenue and expense with greater certainty.
- Identify early on key risk indicators that call for 'now' action.

WHO SHOULD ATTEND?

- Any manager or executive in whatever functional area, project team-leader, facilitator or member of the finance team who wants an incisive understanding of how to read, understand and interpret financial statements.
- For those with little or no background in finance wanting to gain confidence in this vitally important area of management.
- For those promoted to the area of financial analysis needing to gain a useful insight for handling reporting issues.

IS THIS THE COURSE FOR YOU?

Take our short test and see...

Have you ever...

- Been in a financial meeting where jargon was used that you didn't understand?
- Worried that you'd been reported inaccurately by the accounting department but were unable to explain your position?
- Looked at your company's Annual Report and couldn't make head or tail of it?
- Made a wrong decision because you didn't understand the financial implications of the alternatives open?
- Assumed that the figures in a financial statement were full and correct, to find out later that you were misinformed?
- Asked for a bank loan and were asked questions by the bank manager you didn't understand?
- Been confused because though you were making high sales your cash balance was dangerously low?
- Had a good project proposal turned down because you couldn't justify it financially?
- Been unable to forecast your sales and expenses with confidence?
- Discovered, after a project decision was taken, that there were hidden expenses that you didn't pick up?
- Been baffled when finance staff spoke of discounted cash flow, net present value and internal rates of return criteria?
- Been unable to detect increasing operating expenses, slow receivables, inventory build-up and other problems – until far too late?
- Wished you could get more benefit from the financial reports you received?
- Wondered if the risks associated with your work have been identified and planned for?

If the answer is 'YES' to any of these questions then you can benefit from this fast-paced three-day programme that will greatly enhance your ability to read, understand, analyse and use financial statements to manage and drive your career.

“

"Thanks for a knowledgeable lecture ..."

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London, England

3-DAY PROGRAMME OUTLINE

Topic 1: The nature of financial analysis – the backdrop

- What financial statements are – and what they're really supposed to tell us.
- The corporate cash flow cycle versus the cash operating cycle.
- The sources of reliable, well-prepared financial data.
- The guiding principles underlying strong financial reporting.
- 6 serious limitations of financial statements – and how to defend your reported position.
- 8 characteristics of a well-prepared financial statement – know what to look for.
- External versus internal reporting – in particular, what managers want to see.

Topic 2: The scope and process of financial analysis – what is involved

- The objectives that drive the financial analysis process – the 3 essential aims.
- The 'What's', 'Why's', 'How's' and 'When's' of financial analysis.
- 5 vital areas of corporate performance – you must know them.
- Comparison, comparison, comparison – but what to compare?
- Identify industry nuances – it's competitors you're looking at.

Topic 3: The Income Statement – your dynamic measure of financial performance

- Deciphering the components of the Income Statement – and the 3 important profits.
- The concept of 'top', 'middle' and 'bottom' lines – get your focus right.
- Important things the income statement can tell you - all by itself.
- Ways the income statement can misrepresent – and mislead.
- The dangers in accepting reported revenues and expenses at face value – and the art of "reading between the lines".
- The balance between 'fixed' and 'variable' costs – check that your operating leverage makes sense before you invest.

Topic 4: The Balance Sheet – A snapshot of your financial health

- The relationship between account balances and balancing accounts.
- Decoding balance-sheet syntax: assets, liabilities and equity – and the impact of GAAP on its structure.
- What the balance sheet on its own tells you about your business - and what it leaves out.
- Off-balance sheet items – make sure you know what they are, they're often not 'visible'.
- Critical information sometimes hidden in the footnotes – read them!
- How valuing assets can be tricky – and misleading.
- The difference between balance sheet value and real value – something you should know when investing in corporate shares (stock).
- Your debt-to-equity ratio – when should you stop borrowing.
- 4 ways of valuing a business – and deciding the 'real' value of its stock (shares).

Continued Below...

3-DAY PROGRAMME OUTLINE (Continued)

Topic 5: The Statement of Cash Flows – the lifeblood of your business

- An overview of the GAAP Statement of Cash Flows – It's historical, so what's the purpose?
- Management's Statement of Estimated Cash Flows' - 2 useful models.
- Proactive versus reactive cash management – recognise warning signs early on, before a crisis occurs.
- How to calculate the duration of your cash conversion cycle – and what it tells you.
- Deciding the optimum cash balance – not too much, not too little. What to do!
- The symptoms of overtrading – the danger from being too successful.

Topic 6: Analytical tools and techniques – your management tool-bag

- Why the balance sheet and income statement are analysed together – the dynamic interaction of two orientations.
- The how's and why's of the 'common-sized' statement – the questions it answers, and what is left out.
- Using horizontal analysis – to measure your performance.
- The dynamic impact of 'common-size' analysis and 'horizontal' analysis – and why you must do them together to get 360 .
- Financial ratio analysis – the ups and downs.
- When using EBITDA as an earning measure is most relevant.
- The DuPont Formula – the questions it answers – and what it leaves out.
- 4 useful 'earnings' ratios – and what they tell about you and your competitors.
- The ROI pyramid – meaningful ratios building to the main profit measure.
- 2 key tests for cash flows health – don't purchase before you look at them.
- Working capital ratios – the rules for smart short-term financial management.
- The most serious limitation of working capital – a step-by-step guide to 'managing out' the problem.
- Diagnosing financial ills – What's up Doc?.
- The role of the Z score, and similar models, in predicting bankruptcy.

Topic 7: Capital project analysis – the throttle or brake decision

- The how's and why's of trend analysis – using time-series analysis.
- The guiding principles underlying a good capital budgeting system.
- The logic of payback analysis – important information but limited in what it tells you.
- The 'Accountant's Rate of Return' on an investment - why managers like it.
- The concept of discounted techniques – Net Present Value versus Internal Rate of Return.
- A company's cost of capital – you need to know how it's decided.
- Capital cost model building – including the Capital Asset Pricing Model.
- A step-by-step guide to analysing your investment proposal – and how to back up it up with the right numbers to gain faster acceptance.

Topic 8: Risk analysis – covering all the bets

- How risk is defined.
- The main financial risks – uncover, detect and prevent the risks.
- Identifying inherent and residual risk.
- Determining risk likelihood – to get a firm grip on the problems.
- Methods for analysing financial risk – analytical techniques for your management tool-bag.
- Identifying and mitigating high-risk areas in your company.
- Guidelines for an effective risk management process.

Cash Management



SEMINAR OVERVIEW

Who isn't a little anxious about money? Who doesn't worry that there's not enough coming in or that they're not saving enough? Who has a total and utter, rock solid, unshakeable faith in their cash flow projections? Who never wonders if there's not some quicker way of collecting their sales or improving the control of their disbursements? If any of these questions worries you, then this is the seminar for you.

Companies go bust primarily because they run out of cash – and others seriously under-perform because they carry excess “idle cash”. Both problems signpost the vital need for effective cash management. Cash management tracks the flow of funds – where the funds have gone to or are likely to go to, and where they have come from or are likely to come from. The cash flow budget details the amount of money that flows in and out of a company in a given period of time and then plans ways of investing excess “idle cash” in short-term securities to obtain the highest risk-return trade-off; or uses cost-minimal ways of obtaining funds to cover shortfalls. It is of utmost importance that cash managers do not ignore the enormous advantages they can obtain from using the incredible IT systems that are used in the banking sectors and money markets.

The intensive two-day programme shows you how to increase your personal value by learning how to forecast and manage cash flows in ways that are critical to your organisation's performance.

The seminar covers 4 main areas:

1. The 'Money Market' – short-term “paper”.
2. The banking system – we use UK (as an example).
3. Payment and money transfer systems - know the ways to do it.
4. Cash budgeting – manage the cash flow.

WHAT YOU WILL LEARN

You'll gain an insight of:

- The money market, how it works, its instruments and how to use it.
- The banking system – its working practices and principles, and the role of the Central Bank.
- The electronic systems available and how to pay and receive cash.
- How to accelerate the collection of remittances and improve control of your payments.
- Ways to forecast cash and present cash budgets.
- How to analyse the cash budget to improve your cash position.
- How to successfully invest your “idle” funds in short-term money-market instruments.
- How to overcome a deficiency of cash.

WHO SHOULD ATTEND?

This is an essential nuts-and-bolts introductory course for:

- Financial professionals looking for a refresher
- Individuals taking on new cash-management responsibilities
- Individuals with little or no background in treasury management wanting to gain an understanding in the vitally important area of cash management.

IS THIS THE COURSE FOR YOU?

A quick test of your knowledge of cash systems:

- Why is a giro the opposite of a cheque?
- Which bounces most: cheque or giro – or do they bounce the same?
- Does the payer receive the benefit of “float” when paying by giro?
- Is the “negative float” of a cheque paid into a bank within the control of the recipient?
- SWIFT does not facilitate funds transfer – so what does it do?
- How many days does it take BACS payments to clear?
- On 27 May 2008 the new Faster Payments system went live. What does it do?:
- International Bank Account Numbers (IBAN) system has been introduced. How does it affect your current bank account number?
- What are the four main payment frauds? What part does APACS play in preventing fraud?
- Is it true to say that CHAPS is a British company or is it a banking system owned by a collection of UK banks?
- In 2004 **daily** transactions using CHAPS had a value of £10 billion, £100 billion or £300 billion?
- Who pioneered the development of credit cards containing a computer chip? In which areas of finance is the same organisation also known for its innovations?
- If you want to make an urgent transfer of money to a company in the European Union which would be an appropriate system?
- Which organisation has as its prime objective “the maintenance of price stability” within the Eurozone?
- Is EFT (Electronic Funds Transfer) and EFTPOS (Electronic Funds Transfer at Point of Sale) still used?
- What is ISO 8583? Is it relevant to your company anyway?
- Is ‘wire transfer’ of funds still used? If so when?
- Why did the value of a numbered bank account diminish following the imposition of a 15% withholding tax on interest earned by EU residents?
- Is it true that a ‘money market account’ offers both high rate of interest and short notice withdrawal rights?
- Does your company use an Automatic Transfer Service Account (ATSA)? If so, why?
- What is the advantage of a Certificate of Deposit (CoD) over a ‘money market account’?
- What is the principal benefit of using commercial paper to raise loan capital?
- What is the difference between deterministic and stochastic simulation of cash flows?
- What is the difference between a ‘Receipts and Payments Models’ and a ‘Cash-Flow Statement’?
- What factors must be considered before investing in short-term securities?

Unhappy with your lack of knowledge? Then you should join our intensive 2-day ‘Cash Management’ seminar!

2-DAY PROGRAMME OUTLINE

Topic 1: The 'Money Market' – short-term "paper"

- "Money market" versus the "Capital market" – short versus long run.
- 8 common money-market instruments – it's "paper"!
- LIBOR and its influence on money-market instruments – an eye on the benchmark rate.
- Banker's acceptance – reduce your risk.
- Certificate of deposits (CoD) – don't be caught short of cash!
- Repurchase agreements – short-term cash cycling.
- Commercial paper – the 270 day 'big-time' loan.
- Treasury bills – lending money without an implicit interest rate!
- Foreign Exchange Swaps – exchange and reversal.

Topic 2: The banking system – we use UK (as an example)

- Key role and responsibilities of the Central Bank (Bank of England [BOE]).
- Latest developments in the BOE.
- 'Open-market' activities of the BOE.
- "Discount houses" and their place and role in the money market.
- Retail banks compared with investment/merchant banks – know which one to use, and when.
- ECB – responsible for monetary policy covering 15 countries.
- CHAPS – used in the UK by 19 settlement banks, including the BOE.
- The NOW account – having your cake and eating it!
- The 'Money market account' – 2 big advantages.
- Numbered bank account – number but not name!
- Ever-changing nature of the commercial banking system.
- Impact of key banking legislation.
- 5 strong reasons for using a 'Concentration system' – using a centralised bank account.

Topic 3: Payment and money transfer systems – know the ways to do it

- EFT and EFTPOS – 11 ways of processing transactions.
- The "giro" system – it's a matter of "push" or "pull".
- Money float and its diminishing importance - the 3 types of 'float'.
- BACS and the new FPS – it should improve your cash flow.
- APACS ensuring payments integrity – business continuity, fraud control, interoperability, security and audit.
- Protecting against the 4 payment frauds – tips and advice.
- SWIFT system – its purpose and capabilities.
- TARGET2 – cross-border money transfers throughout the enlarged European Union – its new!
- Wire transfer – often the most expedient method for transferring funds.

Continued Below...

2-DAY PROGRAMME OUTLINE (Continued)

Topic 4: Cash budgeting – manage the cash flow

- Overview of a company's liquidity flow - ins and outs
- Cash conversion cycle – how long to get your operating expenses back
- 6 vital steps when forecasting cash – bedrock knowledge!
- Uncertainty as it exists in the business world – identify and manage.
- Deterministic simulation as a way of managing uncertainty – simple idea but often strong.
- Stochastic simulation as a way of handling uncertainty – Monte Carlo model-building.
- Flexed cash models - use different interest rates and risk measures.
- Cash estimates/budgets in presented form:
 - receipts and payments model
 - cash-flow statement.
- Diagnosis of top line, middle lines and bottom line – it's surprising what you find!
- Liquidity versus profitability – find the optimum cash level.
- 6 ways of dealing with excess "idle cash".
- 9 things to know before you invest "surplus cash" in the money market – think before you jump!.
- Overcoming cash shortages – internal and external, short and long run.
- Spreadsheets – and their use in cash budgeting.

“

“... I owe this success to your course ...”

”



Grand Bay, Mauritius



Costing Planning and Control: Methods and Techniques



Cost Planning and Control: Methods and Techniques

+44 (0)2071 83 63 93
seminars@tonysurridge.co.uk

3-day programme

SEMINAR OVERVIEW

Planning, monitoring and controlling costs should be a top priority for any manager and in many organisations managers are supported by sophisticated cost and management accounting information systems. This seminar will map out the conventions, practices and principles behind such constructive systems which are designed to identify, analyse, monitor and report on costs to those executives and managers responsible for them.

The tools used in modern cost and management accounting entail skills that go far beyond the mastery of any one management discipline and involve econometrics, statistics, mathematics, cybernetics, model-building and logic development, among others. It requires estimation, comparison, optimisation, resource programming and scheduling techniques. Furthermore, the modern cost and management accountant is deeply rooted in modern industry and has a tool-bag of techniques, many of which have been developed in very recent years.

The seminar covers 7 main areas:

1. Financial, management and cost accountants.
2. Costing fundamentals – the concept of ‘cost’.
3. Activity Based Costing – keeping track of overheads.
4. Strategic costing – the use of ‘Strategic Management Accounting Information Systems (SMAIS)’.
5. Standard costing and variance analysis – a cybernetic system.
6. Cost models for decision making – the emphasis is on short-run problems.
7. Budgets and budgetary control – planning and tracking success.

WHAT YOU WILL LEARN

You’ll gain an insight of:

- The role and work of cost and management accountants – and how your organisation can employ their services.
- Costs and how they are incurred – and the importance of knowing how they are classified.
- How to select the cost and management system that’s right for your organisation.
- Cost reports and how to use them to improve your organisation’s success rate.
- The value of cost analysis for price setting, including the use of modern approaches, such as target costing – and how it can help increase your sales.
- Modern cost accounting techniques, such as an ABC-based product and customer profitability – how they can assist your organisation make important cost-based decisions.
- Break-even analysis and how it aids investment decisions.
- The importance of planning and controlling overheads – how you can best share them out.
- How cost and management accounting is increasingly being used at board level.
- Standard costing and variance analysis – how it can be used in your organisation.
- ‘True’ costs and their importance in short-run decision models.
- Budgets and budgetary control – how the process is a planning and control tool for your organisation.
- How to select the best budget system for your organisation.

Cost Planning and Control: Methods and Techniques

+44 (0)2071 83 63 93
seminars@tonysurridge.co.uk

3-day programme

WHO SHOULD ATTEND?

- Accountants, cost professionals and financial planners.
- Executives or other personnel with responsibility for financial management and control.
- Any manager or executive in whatever functional area, project team-leader, facilitator or member of the finance team who wants an incisive understanding of how to use the services of management and cost accountants or wants to be able read, understand and interpret costing statements.
- For those managers, executives or personnel with little or no background in finance wanting to gain understanding in the work of management and cost accountants.
- For those managers, executives or personnel promoted or recruited to the area of cost and management accounting needing to gain knowledge on the work involved.

IS THIS THE COURSE FOR YOU?

Think about your situation....

- Has your career reached a point where you're now responsible for the financial outcomes of your operating decisions?
- Are you still relying on the 1920s-1980s traditional ways of managing costs?
- Do you ever think "there must be a better way of planning and controlling your costs"?
- Do you feel like you're operating in the dark when it comes to reading and using cost and management reports?
- Are you busy 24/7 with no time to stop and think about how you could be even more financially effective?

If you answered "Yes" to even one of these questions, this seminar will be one of the best value-for-money career enhancing investments you've made.

“

"I believe I owe you a very big THANK YOU for all you have done. You are a terrific lecturer..."

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Nicosia, Cyprus

3-day programme

3-DAY PROGRAMME OUTLINE

Topic 1. Financial, management and cost accountants – their world

- Financial, management and cost accounting – Why so many different accountants?
- Financial accounts – what they give – and what they don't.
- Goodbye cost accounting – hello management accounting.
- Understanding the role of management accountants – one word is enough!
- The rules of management accounting are changing – the new commandments.
- The 4 levels of management decisions – *lot's* of managers need help.
- Roll-over conventional industry and make way for:
 - Just-in-time
 - lean manufacturing and six-sigma
 - process re-engineering
 - the theory of constraints (TOC)
 - advanced manufacturing technology
 - activity value-chains.
- The business environment – it's hostile, dynamic and complex.
- Ethics, ethics and ethics again – the fundamental requirement.

Topic 2: Costing fundamentals – the concept of 'cost'

- What is costing – where does costing stop and management accounting start?
- The 9 types of cost – analysing costs for different tracking purposes.
- Cost behaviour – it means analysing the costs.
- Semi-fixed cost versus semi-variable how and why?
- 6 techniques for calculating the break-even point – numbers and visual.
- The 'margin-of-safety' – what it tells you.

Topic 3: Activity Based Costing – keeping track of overheads

- Value-chain analysis – the idea of sequential activities
- The theory of Activity-Based-Costing (ABC)
- Volume-based absorption – is there still a place for it?
- Definition of 'process' as used in ABC – the 5 characteristics of a modern process.
- Traditional versus ABC – a focus on 'what' rather than 'where'
- The 8 steps of ABC – a simple process for loading product costs.
- Activity, resource, drivers, consumption rates – and all that!
- What drives the cost drivers? – How to decide the basis of resource usage.
- 8 benefits of ABC – what it tells you.
- Problems with ABC – know its pitfalls.
- Using ABC as a forecasting tool – the use of Activity Based Budgeting (ABB).
- The use of ABC in Customer Profitability Analysis (CPA) – always, always, emphasis on customer!

Continued Below...

3-day programme

3-DAY PROGRAMME OUTLINE (Continued)

Topic 4: Strategic costing – the use of ‘Strategic Management Accounting Information Systems (SMAIS)

- Pricing orientation – sales versus cost versus competitive.
- 7 ways of setting prices based on costs.
- A little of calculus - straightening a curve to make things easy.
- The learning curve – can it still be used?
- Target costing – the customer comes first!
- Throughput costing – it’s essential to set the actual point of profit.
- Total-Life-Cycle costing – making sure that products/services are charged with ALL costs.
- Key Performance Indicator Analysis (KPIA) – linked to critical success factors.
- Strategic benchmarking – improvement, improvement and improvement!
- The role of modern IT and e-business systems – warehousing, mining, knowledge based.

Topic 5: Standard costing and variance analysis – a cybernetic system

- The concept of cybernetics – feedback versus feed-forward.
- The purpose and nature of standards.
- The standard costing cycle outlined.
- How and when standards are set – and who is responsible.
- Standards in a manufacturing environment versus service environment.
- The operating control report – who receives?
- The use of standards – strategic, tactical, project.
- How to calculate all the common marketing and cost variances
- 5 ways of identifying which budget variances warrant investigation – it’s a real conundrum!
- The trade-offs between variances – can throw up interesting conclusions.

Topic 6: Cost models for decision making – the emphasis is on short-run problems

- The ‘economist’s model’ versus ‘accountant’s model’ – the difference is fundamental.
- Definition of constraints and ‘limiting factor’.
- The concept of ‘cost relevance’ – what costs are ‘real’ and what are not.
- Limiting factor analysis used to decide mix of products or services – with an eye on profit maximisation.
- Limiting factor analysis used to choose between mutually exclusive options.
- The ‘make’ or ‘outsource’ decision – quantitative and qualitative considerations.
- The ‘shut-down’ or ‘carry-on’ decision.

Topic 7: Budgets and budgetary control – planning and tracking success

- The design and use of responsibility centres in an organisation – pointing the finger
- The issues related to responsibility accounting – a roller-coaster.
- 6 concepts of budgets all managers must know.
- 7 essential rules for setting up robust budgets.
- Flexing budgets to report meaningful performance variances.
- 8 characteristics of a well-prepared budget statement – to make sure that performance is accurately reported.
- Bringing it all together.

Costing in an Advanced Manufacturing and Service Provision Environment



Costing in an Advanced Manufacturing and Service Provision Environment

3-day programme

+44 (0)2071 83 63 93

SEMINAR OVERVIEW

The *traditional* costing methods and techniques were used decades ago when most organisations produced and marketed only a narrow range of ‘mass-produced’ products and services by using dedicated low-tech machinery; where customers were “passive”, and the main competitor was across town, or at least in the same country. The *traditional* costing systems, developed in such operating paradigms involved:

- simplistic logistics and scheduling systems
- use of a limited variety of materials and other input resources
- little after-production involvement, such as customer support
- low percentage of overhead to total cost
- ‘push’ marketing
- simple and static business environments
- emphasis on tactical control
- meeting manufacturing needs with scant regard to ‘service providers’.

Surprisingly, many costing professionals are still using these traditional techniques, or at least some of them. We say surprisingly, because, of course, modern industry has completely reshaped. Finger-tip customer empowerment has fragmented markets challenging companies to be innovative, flexible and versatile, and forcing small-batch production runs which themselves front-end complicated logistics and scheduling, complex procurement systems, high levels of engineering support, and sophisticated customer-service involvement.

The changes have been ‘big bang’: “push marketing > “pull”; mass production > short runs; low tech > high tech; local competitors > world-wide; simple and static environments > complex, dynamic and hostile; reactive feedback > proactive feed-forward; product orientation > customer focus; hierarchy > delayed structures; mechanistic systems > organic working practices; macro > micro focus; tactical needs > strategic thrust. And underlying all is - micro-chip technology - intensive competitive arenas - scarcity of resources. Evolving from these incredible changes have come: ‘lean manufacturing’, ‘pull marketing’, world-class manufacturing (WCM), advanced manufacturing and service technology (AMST), value-chain processing structures, and much, much more. Furthermore, the unrelenting improvement of information technology (IT) has brought us: keyboard supply-chain management, data mining through warehouse/mart structures, e-marketing, e-customer relationship management, and the capacity to collect huge amounts of data and process it at enormous speed. And, we must not overlook that service-provision sectors have mushroomed almost geometrically over the same period.

Cost and management accounting professionals have developed their own new methods, techniques and frameworks to enable them to provide a complete and relevant service to managers, at whatever level of seniority, in this incredibly difficult working background. In our ‘Costing in an Advanced Manufacturing and Service Provision Environment’ you’ll look into some of these new ideas and how you can transform your real strategic contribution within your organisation. This intensive training programme provides practical, easy to apply tools and techniques that will enable you to update your knowledge, accommodate your current business circumstances, and optimise your personal value.

Continued Below...

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SEMINAR OVERVIEW (Continued)

The seminar covers 8 main areas:

1. Activity-based costing – activities drive resources, resources drive costs
2. Customer Profitability Analysis – always emphasise the customer!
3. Target Costing (TC) – aim straight at the customer
4. Total Life Cycle Costing (TLCC) – ALL costs must be recovered
5. Throughput Accounting (TA) – profit taken only when profit is made!
6. Value Chain Analysis (VCA) – activities that are discrete yet unified
7. Strategic analytical models – Where are we, and where should we go?
8. Corporate performance management – tracking success

WHAT YOU WILL LEARN

You'll gain an insight of:

- Modern cost accounting techniques, such as activity-based product and customer profitability models, and how they can assist your organisation to make important cost-based decisions;
- Target costing - how to do it, what your benefits are, and ways your organisation can float its costs and close 'cost gaps';
- Total Life Cycle Costing (TLCC) and how to make all your product or service costs transparent so you can plan, monitor and control them over time.
- Theory of Constraints (TOC) and Throughput Accounting (TA) and ways you can reduce your inventory (other than just-in-time) and maximise your efficiency and your profit levels.
- Value Chain Analysis (VCA) and 5 powerful ways it can give your organisation competitive advantage.
- The application of mainstream business strategic models and how to analyse your organisation's position and uncover a future product-market action-line.
- How your organisation can track its strategic progress.

WHO SHOULD ATTEND?

- CFOs, controllers, directors, or managers of finance.
- Cost and management accounting professionals.
- Accounting managers, financial planners, internal auditors, plant managers and systems analysts.
- Past attendees of Tony Surridge's 'Cost Planning and Control – Methods and Techniques' seminar.
- For those managers, executives or personnel promoted or recruited to the area of cost and management accounting needing to gain knowledge of the work involved.

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IS THIS THE COURSE FOR YOU?

Do you every wonder ...

- Whether your overhead costs are really apportioned accurately?
- If a large customer who is over-demanding is worth supplying?
- How your prices could give you a competitive advantage?
- How you might be able to improve your profits by changing your product-price-mix?
- What happens to all the costs that occur off-production?
- How to control the product/service costs that are not transparent to operating managers?
- Why managers are encouraged to hold high inventory?
- How you could change the culture and reduce the drive to hold high stock?
- Whether you product/service-mix is optimal?
- If there's a better way to plan and control your throughput costs?
- How you could improve the gaps and discontinuities in the processing systems?
- How you identify waste in your systems?
- How you could better differentiate your products and services?
- About ways that can be used to improve the internal networking of your organisation?
- What methods can be used to formalise and improve your strategic development process.
- About ways of keeping your strategy on track?

If you answered "Yes" to even one of these questions, this seminar will be the one for you!

“

“... I wanted to say a big thank you for caring... You go over and above... Thanks a lot!”

”



London, England

3-DAY PROGRAMME OUTLINE

Topic 1: Activity-based costing – activities drive resources, resources drive costs

- Value-chain analysis – the idea of sequential activities.
- The theory of Activity-Based-Costing (ABC).
- Definition of ‘process’ as used in ABC – the 5 characteristics of a modern process.
- Traditional versus ABC – a focus on ‘what’ rather than ‘where’.
- The 8 steps of ABC – a simple process for loading product costs.
- Activity, resource, drivers, consumption rates – and all that!
- What drives the cost drivers? – How to decide the basis of resource usage.
- 8 benefits of ABC – what it tells management.
- Problems with ABC – know its pitfalls.
- Using ABC as a forecasting tool – the use of Activity Based Budgeting (ABB).
- Re-engineering for Activity Based Management (ABM).

Topic 2: Customer Profitability Analysis – always, always emphasise the customer!

- Concept of Profit Profitability Analysis (PPA) – an internal focus.
- Concept of Customer Profitability Analysis (CPA) – an external orientation.
- Integrating the two models as a Direct Product Profitability’ model – forming an analytical ‘box’.
- World Class Manufacturing (WCM) and customer empowerment – the 4 vital competitive needs.
- Conventional treatments of ‘after-production’ costs – the dangerous implications for management.
- Developing the CPA model.
- Sources of data required for CPA.
- Applications for CPA:
 - customer-mix decision
 - throughput capacity decision
- Other decisions related to CPA:
 - customer continuance
 - product continuance
 - selection of down-stream intermediaries
 - down-stream ‘do’ or ‘outsource’.

Topic 3: Target Costing (TC) – aim straight at the customer

- Traditional cost-based pricing strategies – But where is the customer?
- Target costing defined.
- Short-run implications of target costing – one-off contract and annual budget round.
- Strategic implications of target costing – particularly new product development.
- Concept of ‘floating costs’.
- 6 powerful ways to reduce costs – sometimes there is a need to achieve the ‘impossible’!
- Target costing ... lean manufacturing ... Theory of Constraints (TOC) – A nice fit!
- Limiting factor defined.
- Application of ‘limiting factor analysis’ as an integral part of target costing – don’t forget the Theory of Constraints.
- The part played by market research in the target costing model – the customer drives the model.
- The need for competitor surveying.
- Developing standards using target costing and ‘limiting factor analysis’.

Continued Below...

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3-DAY PROGRAMME OUTLINE (Continued)

Topic 4 : Total Life Cycle Costing (TLCC) – ALL costs must be recovered

- Traditional approaches to product costs – and their obvious out-datedness.
- Definition and aim of TLCC – it makes sense.
- Concept of total-life-cycle analysis – ‘cradle-to-grave’ – even beyond!
- Informational needs of TLCC – the 4 main stages.
- Developing a powerful TLCC model – making sure that nothing is left out.
- Integrating – TLCC + ABC + target costing – for competitive advantage.
- 7 important benefits of TLCC.

Topic 5: Throughput Accounting (TA) – profit taken only when profit made

- Traditional profitability assessment – uncovering its weaknesses.
- Theory Of Constraints (TOC) – revisited.
- Point at which profit is accredited – an essential principle.
- 3 vital steps in managing the bottleneck constraint – it’s the bottleneck that limits profit.
- 2 essential measures of throughput efficiency – tracking the performance of throughput management.
- 5 powerful benefits of TA.

Topic 6: Value Chain Analysis (VCA) – activities that are discrete yet unified

- Concept of value chain – another look.
- 5 important applications for value chain analysis – internal and external uses.
- “Push” and “Pull” value chains – the impact of e-business ‘supply-chain management’.
- 3 levels of process development – drilling down.
- Activity-based cost analysis – 4 vital aspects.
- Rationale of value-chain analysis – 6 strong benefits.

Topic 7: Strategic analytical models – Where are we, and where should we go?

- PESTEL analysis – keep in touch with the ‘uncontrollables’.
- SWOT and TOWS – “what” and “how”.
- Stakeholder analysis – the 3 vital dimensions.
- Strategic Group Analysis (SGA) – ‘it’s cold outside!’
- Ansoff’s ‘Product-Market Growth Vector Matrix’ – 4 pathways is not enough, 9 is better.
- Directional Policy Matrix - also a neat way of quantifying your SWOTs!
- Gap analysis – the proactive continuous approach.
- Marketing Mix analysis – 4 P’s is old-hat, add another 3.
- 7-S analysis – an internal self-check.

Topic 8: Corporate performance management – tracking success

- Hierarchy of objectives – from “vision” to “action”.
- Critical Success Factors (CSFs) – resources, capability and competence.
- Key Performance Indicators (KPIs) – keeping your eye on the ball.
- Balanced scorecard – Generation 2.
- the 5 vital non-financial performance indicators.

Finance and Accounting for the Non-Financial Manager



2-day programme

SEMINAR OVERVIEW

More than ever before, today's managers are required to interpret and speak **the language of finance and accounting** in order to achieve their assigned results and career objectives.

This straightforward, non-technical, real-world-focused training course enables you to get to the heart of financial issues, **demystifies financial information** and gives you the financial and accounting acumen you need to **plan budgets, justify requests, detect problems before they get out of hand** and be able to **translate the jargon** of finance and accounting.

The intensive two-day programme shows you how to increase your personal value by learning how to apply the basic financial principles and techniques critical to your management success and your organisation's performance.

The seminar covers 6 main areas:

1. The language of business – understanding the jargon of accountants
2. The 'Balance sheet' – a snapshot of your financial health
3. The 'Income Statement' – your measure of financial performance over time.
4. Key financial measurement tools, ratios and indicators – to assess your performance
5. Managing finance – an essential skill for every manager
6. Financial decision – a vital part of operational management

WHAT YOU WILL LEARN

You'll gain essential knowledge that will benefit you and your organisation for ever, and:

- **Be able** to understand any financial statement and zero-in on the most important numbers
- **Be able** to discuss day-to-day financial issues confidently with those inside and outside your organisation
- **Be able** to present your plans and ideas in sound financial terms for greater impact at all levels of management – and gain faster acceptance
- **Be able** to read between the lines and avoid getting misled by "the numbers"
- **Be able** to recognise when numbers look questionable and should be examined more closely – rather than blindly accepting them
- **Be able** to identify early-on critical indicators that can mean future trouble
- **Be able** to measure, at a glance, the financial strengths and weaknesses of your operational area of responsibility
- **Be able** to undertake genuine financial analysis instead of just going through the motions
- **Be able** to be assertive in dealing with financial facts and figures
- **Be able** to forecast future revenue and expense with greater accuracy
- **Be able** to plan more robust budgets

2-day programme

WHO SHOULD ATTEND?

This seminar is designed for non-financial managers in every functional area of responsibilities in all industries. It is also very suitable for executives who handle financial matters, administrative assistants, secretaries, executive secretaries or other administrative professionals working with managers.

IS THIS THE COURSE FOR YOU?

**We all have to live with financial jargon. Do you understand what it means?
Try our little test.**

Do you find financial jargon managerially challenging? See how financial gobble-de-gook can confuse important management concepts and distort clarity of thinking:

1. **Why** are 'assets' and 'liabilities' the wrong way round on a balance sheet?
2. **How** can a 'profit' disguise potential 'loss'?
3. **Why** are the quoted market price of your company's shares usually not correct?
4. **How** can a financial operating statement unfairly report on your true performance?
5. **What** is the difference between a 'semi-fixed expense' and a 'semi-variance expense'?
6. **When** is it sensible to use 'long-term' finance to buy 'short-life' assets?
7. **Why** are "accrued expenses" an enormous source of funds?
8. **Why** is 'negative' working capital good?
9. **Why** are 'off-balance sheet' items actually off the balance sheet?
10. **What** is an 'optimum level of cash'?
11. **How** do we estimate how many customers will take up an 'early payment discount'?
12. **Why** do some essential operating investment earn no direct return?
13. **Why** is the 'margin of safety' an important sensitivity barometer?
14. **Why** is it sometimes uneconomic to investigate sizeable budget variances?
15. **Why** 'flex' within a 'static' period budget?
16. **Why** does a 'common-sized' statement combined with a 'horizontal' statement form a closed box?
17. **Why** are cash disbursements deferred?
18. **Why** is the largest portion of expense often charged arbitrary?
19. **Why** do 'risks' and 'profits' change inversely?
20. **When** should we resist the use of GAAP (Generally Approved Accountancy Practice)?

2-day programme

2-DAY PROGRAMME OUTLINE

Topic 1: The language of business

- Financial accounting, cost accounting, management accounting, treasury management – and all that!
- The basic building blocks of an organisation's accounting system: a simple model of its accounting framework.
- 12 essential terms you absolutely need to know.
- What financial statements are and what they're supposed to tell us.
- 6 serious limitations of financial statements – and how to defend your reported position.
- The sources of reliable, well-prepared financial data.
- How understanding the rules of GAAP will avoid a common source of confusion between managers and accountants.
- 2 powerful financial concepts you'll use throughout your career.
- 'Profit' and 'loss' – what do they really mean?
- 'Cash' versus 'accruals' – an essential distinction.
- How to identify 'fixed' versus 'variable' costs.
- The difference between direct and 'indirect' cashflows.
- When and why to capitalise expenditure and the impact it has on your reported profit.
- 8 characteristics of a well-prepared financial statement.
- So... why do accountants wield so much influence in business?

Topic 2: The 'Balance sheet' – a snapshot of your financial health

- The relationship between account balances and balancing accounts.
- Deciphering the components of the balance sheet: assets, liabilities and equity – and the impact of GAAP on its structure.
- What the balance sheet – all by itself – tells you about your business – and what it leaves out.
- How valuing assets can be tricky.
- 4 ways of valuing a business – and deciding the 'real' value of its stock (shares).

Topic 3: The 'Income statement' - your measure of performance over time

- What goes into the income statement – the 3 important profits.
- The concept of 'top', 'middle' and 'bottom' lines.
- Important things the income statement – all by itself – can tell you.
- Ways the income statement can misrepresent – and mislead.
- The dangers in accepting reported revenues and expenses at face value – and the art of "reading between the lines".

Topic 4: Key financial measurement tools, ratios and indicators – to assess your performance

- Why the balance sheet and income statement are analysed together – the dynamic interaction of two orientations.
- The hows and whys of the 'common-sized' statement – the questions it answers, and what is left out.
- Using the 'horizontal' statement – for variance analysis.
- The dynamic impact of an integrated 'common-sized' and 'horizontal' report – a way to assess your performance 360 .
- 4 useful 'earnings' ratios – and what they tell about you and your competitors.
- 2 key tests for cash flows health.
- The hows and whys of trend analysis – using the past to predict the future.

Continued Below...

2-day programme

2-DAY PROGRAMME OUTLINE (Continued)

Topic 5: Managing finance – an essential skill for every manager

- An overview of an organisation's cash flows – different types of cash flow in one model.
- The 'Cash flows forecast' – 6 stages and 2 approaches. Don't make a purchase without one!
- Cash management tools used to cope with insufficient cash resources – 4 ways to increase your cash without using external sources.
- What goes into 'working capital' and how it 'flexes' during the normal course of business.
- The most serious limitation of working capital – a step-by-step guide to 'managing out' the problem.
- How to calculate the duration of your cash conversion cycle – and what it tells you.
- How extending days in accounts payable can be dangerous.
- How days in accounts payable can upset the delicate balance of your cash conversion cycle.
- Extended sales payment terms – the hidden costs.
- 4 ways of speeding up sales payments without pain to your customer – advantages and disadvantages.
- Inventory turns – danger signals of trouble up ahead?

Topic 6: Financial decisions – a vital part of operational management

- 6 concepts of budgets all managers need to know.
- 7 rules for setting up a robust budget.
- 6 techniques for calculating the break-even point – numbers and visually.
- The 'margin-of-safety' – what it tells you.
- Flexing budgets to report meaningful performance variances.
- 5 ways of identifying which budget variances warrant investigation.
- 8 characteristics of a well-prepared budget statement – make sure that your performance is accurately reported.

“

“I am writing to thank you sincerely for your excellent tutelage ... Your avid enthusiasm and vast experience with the subject matter made it a pleasure...”

”



Nicosia, Cyprus

Foreign Currency and Interest Management: An Introduction for Executives



Management: An Introduction for Executives

2-day programme

SEMINAR OVERVIEW

This fast-paced, two-day seminar is designed for those wishing to obtain an introductory or refresher on foreign exchange and interest management. The seminar will cover common products and strategies in currency, and introduce... matching... netting... leading... lagging... foreign exchange contracts... derivatives... futures... options... money-market hedging... and currency swaps. It looks at the language and pattern of interest rates, and considers... matching and smoothing... forward rate agreements... futures contracts... interest rate options... caps, collars and floor... interest rate swaps. To learn more, bring your calculator with you, and join our two-day seminar.

The seminar takes an introductory look at the five essential aspects of foreign currency and interest risk management:

1. Types of currency risk.
2. Causes of exchange rate fluctuations.
3. Currency risk and its management.
4. Derivatives.
5. Management of interest rate risk.

WHAT YOU WILL LEARN

You'll gain an insight of:

- The key premise of foreign exchange rates and the main risks faced by trading in foreign currencies.
- Ways to predict future exchange rates.
- How to manage currency risk.
- How to use forwards, futures and swaps.
- The pattern of different interest rates and what causes interest rate movements.
- How to manage interest rate risk including the use of interest rate swaps.

“

"Thank you for the in depth understanding of business"

”



London, England

Management: An Introduction for Executives

2-day programme

WHO SHOULD ATTEND?

- Financial professionals seeking an enhanced understanding of foreign currency management.
- Controllers, accounting, back office and other operations staff supporting Treasury.
- Bank Relationship Managers.
- Financial regulators.
- Internal audit staff.
- Suppliers of financial software and treasury services to corporate clients.
- Individuals taking on new foreign currency management responsibilities.
- Individuals with little or no background or involvement in treasury management wanting to gain an understanding in the important area of foreign currency management.

IS THIS THE COURSE FOR YOU?

Two tables from the financial press

A daily table from the London Financial Times which details currency options, and another table listing interest rate swaps are shown below. What do they tell you? Can you interpret their meaning?

CURRENCY OPTIONS								
■ US \$/€ OPTIONS (CME)								
Strike price	CALLS			PUTS				
May 11	Jun	Sep	Dec	Jun	Sep	Dec		
11700	1.98	3.65	-	0.75	2.35	3.36		
11800	1.70	3.13	3.92	1.12	2.82	3.98		
11900	1.19	2.65	3.59	2.01	3.34	4.56		
12000	0.84	2.22	3.19	2.55	3.92	4.96		
Previous day's data: volume, 2,016 ; calls, 1,806 puts, 3,822 ; open interest, 50,967 . Source: Reuters/CME.								
■ US \$/YEN OPTIONS (CME)								
Strike price	CALLS			PUTS				
May 11	Jun	Sep	Dec	Jun	Sep	Dec		
8700	1.70	2.74	-	0.50	1.34	1.72		
8800	1.10	2.19	2.95	0.92	1.80	2.17		
8900	0.77	1.75	2.49	1.55	2.32	2.70		
9000	0.40	1.40	2.10	2.39	3.00	3.30		
Previous day's data: volume, 2,297 ; calls, 2,833 puts, 5,130 ; open interest, 51,173 . Source: Reuters/CME.								
■ US \$/UKE OPTIONS (CME)								
Strike price	CALLS			PUTS				
May 11	Jun	Sep	Dec	Jun	Sep	Dec		
1740	3.98	5.02	5.41	1.39	4.06	4.99		
1750	2.24	4.44	-	1.90	3.70	-		
1760	1.61	3.90	4.47	2.34	5.14	7.20		
1770	1.30	-	-	2.00	-	-		
Previous day's data: volume, 259 ; calls, 110 puts, 369 ; open interest, 13,119 . Source: Reuters/CME.								
■ OTC OPTIONS - implied volatilities								
11 May		ATMF Vols %	Day's chge	Month chge	25 delta R/R* %	Day's chge	Month chge	25 delta Butterfly%
€/\$	1 mth	11.45	-0.13	-0.10	-0.10	0.00	-0.25	0.20
	12 mth	11.05	0.00	-0.07	0.20	0.00	-0.05	0.25
€/£	1 mth	7.63	0.13	0.53	0.15	0.08	0.10	0.18
	12 mth	7.65	0.00	-0.07	0.10	0.00	0.00	0.20
\$/Yen	1 mth	11.53	-0.17	1.03	-0.40	0.00	0.75	0.35
	12 mth	9.48	-0.05	0.10	-1.60	0.15	0.65	0.38
£/\$	1 mth	11.10	0.15	0.48	-0.10	0.00	-0.30	0.20
	12 mth	10.23	0.10	-0.03	0.20	0.00	-0.25	0.25
*R/R data is in favour of the 1st currency. All rates fixed at 3pm UK time. Source: GFI (www.Gfigroup.com).								

Continued Below...

Foreign Currency and Interest Management: An Introduction for Executives

2-day programme

IS THIS THE COURSE FOR YOU? (Continued)

INTEREST RATE SWAPS

Apr 02	Euro-€		£ Stg		SwFr		US \$		Yen	
	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
1 year	2.04	2.07	4.73	4.75	0.46	0.52	1.36	1.39	0.08	0.10
2 year	2.36	2.39	4.85	4.89	0.85	0.93	1.92	1.94	0.18	0.22
3 year	2.69	2.72	4.93	4.97	1.22	1.30	2.43	2.46	0.32	0.35
4 year	2.99	3.02	4.97	5.02	1.55	1.64	2.86	2.89	0.49	0.52
5 year	3.25	3.28	5.00	5.05	1.85	1.93	3.21	3.25	0.67	0.70
6 year	3.47	3.50	5.03	5.08	2.10	2.17	3.50	3.54	0.85	0.88
7 year	3.67	3.70	5.04	5.09	2.30	2.38	3.74	3.77	1.02	1.05
8 year	3.84	3.87	5.05	5.10	2.47	2.55	3.94	3.98	1.17	1.20
9 year	3.97	4.00	5.06	5.11	2.61	2.69	4.11	4.14	1.29	1.32
10 year	4.09	4.12	5.07	5.12	2.73	2.81	4.26	4.29	1.39	1.42
12 year	4.28	4.31	5.07	5.13	2.91	3.01	4.51	4.54	1.56	1.60
15 year	4.49	4.52	5.04	5.13	3.12	3.22	4.78	4.81	1.75	1.78
20 year	4.70	4.73	4.99	5.12	3.33	3.42	5.02	5.05	1.96	1.99
25 year	4.80	4.83	4.93	5.06	3.44	3.54	5.10	5.13	2.08	2.11
30 year	4.83	4.86	4.88	5.00	3.48	3.58	5.12	5.15	2.13	2.16

Bid and ask rates as of close of London business. US \$ is quoted annual money actual/360 basis against 3 months Libor, £ and Yen quoted on a semi-annual actual/365 basis against 6 months Libor, Euro/Swiss Franc quoted on annual bond 30/360 basis against 6 month Euribor/Libor with the exception of the 1 year rate which is quoted against 3 month Euribor/Libor. Source: ICAP plc.

Are you doubtful? Confused? Mystified? Unsure? Uneasy? Then you should join the Tony Surridge’s 2-day seminar ‘Foreign Currency and Interest Management – An Introduction for Executives’.

“

"This is to say thank you for the enthusiasm with which you taught us. It has been an interesting experience to sit and listen to you..."

”



Lagos, Nigeria

2-DAY PROGRAMME OUTLINE

Topic 1: Types of currency risk

- The premise of exchange rates.
- The foreign exchange market – its characteristics
- Types of risk – including positive and negative risk.
- Transaction exposure – its critical importance to cash flow.
- Translation exposure - does it affect shareholders' wealth?
- Economic exposure – its critical importance to cash flow.
- The need to identify exchange risk and then manage it.

Topic 2: Causes of exchange rate fluctuations

- Fundamental causes for cross-exchange rate movements - we look at 9 causes.
- The “spot rate” – the two rates and the “spread”. Which rate is relevant?
- Forward exchange rate – premium and discount on spot.
- Arbitrage - how it keeps things in check.
- The need to estimate future rate changes to determine risk – change may not signal risk.
- “Interest-rate-parity theorem” of estimating future exchange rates – the logic and calculations.
- “Purchasing-power-parity theorem” of estimating future exchange rates – the logic and calculations.
- The “International Fisher Effect” – the logic and calculations.
- “Expectations theory” – the rational.
- “Four-way equivalence model” – examination of empirical evidence.

Topic 3: Risk and risk management

- Risk management – general precepts.
- Review of VaR theory and methodologies.
- Hedging methods – an overview.
- Currency of invoice – a case study.
- Matching receipts and payments – a case study.
- Netting – a case study.
- Matching assets and liabilities – a case study.
- Leading and lagging – a case study for importers.
- The how, why and when of foreign exchange contracts – know how contracts can be “closed out” – a case study.
- Money-market hedging a case study.
- Currency swaps

Continued Below...

Foreign Currency and Interest Management: An Introduction for Executives

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2-day programme

2-DAY PROGRAMME OUTLINE (Continued)

Topic 4: Derivatives

- Use of derivatives for risk management.
- Four main areas of management where derivatives are used.
- Comparison of exchange traded versus over-the-counter derivatives.
- Comparison of forwards and futures.
- The language of options.
- Call versus put option.
- Factors having impact on option pricing.
- Risks of option buying versus risks of option selling.
- Ups and downs of currency options.
- Options case-study.

Topic 5: Management of interest rate risk

- Language and terms used in the management of interest.
- Patterns of interest – and what makes up the variety of rates.
- The shape of the normal risk curve – and three factors that cause it, and the inverse curve.
- The dynamics between traded stock prices and interest rates – and the impact of interest rate changes on different assets.
- Factors causing interest rate movement.
- Determining the level of interest risk: the interest sensitive gap – positive and negative gaps.
- The three primary interest rate risks.
- Managing the risks:
 - matching and smoothing
 - forward rate agreements
 - futures contracts
 - interest rate options
 - interest rate caps, collars and floor.
 - interest rate swaps – valuation and mechanics.

“

"I have to let you know that I am constantly referring to the course notes. If not for your course, I do not feel that I would be in a position to make the recommendations to senior management that I do. There has not been a situation where I have not been able to find guidance."

”



Pasadena, USA

Mergers and Acquisitions: The Practical Aspects



Mergers and Acquisitions: The Practical Aspects

+44 (0)2071 83 63 93
seminars@tonysurridge.co.uk

3-day programme

SEMINAR OVERVIEW

This intensive three-day seminar is designed to cover the main facets of acquisition and merger – from the very beginning to the final act of integrating the two or more organisations. Learn how to... look for a candidate partner... assess synergies... identify defensive moves of your target... value a company of any size... negotiate the deal... execute the integration. Learn the hurdles you're likely to encounter and how to overcome the common obstacles in mergers and acquisitions. Intrigued?... Interested?... Want to know more? Then bring your calculator and join our fast-paced three-day seminar.

The seminar examines 9 critical aspects concerning the management of mergers and acquisitions:

1. Rationale for mergers and acquisitions.
2. Strategies and tactics of mergers and acquisition.
3. Premise of value.
4. Income approach to valuation.
5. Market approach to valuation.
6. Asset approach to valuation.
7. Private-Company issues.
8. Negotiating the deal.
9. Post-merger Integration.

WHAT YOU WILL LEARN

You'll gain an insight of:

- How to identify bona fide merger or acquisition partners and what to look for when screening feasibility.
- How to effectively obtain information to prepare a company valuation.
- How to evaluate business and financial synergies and determine what a candidate company is really worth.
- How to weigh all the implications of a merger or acquisition.
- How discount rates, capitalisation rates and market multipliers affect corporate valuation.
- How to put money value on a goodwill abstraction.
- How to set an appropriate offer price, or range of prices.
- How to structure the best deal and negotiate it to your advantage.
- How to execute the integration after the merger or acquisition agreement.

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WHO SHOULD ATTEND?

- Top level management, including CEOs and CFOs.
- Owners of companies.
- Treasurers, controllers, strategic and corporate planning directors.
- Financial planners and analysts.
- Directors of new business development.

IS THIS THE COURSE FOR YOU?

How would you set out evaluating a likely candidate for acquisition?

Finding and using data about a target candidate...

The following list indicates vital “need to know” questions concerning a prospective company that you’ve targeted for acquisition:

1. Where do you get the information from – if it’s a hostile takeover?
2. Where do you source the information – if it’s a friendly takeover of a competitor that’s not certain to be successful?
3. How would your approach be different if it was a private company rather than a public listed company?
4. How can the information be used to assess synergy? What types of synergy would you be evaluating?
5. How far back would you go to obtain the financial data? Why?
6. Would you trust the audited reports of the company?
7. Why is it important to know of shares held by trustees?
8. Would the data you’ve collected reveal likely defensive strategies of the target?
9. How would you find out information about the quality of senior and second-tier management knowing the constraints placed by data protection legislation?
10. What other information would you require that is not detailed in this table?
11. How would you fix your price spread?

Continued Below...

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IS THIS THE COURSE FOR YOU? (Continued)

Information checklist of target candidate	
General information	<ol style="list-style-type: none"> 1. Name of the company and address of its registered office and principal locations. 2. Names of directors and senior managers together with their ages and length of service. 3. Main business objectives sub-analysed by product/markets if these are published. 4. The general standing and reputation of the company. Facts can be determined by examining product/market growth rates, etc. 5. The style of management and the prevailing culture - some hints on these can be obtained from published organisation structures and the stability of tenure of senior executives.
Ownership	<ol style="list-style-type: none"> 1. The capital structure and voting rights. 2. The disposition of shares including institutional shareholders and whether it is a closed company. 3. Details of any shares held by trustees. 4. Details of any significant disposals of shares by major shareholders or directors.
Financial information for the past few years	<ol style="list-style-type: none"> 1. Turnover and profit trends, noting any exceptional items. 2. Liquidity trends. 3. Capital expenditure on each class of asset. 4. Trends in the stock market price and price-earnings ratio. 5. Capital expenditure commitments. 6. Accounting policies and any audit qualifications. 7. Capital gearing including any significant changes. 8. Prospects and problems mentioned in the chairman's statements.
Market and product information	<ol style="list-style-type: none"> 1. The main fields of activity and approximate market shares. 2. Any comments on research and the development or introduction of new products. 3. Overseas and any other territorial expansion during recent years. 4. Product reputation and the company's reputation for fair dealing. 5. The nature and extent of competition. 6. Distribution channels.
Management	<ol style="list-style-type: none"> 1. The quality of senior and second-tier management. 2. The ages, qualifications and, if possible, contractual terms for all key managers (those considered important for the continuance of the company).

Would you like to know more? Then bring your calculator and join our fast-paced three-day seminar: Tony Surridge's '**Mergers and Acquisitions – The Practical Aspects**'.

Mergers and Acquisitions: The Practical Aspects

3-day programme

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3-DAY PROGRAMME OUTLINE

Topic 1: Rationale for mergers and acquisitions

- Merger versus acquisition.
- Merger by transfer of assets or transfer of shares.
- Acquisition by transfer of assets or transfer of shares.
- Rationale for growth by combination.
- Know what to look for in a partner.
- Understand synergy, including bounce-back and joint.
- Know which party brings synergy to the combination.
- Sources of synergy.
- Financial synergy - from your shareholders' perspective.
- The 'boot strap' game – the danger of talking up value.
- Other synergistic effects – but who gets the value benefit?
- The three essential tests for merger and acquisition strategy.
- Causes of failure – identify and avoid the common errors in combination assessment.
- Identify reasons why companies choose to be acquired or are willing to be acquired.
- Various structures possible for mergers and acquisitions – advantages and disadvantages – tax implications.

Topic 2: Strategies and tactics of mergers and acquisition

- Know the 3 main strategic steps and 3 main tactical steps.
- How to find promising targets for merger and acquisition.
- Information required concerning prospective target – 8 vital areas of knowledge required.
- The 3 basic issues a purchaser and vendor need to agree on.
- The purpose and phases of due diligence.
- Applying the due diligence checklist.
- Requirements of the Sarbanes-Oxley Act (SOX).
- Requirements of the London City Code on takeovers.
- Effective approaches to potential targets.
- Friendly, hostile and contested takeovers – implications.
- Defences against takeovers: “poison pills” (“flip-in” and “back-end rights”), “pac man”, “crown jewels/scorched earth”, “fatman” and “golden parachutes”.
- The “dawn raid”.

Continued Below...

3-DAY PROGRAMME OUTLINE (Continued)

Topic 3: Premise of value

- Decipher terms common to valuation.
- Maximum and minimum values.
- Quoted or unquoted shares.
- Share or asset purchase – 4 complicating factors.
- Different methods of valuation – understand when each is applicable.
- Assumptions and premises by which each means of valuation can be estimated.
- Differentiate between value and price.
- The ‘all-equity’ base case contrasted with ‘one firm has debt’.
- Two “bad” reasons for merger and acquisition.
- Understand why the target’s financial statements nearly always need to be adjusted.
- Adjustments that are common – to both balance sheets and income statements.
- Understand why an informed estimate of the target’s interim and long-term growth is critical to an estimate of value.
- Identify the crucial factors that influence the estimate of growth.
- Recognise various forms of growth metric, e.g. market spread, revenue, cash flow, income, etc.
- Errors common to estimating growth – and ways to avoid them.

Topic 4: Income approach to valuation

- Main methods and premises using the income approach.
- The procedures used to assess value based on income.
- Various return streams that can be used in the income approach – in contrast.
- Know when and why to use each of the income methods.
- Net cash flow and its constituents.
- Concept of net present value.
- Understand why the acquirer’s present cost of capital may not be an appropriate rate of return for the valuation of the target.
- Adjustments to the rate of return are needed to reflect different industries and risk factors – know how to make them.
- Convert a book-value basis weighted average cost of capital to a market-value basis weighted average cost of capital.
- The dividend-yield approach to valuation.

Topic 5: Market approach to valuation

- Main methods and premises using the market valuation approach.
- Know the whys and whens of this approach.
- Market multiples – understand what they are.
- Be aware of how the target can control or not control the market multiples.
- Factors that influence the market multiples – appreciate the difficulties presented.
- What to look out for.

Continued Below...

3-day programme

3-DAY PROGRAMME OUTLINE (Continued)

Topic 6: Asset approach to valuation

- Main methods and premises using the asset valuation approach.
- Know the whys and whens of this approach.
- Be aware of how the target can control or not control assets values.
- Dual capitalisation method of valuation.
- Berliner method of valuation.

Topic 7: Private-Company issues

- Reasons why private companies need valuations – and the importance of valuation in a shareholder agreement.
- Recognise the difficulties of valuing a private company.
- The central part played by ‘due diligence audit’ – and the essential need for the audit.
- Valuation issues when shareholder value disputes arise.
- The ups and downs of earn-outs.

Topic 8: Negotiating the deal

- The premises of negotiation.
- The steps and techniques used in negotiation.
- From value to price – the critical problem.
- The gap between the seller’s price and the buyer’s price – how to bridge it.
- Identify tradable items for negotiations – and how to negotiate terms.
- Achieving a win-win agreement.

Topic 9: Post-merger Integration

- Integration issues – how to address them.
- The steps in the ‘execute’ process.
- Monitoring the post-acquisition success.
- Post-audit – what it tells you.

“

"... you know and taught this thing inside out ..."

”



London, England

Money Market



SEMINAR OVERVIEW

Designed as an overview for treasury staff and people new to money market functions, this practical, intensive and fast-paced seminar explores the nuts and bolts of money-market transactions and provides participants with the language, tools and techniques to understand the alternatives, strategies and risks involved in investing and borrowing in the money market. It covers... the main money-market instruments... the dealers... the language and patterns of interest rates... the two main yield curves and associated strategies... arbitrage... interest rate risk hedging including – matching and smoothing... forward rate agreements... futures contracts... interest rate options... caps, collars and floor... interest rate swaps. To learn this and more, bring your calculator with you, and join our two-day seminar.

The seminar examines five important aspects of today's money market:

1. The fundamentals of the money market.
2. The primary money market instruments.
3. The dealers.
4. Investment and borrowing strategies.
5. Management of interest rate risk.

WHAT YOU WILL LEARN

- How to select from among the investment and borrowing alternatives available in the market.
- The nature and characteristics of different financial instruments.
- The role and behaviour of the dealers and financial intermediaries in the market.
- How to optimise strategies depending on the shape of the yield curve.
- How to improve your cash management strategies.

WHO SHOULD ATTEND?

- Financial professionals seeking an enhanced understanding of the money market.
- Individuals taking on new treasury responsibilities who need to understand money market products.
- Accounting staff who need to know about money market products for financial reporting purposes.
- Individuals with little or no background or involvement in treasury management wanting to gain an understanding in the ways of the money market.

IS THIS THE COURSE FOR YOU?

Can you read and interpret money market facts and statistics? Give yourself a little test:

A daily table from the London Financial Times showing money-market interest rates is replicated below. What does the table tell you? Can you interpret the data reported and its significance?

INTEREST RATES								
MARKET RATES								
Mar 29	Over night	Day	Change Week	Month	One month	Three months	Six months	One year
US\$ Libor*	1.06125	+0.018	+0.015	-0.008	1.09000	1.11000	1.16000	1.33000
Euro Libor*	2.07125	+0.005	+0.050	+0.016	2.01450	1.95525	1.92113	1.95750
£ Libor*	4.25375	+0.106	+0.324	+0.099	4.23250	4.37000	4.51250	4.72375
Swiss Fr Libor*	0.21833	+0.038	-0.008	+0.027	0.22000	0.25500	0.29833	0.44667
Yen Libor*	0.03000	-0.001	-0.001	-0.001	0.03875	0.05250	0.06200	0.08750
US\$ CDs	-	-	-	-	0.99	1.01	1.06	1.23
Euro CDs	2.060	+0.030	+0.080	+0.035	1.990	1.920	1.910	1.940
US o'night repo	1.01	-0.010	-0.020	+0.010	-	-	-	-
Fed Funds eff	1.00	-0.020	+0.010	-0.040	-	-	-	-
US 3m Bills	0.93	+0.010	-	-0.010	-	-	-	-
SDR int rate	1.58	-0.030	-0.030	-0.040	-	-	-	-
EONIA	2.06	+0.010	+0.050	+0.020	-	-	-	-
EURONIA	2.0514	+0.006	+0.053	+0.014	-	-	-	-
SONIA	4.2568	+0.146	+0.364	+0.136	-	-	-	-

* Libor rates come from BBA (see www.bba.org.uk) and are fixed at 11am UK time. Other data sources: US \$ & Euro CDs: dealers; SDR int rate: IMF; EONIA: ECB; EURONIA & SONIA: WMB.

Mar 29	Short term	7 days notice	One month	Three months	Six months	One year
Euro	2½ - 2¾	2½ - 2¾	2½ - 1½	1½ - 1¾	1½ - 1¾	2 - 1¾
Danish Krone	2½ - 2¾	2½ - 2	2½ - 1½	2½ - 1¾	2½ - 1½	2½ - 1¾
Sterling	4½ - 3½	4½ - 4½	4½ - 4½	4½ - 4½	4½ - 4½	4½ - 4½
Swiss Franc	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾
Canadian Dollar	2½ - 2¾	2½ - 2¾	2½ - 2¾	2½ - 2	2½ - 1½	2½ - 2
US Dollar	1½ - 1½	1½ - 1	1½ - ½	1½ - 1	1½ - 1½	1½ - 1½
Japanese Yen	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾
Singapore \$	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾	¾ - ¾	1 - ¾

Source: Reuters. Short term rates are call for the US Dollar and Yen, others: two days' notice.

OFFICIAL RATES						
Mar 29	Rate	Current	Since	Last	Mth ago	Year ago
US	Fed funds	1.00	25-06-03	1.25	1.00	1.25
US	Prime	4.00	27-06-03	4.25	4.00	4.25
US	Broker Loan	2.75	27-06-03	3.00	2.75	3.00
Euro	Repo	2.00	05-06-03	2.50	2.00	2.75
UK	Repo	4.00	05-02-04	3.75	3.75	4.00
Japan	O'night call	0.00	19-03-01	0.15	0.00	0.00
Switzerland	Libor target	0.00-0.75	06-03-03	0.75-1.75	0.00-0.75	0.75-1.75

SDRs: the Special Drawing Rights of the International Monetary Fund (IMF)

EURONIA: the average interest rate, weighted by volume, of all unsecured overnight euro deposit rates arranged by eight money brokers in London.

Interest rates on deposits in various currencies in markets outside their countries of origin, so-called Euromarket rates

The Euro Overnight Index Average (EONIA) indicates rates for overnight unsecured lending in the euro-zone interbank market

Repo rate: Rate at which central banks intervene in the market, this is the rate at which they will repurchase bills.

If you've any doubts, and you have treasury responsibilities, then you should join the Tony Surridge's 2-day seminar 'Money Market'.

2-DAY PROGRAMME OUTLINE

Topic 1: The fundamentals of the money market

- “Money market” versus the “Capital market” – short versus long run.
- Functions of the money markets.
- The Central Bank’s money-market operations.

Topic 2: The primary money market instruments

- “Money market” versus the “Capital market” – short versus long run.
- 8 common money-market instruments – it’s “paper”.
- LIBOR and its influence on money-market instruments – the benchmark rate.
- Banker’s acceptance – reduce your risk.
- Certificate of deposits (CoD).
- Repurchase agreements – short-term cash cycling.
- Commercial paper – the 270 day ‘big-time’ loan.
- Treasury bills – lending money without an implicit interest rate!

Topic 3: The dealers

- The main players in the market.
- Pricing factors.
- The discount market.
- The part played by the central bank.

Topic 4: Investment and borrowing strategies

- Language and terms used in the management of interest.
- Patterns of interest – and what makes up the variety of rates.
- Accrued interest: primary formula, day counting, date rolling.
- The shape of the normal risk curve – and three factors that cause it, and the inverse curve.
- The dynamics between traded stock prices and interest rates – and the impact of interest rate changes on different assets.
- Riding the yield curve.
- Arbitrage.
- Indifference analysis.

Topic 5: Management of interest rate risk

- Language and terms used in the management of interest.
- Patterns of interest – and what makes up the variety of rates.
- Interest rate indicators
- Factors causing interest rate movement.
- Determining the level of interest risk: the interest sensitive gap – positive and negative gaps.
- The three primary interest rate risks.
- Managing the risks:
 - matching and smoothing
 - forward rate agreements
 - futures contracts
 - interest rate options
 - interest rate caps, collars and floor
 - interest rate swaps – valuation and mechanics.

Practical Aspects of Budgeting



SEMINAR OVERVIEW

Every day managers are judged by their ability to manage budgets because almost all authority to make and implement decisions derives from some measure of **financial** accountability.

You may be a financial controller, or a budget officer, or someone who is holding down a budget. From solid budget management practices, such as creating, implementing, monitoring, controlling and delivering results as promised - to learning new ways of... forecasting... negotiating... tracking events... reporting... investigating... and explaining - our tried and tested ways will teach you how to get a firmer grip on your budgeting system, improve it, and make it more successful.

The seminar covers 6 essential areas of modern budgeting:

1. The strategic and capital budgeting systems – they lock together.
2. The corporate budgeting process – 3 vital phases for creating a successful outcome.
3. Approaches to budgeting – there's ways and ways.
4. Forecasting and preparing the business estimates – back to the future.
5. Tracking performance – monitor and control.
6. Dealing with human problems – acceptance, trust, and energising.

WHO SHOULD ATTEND?

- Financial controllers, and newly appointed controllers.
- Accountants, cost professionals and financial planners who would benefit from updating their knowledge in budgeting.
- Executives who manage departments with budget responsibilities .
- Managers or executives - in whatever functional area: project team-leader, facilitator or member of the finance team - who want an insight into budgets and budgetary control practices and principles.

“

".... I do admire your relentless effort in making sure we understand your subject. Thank you so much"

”



London, England

WHAT YOU WILL LEARN

So much is packed into just three days:

- **Know** the linkages between strategy, capital budgeting and corporate operating budgets.
- **Know** what budgeting is – and is not.
- **Know** the basic components of a budget system and how to slot them together to boost results.
- **Know** what your organisation – and its managers – want and need from a budget system - and how to deliver
- **Know** the pros and cons of a budgeting system – is it dinosaur or ‘new age’?
- **Know** how to educate and energise budget-holder executives - and get them to work for the system.
- **Know** how to work through and resolve budget conflict situations.
- **Know** budget forecasting tools you can use – and how to predict with greater precision, success and confidence.
- **Know** how to undertake genuine budget analysis – instead of just going through the motions.
- **Know** how to recognise when budget numbers don’t stack up – and why!
- **Know** why some expense budgets are understated and others are overstated - it’s a matter of personal agenda and dynamics.
- **Know** how different budget ‘slacks’ impact each other and how you can uncover the problems.
- **Know** when budget ‘slack and bias’ can be accepted.
- **Know** how to quickly scan a budget report to pick out the numbers that matter.
- **Know** why budget-performance management works and performance-review doesn’t.
- **Know** about budget variances – the questions they answer and the new ones they raise.
- **Know** how to identify variances that must be probed – and those that can be passed by.
- **Know** how to develop the right set of interpersonal skills that will drive budget success.

Just three days – a small investment for knowing how to increase the effectiveness and success of your organisation’s budgeting system while improving your professional insight and personal value forever.

“

"I will definitely keep tracking you down. I think you will be an invaluable asset to anyone wanting to progress to the top level in the accountancy world... you are a wonderful source of knowledge ... it’s been nice meeting you and a privilege to have been taught by you"

”



London, England

IS THIS THE COURSE FOR YOU?

Do you know enough about the principles and practices behind budgeting systems?
Here's some straightforward questions for you to quiz yourself.

1. What's the difference between corporate vision and mission? What's the relevance anyway?
2. What's the starting point for deciding a new capital budget inclusion? What are the other stages it goes through before "acceptance".
3. List 6 main parts of a "Business case" that supports and justifies a capital investment proposal.
4. List 6 main responsibilities of the Financial Controller who heads up a capital budgeting system.
5. What's the difference between 'hard capital rationing' and 'soft capital rationing' and when does the proposed investment's "profitability index (PI)" come in useful? When would the use of an investment's PI not be appropriate?
6. When a budget variance is investigated there are four things that are looked for. What are they?
7. Why is Net Present Value (NPV) generally reckoned to be the best measure of an investment's economic worthiness?
8. In what circumstance would the 'pay-back period' method of evaluation be appropriate?
9. It's generally supposed that there are four different, clearly defined areas of financial responsibility. What are they? Which one is most common?
10. The financial controller supports budget holder managers in 3 main ways. What are they?
11. "Decision packages" used in zero-based budgeting are ranked on an ordinal scale. List 4 important criteria that would be used for the ranking. Who is responsible for the ranking?
12. One of the problems with conventional methods of budgeting is that they fail to acknowledge linkages within a business. How does activity based budgeting (ABB) overcome this problem?
13. What are the three primary problems with a feedback control system? How are they overcome?
14. What are the three main components of the 'Master budget' suite?
15. What are the two main uses of using a flexible budgeting system?
16. Why is it difficult to use flexible budgeting in a support/service department? What can be done about it?
17. The fundamental cause of difficulty of forecasting accurately is that the business environment has become more turbulent than before. List 5 elements that contribute to this turbulence. What mathematically-based forecasting technique best deals with environmental turbulence?
18. There are three main groups or classification of forecasting methods. What are they? Do they give conflicting results or are they integrated?
19. List 5 reasons why a manager would deliberately set a difficult to achieve budget that he or she was responsible for.
20. Give 5 reasons why budget slack might not be such a bad thing.

Any doubts? Intrigued? Then this seminar may be the one for you!

3-DAY PROGRAMME OUTLINE

Topic 1: The strategic and capital budgeting system – they lock together

- The corporate strategy development cycle – and the controller's part in it.
- Strategic planning and development – whats, hows and whys.
- 2 dimensions of strategy – both are essential.
- Hierarchy of objectives – the 7 vital levels.
- How to evaluate shareholder expectations – including the implications of “stakeholder consensus”.
- How an effective capital budgeting system works – and its place in strategy development.
- Tying the capital budget to the business strategy - as two in one.
- Guiding principles underlying a good capital budgeting system.
- Step-by- step guidelines on how to prepare a business case – to support a capital investment proposal.
- The logic of payback analysis – important information but limited in what it tells you.
- The ‘Accountant’s Rate of Return’ on an investment.
- The concept of discounted techniques – Net Present Value versus Internal Rate of Return.
- A company’s cost of capital – know how it’s decided.
- Capital cost model building – including the Capital Asset Pricing Model.
- A step-by-step guide to analysing your investment proposal – and backing it up with the right numbers to gain faster acceptance.
- The capital budgeting decision – including what to do if your funds are short.
- Controlling the capital budget – keeping track of results and “capital drift”.
- Post-mortem audit – with an eye to the future.

Topic 2: The corporate budgeting process – 3 vital phases for creating a successful outcome

- The essence of ‘responsibility accounting’ – and the distinct controls required for “top-down” versus “bottom-up” budgeting systems.
- Issues concerning responsibility accounting – a roller-coaster.
- 6 concepts of budgets you must know.
- 7 essential rules for setting up a robust budget.
- The SMART approach to delegating budget goals.
- Organise, co-ordinate, monitor and control the budget process – and deliver the results expected.
- Use a simple planning “safety net” – to make sure that nothing escapes attention.
- The ‘Master budget’ and supporting budget forecasts.
- Analysing separate budget proposals – 5 powerful comparisons and 3 strong sources.
- Presenting a composite business plan to senior management:
 - persuade others to your way of thinking
 - delivering bad news – the right way
 - fielding questions that take you by surprise
 - keeping things simple.
- Get budget managers to accept criticism and change their budget aspiration when circumstances demand it.

Topic 3: Approaches to budgeting – there’s ways and ways

The hows, whys, and why-nots of:

- Incremental budgeting – the “easier” approach.
- Zero-based budgeting (ZBB) – a creative, dynamic, bureaucratic nightmare.
- Activity-based budgeting (ABB) – a strong planning approach for your support departments.
- Rolling budgets – a “game where the goal posts keep moving”.
- Fixed budgets – challenging to set and achieve.
- Flexible budgeting – 2 powerful uses.
- Programme, planning and budgeting system (PPBS) – the matrix approach.

Continued Below...

3-DAY PROGRAMME OUTLINE (Continued)

Topic 4: Forecasting and preparing business estimates – back to the future

- 8 big difficulties you face - with each new business forecast.
- 6 strong aides that help you forecast your budgets - with greater precision, success and confidence.
- 9 essential ways that tell you the accuracy of your budget forecast.
- 9 common reasons why budget forecasts fail to live up to expectations – and 8 down-to-earth ways of avoiding errors.
- 10 vital factors which affect your degree of forecasting success – a succinct overview of things to look out for – with our hard-won tips on how to overcome them.
- 3 strong forecasting techniques – and you won't need numbers.
- Forecasting with an uncertain future – without probabilities.
- The what, why and how of scenario-building – working backwards instead of forwards.
- 5 ways of mathematical forecasting - they are easy to master.
- Excel® and how it helps you forecast.

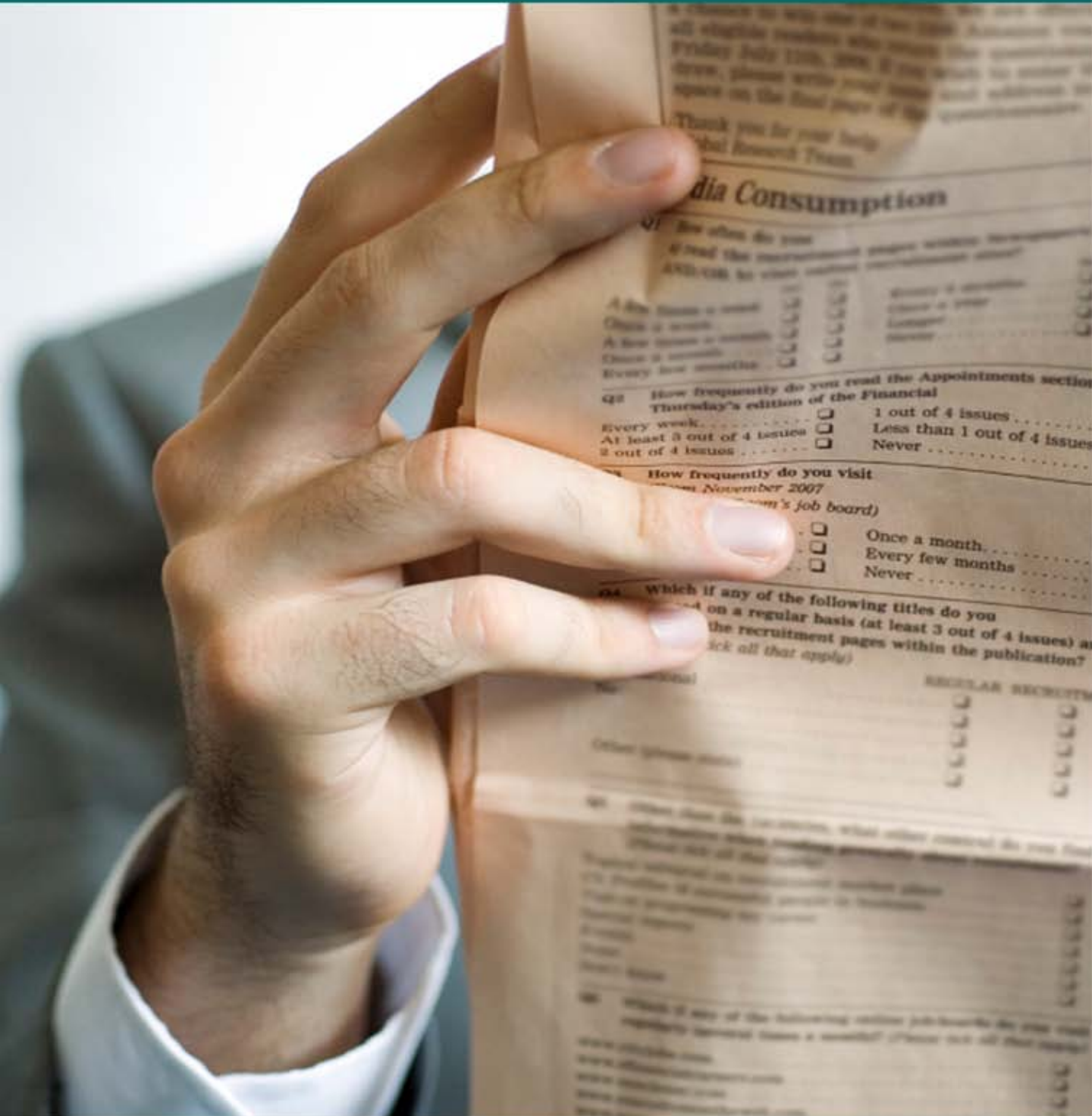
Topic 5: Tracking performance – monitor and control

- Checkpoints, milestones and a variance reporting structure – they act as your “off- budget alarm system”.
- The 2 dimensions of cybernetic control – use our guidelines to design an information system that will encourage continuous improvement.
- Determine the kind of control reports you'll want – structure them to achieve maximum effect.
- Decide how much detail your control reports should contain and what the distribution should be.
- 8 characteristics of a well-prepared budget statement – to make sure that performance is correctly reported.
- The 9 critical budget variances – what do they tell you?
- Adjust variances to reflect the budgeting inaccuracies – build the “controllability” principle into your budget system.
- 5 ways of identifying which budget variances to investigate – we'll tell you how to solve this logical conundrum.

Topic 6: Dealing with human problems – acceptance, trust, and energising

- 10 critical human problems associated with budgets – map out the pre-requisites that will help iron them out.
- Goodbye performance review, hello performance management – strengthen relationships between the budget players.
- Recognise that budget estimates will have the built-in bias of the budget holder.
- Know when budget numbers don't stack up – understand the cause, effect and remedy of budget bias.
- Understand the motivations of managers who set themselves very difficult to achieve budgets, and others who take the “easy life” approach – know how to handle both cases.
- Different budget 'slacks' impact each other - know how to uncover the problems.
- Know when to accept budget 'bias and slack'.
- Why it's important that your organisation's budget system has a written “code of procedures”.
- Build benchmarks for evaluating the efficiency and effectiveness of your budget system – and aim to continuously refine and improve it.

Reading and Using the Financial Press



SEMINAR OVERVIEW

This fast-paced, two-day seminar strips away the mystique from the world of investment and finance and provides an excellent guide to reading and understanding the financial media and the markets and events it covers. In addition to providing a simple approach to understanding the statistics and language of modern finance it will introduce participants to the art of interpreting the financial pages of the business press. The seminar will put you in a position to be able to follow and act on the price movements of a wide range of potential investments including shares, gilts, bonds, funds, currencies and derivatives. Tables of figures and reports are drawn from the *London Financial Times* and introduced throughout the seminar to accustom the participants to use and interpret the numbers and commentaries.

The seminar considers the enormous detail and depth contained in the *London Financial Times* and how it can assist corporate and private investors read and understand:

1. The fundamentals of the financial markets.
2. Money flows and the players.
3. How to interpret developments in the markets.
4. Derivatives: financial and commodities.
5. Data that the media makes available for the private investor.

The approach taken in the seminar will be practical as well as conceptual, qualitative and quantitative. The intention is that you'll be able to apply conceptual principles to practical situations at your workplace and in your life. The seminar will incorporate various solved examples and case studies taken from the Financial Times with step-by-step guidelines at appropriate intervals so that you get an opportunity to integrate practice and theory with ample chance to discuss various issues aired during the seminar. Copies of the London Financial Times will be made available in the seminar to aid the discussion and case work.

“

".... you go over and above in all....
You're a dying breed"

”



London, England



WHAT YOU WILL LEARN

You'll gain an insight of:

- The language and tools of finance.
- The role and behaviour of the key players in the finance markets.
- How to understand and keep track of all the key statistics reported by the media including developments in shares, bonds, gilts, unit trusts, foreign currency and commodities.
- How the different markets for these assets function and how information on them can be read.
- Ways in which the media reports on world, US, UK and European economies and the impact that changes in key indicators have on the financial markets.
- How to use the media to spot opportunities.

Please note. Statements made in this seminar do not constitute any form of *personal* investment advice. The statements made are given in a general sense only. The UK regulatory requirements prevent us commenting on your existing investments or giving specific *individual* advice.

WHO SHOULD ATTEND?

The course is designed for anyone who feels that they are unable to get full benefit from reading the financial press and who would gain from having more insight of the language, statistics, tables and reports which are printed on a day-to-day or longer period basis in any daily business newspaper. This could include: senior management, financial professionals, treasury managers, financial controllers, financial regulators, auditors, or individuals who are private investors seeking to know how their investments are reported.

The seminar is based on the *London Financial Times*.

“

“... all of my course colleagues felt very grateful to you indeed. Words can't express how thankful we are!”

”



Kuala Lumpur, **Malaysia**

Reading and Using the Financial Press

2-day programme

+44 (0)2071 83 63 93
seminars@tonysurridge.co.uk

IS THIS THE COURSE FOR YOU?

Can you read and interpret facts and statistics reported in the financial press? A daily table from the London Financial Times which lists the FTSE Actuaries Share Indices is shown below. What can you learn from it? Do you understand the data and can you interpret its significance? Give yourself a little test:

FTSE Actuaries Share Indices											
Produced in conjunction with the Faculty and Institute of Actuaries											
	£ 50g	Day's	Euro	£ 50g	£ 50g	Year	Actual	Cover	P/E	Total	
	Mar 12	chgr%	Index	Mar 11	Mar 10	ago	yield%		ratio	Retn	
									Xd ad.		
									ratio	Yield	
FTSE 100	4467.4	+0.5	5126.0	4445.2	4545.3	3486.9	3.21	1.85	16.85	30.99	2282.73
FTSE 250	6257.8	+1.3	7180.4	6176.9	6301.6	3820.0	2.57	1.96	19.86	19.59	3147.02
FTSE 250 ex Inv Co	6517.1	+1.4	7478.0	6428.3	6561.7	3909.4	2.61	2.04	18.77	18.39	3309.02
FTSE 350	2268.1	+0.6	2602.5	2254.3	2304.3	1715.0	3.12	1.86	17.23	14.51	2369.67
FTSE 350 ex Inv Co	2266.2	+0.6	2600.3	2252.5	2302.7	1715.3	3.13	1.87	17.05	14.54	2315.55
FTSE 350 Higher Yield	2784.0	+0.6	3194.4	2768.6	2830.8	2143.9	4.06	1.61	15.28	19.70	2619.46
FTSE 350 Lower Yield	1705.7	+0.7	1957.1	1694.3	1731.5	1267.0	2.16	2.34	19.77	9.73	1372.18
FTSE SmallCap	2654.55	-0.2	3045.93	2659.32	2700.23	1641.95	2.17	0.81	56.78	6.53	2684.53
FTSE SmallCap ex Inv Co	2688.56	---	3084.96	2689.73	2730.94	1640.87	2.30	0.77	56.61	6.30	2768.60
FTSE All-Share	2231.28	+0.6	2560.25	2218.30	2267.01	1676.62	3.08	1.84	17.65	13.96	2365.67
FTSE All-Share ex Inv Co	2228.87	+0.6	2557.48	2215.78	2264.75	1678.00	3.11	1.85	17.39	14.01	2117.23
FTSE All-Share ex Multinational	806.04	+0.6	766.55	800.97	819.52	563.23	3.25	1.79	17.21	5.53	920.79
FTSE Fledgling	2866.04	-0.3	3288.60	2875.61	2831.22	1537.85	2.58	1	1	11.11	3769.58
FTSE Fledgling ex Inv Co	3807.49	-0.1	4368.85	3811.58	3897.16	1918.29	2.06	1	1	9.28	4872.94
FTSE All-Small	1749.90	-0.2	2007.89	1753.53	1781.78	1052.20	2.24	0.24	80.001	4.75	2268.55
FTSE All-Small ex Inv Co	1884.85	-0.1	2162.74	1885.87	1916.99	1110.59	2.26	0.01	80.001	4.45	2468.77
FTSE AIM	917.0	-0.1	1052.1	918.1	934.0	545.4	0.66	1	1	0.76	875.59
FTSE Actuaries Industry Sectors											
RESOURCES(23)	5106.74	+0.2	5859.65	5097.79	5189.05	4265.30	3.11	1.86	17.28	33.88	2763.20
Mining(9)	7046.13	+2.1	8084.98	6901.28	7044.22	5016.65	2.29	2.43	18.01	71.45	2702.90
Oil & Gas(14)	5122.24	-0.5	5877.44	5147.15	5234.34	4499.93	3.40	1.72	17.04	27.67	2838.22
BASIC INDUSTRIES(54)	2542.14	+1.7	2916.93	2498.99	2545.82	1665.14	3.27	2.44	12.49	8.65	1835.59
Chemicals(11)	1989.57	+0.7	2282.91	1975.49	2016.88	1501.20	3.60	1.48	18.74	10.42	1269.42
Construction & Bld Mths(41)	2735.33	+2.2	3138.62	2677.19	2727.16	1758.52	3.31	3.13	9.64	7.56	1838.39
Forestry & Paper(1)	1801.05	---	10223.70	8910.05	9101.96	7363.70	5.42	1.49	12.39	143.18	5492.48
Steel & Other Metals(1)	1005.01	+0.6	1153.19	998.99	1005.01	96.29	0.00	---	---	0.00	709.70
GENERAL INDUSTRIALS(47)	1459.72	+1.5	1674.93	1438.16	1470.46	904.49	3.48	1.63	17.58	1.43	1052.98
Aerospace & Defence(10)	1633.22	+1.9	1874.01	1603.52	1639.79	1025.50	3.90	1.71	14.96	0.00	1273.17
Electronic & Elect Equip(13)	1733.53	+1.1	1989.12	1714.55	1769.22	1009.60	2.17	0.97	47.56	5.07	1137.91
Engineering & Machinery(24)	2023.50	+1.1	2321.84	2002.33	2039.96	1248.15	3.27	1.63	18.78	4.08	1671.30
CYCLICAL CONSUMER GOODS(15)	6116.55	+1.7	7018.34	6014.17	6177.98	3393.23	3.25	2.46	12.49	6.97	2895.80
Automobiles & Parts(9)	3910.78	+1.9	4487.36	3838.15	3942.33	2172.48	3.60	2.51	11.08	4.32	2556.29
Household Goods & Textiles(6)	4026.36	+1.0	4619.99	3984.86	4094.71	2177.13	2.05	2.16	22.60	5.10	2310.02
NON-CYCLICAL CONS GOODS(56)	5221.30	-0.1	5991.11	5225.90	5320.83	4273.26	2.99	1.94	17.23	57.48	2401.50
Beverages(5)	4131.42	-1.0	4740.53	4174.33	4198.69	3242.92	3.48	1.89	15.18	46.55	1990.21
Food Producers & Processors(14)	3395.12	-1.2	3895.67	3435.57	3457.17	2928.16	3.22	2.85	10.89	6.20	1929.48
Health(14)	3463.04	-0.2	3973.62	3470.41	3501.69	2016.26	1.29	2.52	30.68	3.07	2441.57
Personal Care & Hse Prods(3)	3989.86	-0.8	4578.10	4023.36	4035.96	2835.50	2.04	2.53	19.37	38.95	2099.16
Pharmas & Biotech(17)	7492.32	+0.9	8596.95	7423.02	7648.43	6409.60	2.74	1.77	20.65	86.11	3031.08
Tobacco(3)	11299.43	-1.6	12965.36	11487.03	11552.16	9114.53	4.33	1.48	15.63	284.21	4307.95
CYCLICAL SERVICES(206)	2892.38	+0.9	3318.81	2866.16	2925.24	1897.94	2.59	1.98	19.55	8.85	1830.35
General Retailers(44)	2033.35	+0.8	2333.13	2017.45	2055.93	1392.25	3.26	2.03	15.09	5.94	1486.42
Leisure & Hotels(31)	3503.99	+0.7	4020.60	3480.84	3567.33	2129.95	2.50	2.88	13.96	15.82	2340.01
Media & Entertainment(39)	3832.34	+1.1	4512.11	3887.71	3954.23	2454.31	1.72	1.64	36.50	8.03	1637.35
Support Services(85)	3253.08	+1.0	3732.70	3221.58	3280.90	2260.88	2.83	1.73	20.48	13.16	2404.84
Transport(27)	2250.60	+0.8	2582.41	2232.52	2299.93	1519.97	3.12	1.76	18.17	4.39	1205.50
NON-CYCLICAL SERVICES(19)	1968.37	+0.8	2258.58	1952.64	2000.46	1493.95	1.78	2.20	25.59	0.04	1180.21
Food & Drug Retailers(7)	3283.72	---	3767.85	3284.18	3357.57	2321.39	2.57	2.08	18.77	0.31	2597.16
Telecommunication Services(12)	2683.23	+1.0	3078.83	2656.16	2722.70	2072.57	1.57	2.25	28.23	0.00	1403.93
UTILITIES(13)	5494.29	-0.7	6009.47	5518.39	5578.30	2974.29	4.69	1.68	12.69	17.97	2113.48
Electricity(4)	3311.42	---	3799.64	3310.38	3365.34	2840.49	5.03	1.72	11.53	43.97	2526.15
Utilities Other(9)	3502.83	-1.0	4019.27	3538.42	3599.10	2923.69	4.54	1.66	13.29	5.12	2103.73
INFORMATION TECHNOLOGY(43)	455.07	+2.1	522.17	445.66	458.78	244.47	0.93	0.36	80.001	1.03	479.08
Information Tech Hardware(13)	495.70	+1.6	568.79	488.04	504.73	212.76	0.09	1	1	0.06	516.95
Software & Computer Services(30)	523.66	+2.4	600.86	511.55	525.47	304.44	1.32	1.91	39.61	1.71	951.57
NON FINANCIALS(476)	2151.42	+0.5	2468.62	2141.12	2183.92	1633.74	2.82	1.94	18.27	11.59	2024.59
FINANCIALS(217)	5165.72	+0.8	5927.33	5122.54	5260.07	3777.95	3.74	1.64	16.30	43.51	2896.32
Banks(11)	8678.09	+0.7	9957.55	8621.74	8844.93	6647.99	4.16	1.70	14.16	100.79	3744.04
Insurance(17)	1031.90	+1.8	1184.03	1013.43	1084.32	811.54	2.91	1	1	1.10	1034.71
Life Assurance(7)	4017.65	+1.8	4609.99	3947.11	4118.34	2618.27	4.21	1.70	13.95	0.00	2208.12
Investment Companies(121)	3563.86	+0.4	4089.30	3550.65	3608.64	2479.94	2.04	1.12	43.86	16.32	1451.12
Real Estate(33)	2661.37	+1.4	3053.75	2624.17	2659.25	1673.87	2.41	1.35	30.65	3.96	2035.39
Speciality & Other Finance(28)	4095.62	+1.2	4699.45	4045.32	4156.21	2511.22	2.59	2.09	18.43	6.53	2864.35

Further information is available on <http://www.ftse.com>. © FTSE International Limited 2004. All Rights reserved. 'FTSE', 'FT-SE' and 'Footsie' are trade marks of the London Stock Exchange and The Financial Times and are used by FTSE International under license. 1 Sector P/E ratios greater than 80 and net covers greater than 30 are not shown. 2 Values are negative. Deletions: Safeway (FTSE 100). Promotions: Antofagasta (FTSE 250 to FTSE 100), Paladin Resources (SmallCap to FTSE 250).

Are you unsure? Bemused? Intrigued? Uncertain? Concerned? Then you should join the Tony Surridge's 2-day seminar 'Reading and Using the Financial Press'.

2-day programme

2-DAY PROGRAMME OUTLINE

Topic 1: The fundamentals

- The financial markets – rumours, tips, gossip, speculation, temporary enthusiasms and damaging panics – it's in the press.
- The dynamics of two forces – which together create the financial players.
- Markets, interest rates and the opportunity cost of capital.
- Market hypothesis – the characteristics of a semi-strong market.
- The irrationality of the markets.

Topic 2: Money flows and the players

- The investors: How can investors use the *FT*?
 - Assets – and their different shapes.
 - The risk-return balance.
 - The dynamics of time and liquidity.
 - Hedging risk and speculation.
 - An investor's diversified portfolio.
 - Using the *FT*.
- The financial intermediaries- we examine the facts and statistics provided by the *FT* and their value:
 - What is the City of London? We look at the 8 main players making up the City.
 - High-street banks – the money multiplier and why banks are highly geared – what it means for business.
 - Investment banks – the three areas in which the Financial Times (*FT*) ranks their performance.
 - Money-market trusts and banks – the *FT's* daily table listing the money market bank accounts.
 - The LIBOR – Sterling LIBOR a better measure of swings than bank base rates – the *FT* reports daily on LIBOR, Interbank fixing, CDs, EONIA, EURONIA, International money rates and the US Federal Funds rate.
 - The open-market operations of the central bank (we use the Bank of England [BOE] to illustrate).
 - Main instruments used in the money market – and how they are reported.
- The companies – we look at the information provided by the *FT* and its uses:
 - Financial statements – and their application
 - Company financial news – the *FT* reports day-to-day events and annual statistics.
 - Company results – the *FT's* Saturday edition looks back one week and forward one week with detailed tables.
 - Dividends – on Monday the *FT* looks at the week forward.
 - Bids and mergers – *FT's* Saturday edition gives a detailed table looking back a week.
- Governments: the *FT* provides essential information about this fourth player:
 - Fiscal policy.
 - Open-market activities including the use of treasury bills.
 - Balancing the budget.
 - Money supply policy.
 - The political business cycle.

Continued Below...

2-DAY PROGRAMME OUTLINE (Continued)

Topic 3: Interpreting the markets

- Stock and shares: the UK equity markets:
 - the **FT's** 'London share service' – what information is provided.
 - **FT's** reports and tables on news issue: IPOs and Rights Issues.
 - Details of directors' dealings – and ways that this information can be used to great effect.
- **FT** indices – what they are and how they're used.
- **FTSE** Actuaries share indices – how to read and use them.
- European equities:
 - **FTSE** Eurotop indices – and what they tell you.
- US markets:
 - NYSE and Nasdaq – the information provided by the **FT** and how it can be analysed.
 - Dow Jones indices and the US indices reported by the **FT**.
- The **FTSE** All-World index series.
- Bonds and gilts – the **FT** reports:
 - New international issues.
 - Price, yield, spread, etc. on the secondary market for international bonds and US corporate bonds.
 - Euro-zone bonds.
 - Riskgrade volatility.
 - Government bonds – The **FT's** benchmark bonds and spreads, also its reporting on conventional, index-linked, undated, gilt strips, fixed interest, high-yield and emerging market bonds.
- Financial investigation and scrutiny - how its done:
 - Fundamental analysis – what it is and techniques.
 - Technical analysis – what it is and techniques including: price trend analysis, trend lines, support and resistance, role changing, chart patterns.
 - Bullish/bearish – using the signals.

“

“... thank you for your dedication in making sure we acquire the required knowledge ...”

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London, England

Management of Working Capital



SEMINAR OVERVIEW

Working capital represents the amount of day-by-day operating liquidity available to your business. It is the funds that your company has invested in its cash, accounts receivable, inventory, and other current assets. We usually refer to it as net working capital, that is, current assets minus current liabilities. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital. The working capital of your company finances the cash conversion cycle of its business, that is, the length of time it takes to convert your raw materials into finished goods, your finished goods into sales, and your accounts receivable into cash.

All organisations have to carry working capital in one form or another. A trading company will use inventories while debtors, mainly in the form of accounts receivable, are characteristic of a company which sells on credit. Cash is used to conduct all business transactions and although a company can be endowed with assets and profitability, it can be short, sometimes dangerously short, of liquidity if these assets cannot readily be converted into cash. Many of the working capital investments will be short term and on an individual basis, for example an item of inventory will be used in production in a few days, or a debt will be collected soon. The investment in working capital, paradoxically, will be long term since inventories will constantly need replenishing, and new sales will create additional debtors, and so on. Working capital is a relatively abstract idea – you cannot borrow it or spend it - it simply exists as a metric or 'net' concept.

The management of working capital, then, involves managing inventories, accounts receivable and payable, and cash and the efficient management of working capital is vital from the viewpoint of both liquidity and profitability. Poor management of working capital means that funds are unnecessarily tied up in "idle" (non-earning) assets hence reducing liquidity and also reducing the ability of a company to invest in productive assets such as new technology, so affecting profitability. The goal of working capital management is to ensure that a company is able to continue its operations and that it has sufficient funds to satisfy both maturing short-term debt and upcoming operational expenses.

This intensive, comprehensive 3-day seminar shows you what you need to know to meet the challenges of managing working capital effectively and competitively into today's business environment. Management that is critical to your organisation's performance and your own career progression.

The seminar covers 6 important areas of working capital management:

1. The nature, elements and importance of working capital.
2. Credit management.
3. Management of inventories.
4. Management of payables.
5. Cash management.
6. Determining working capital needs and funding strategies.

WHAT YOU WILL LEARN

These intensive and fast-paced three days of training present the best information available on how to manage working capital - so critical to your organisation's bottom-line success. Learn the latest and best strategies for turning inventory, speeding up collections, stretching payments and generally improving cash flow, and much more. In this seminar you'll learn:

- How to work with management to eliminate excess inventory problems.
- How to spot not-so-obvious opportunities to reduce inventory costs.
- Strategies for speeding up your receivables and inventory turnaround.
- How to accelerate the collection of remittances and improve control of your payments.
- Ways to forecast cash flows and present cash budgets.
- How to analyse the cash budget to improve your cash position.
- How to successfully invest your "idle" funds in short-term money-market instruments.
- How to overcome a deficiency of cash – and avoiding "cash out" .
- And much, much more.

WHO SHOULD ATTEND?

- Accountants, cost professionals and financial planners who have specialist interests in treasury management.
- Executives or other personnel with responsibility for aspects of working capital management and control.
- Any manager or executive in whatever functional area, project team-leader, facilitator or member of the finance team who wants an incisive understanding of working capital investment: how it can be planned, controlled and funded.
- For those managers, executives or personnel with little or no background in finance wanting to gain understanding in working capital investment and associated management problems.
- For those managers, executives or personnel promoted or recruited to an area which includes responsibility for working capital elements and who need to gain knowledge in the management work involved.

“

"Just to say thanks for the great job you've done"

”



London, England

IS THIS THE COURSE FOR YOU?

Do you know enough about working capital management?

This small test represents a *rapid review* of your working-capital management knowledge. Please just state *True or False*.

1. Working capital management concerns decisions about all your company's assets.
2. Net working capital equals working capital less current liabilities.
3. Net working capital is that proportion of your company's current assets financed with interest-bearing funds.
4. Working capital management uses only a small portion of the financial controller's time.
5. Liquidity is the ability to convert an asset into cash with or without significant loss.
6. The goal of working capital management is to maintain the optimal level of net working capital.
7. The greater the stability of cash flows, the higher the requirement for net working capital.
8. Lengthening the cash conversion cycle increases your company's required level of working capital.
9. Technical insolvency is the inability of your company to pay its obligations as they come due.
10. A higher level of working capital increases your company's profitability.
11. The goal of *accounts payable management* is to maximise sales by controlling your company's credit policy.
12. Trade credit represent funds which your company extends to other firms.
13. Tightening credit policy will decrease the investment in accounts receivable.
14. Credit terms of 2/10, net 30 means a 10 percent discount for cash on delivery and a 2 percent discount for payment within 30 days.
15. Lengthening the credit period you grant customers is likely to reduce sales.
16. Work-in-progress inventories generally increase as the production cycle lengthens.
17. The optimal level of inventory is the level which minimises carrying (or holding) costs.
18. Summing carrying costs plus ordering costs at different inventory levels produces a U-shaped total cost curve.
19. The economic order quantity (EOQ) increases directly with usage per period.
20. The EOQ changes inversely with ordering costs per order.

If you feel that even a few of these questions - which we have deliberately pitched at a relatively simple level - cause you uncertainty then this seminar will be a high career enhancing investment for you. **Our seminar is geared to a higher level of knowledge than presented by these 20 questions.**

3-DAY PROGRAMME OUTLINE

Topic 1: The nature, elements and importance of working capital

- Understanding working capital: What is it?
- The three vital roles of working capital management.
- How can we monitor it?
- Conflicting objectives – liquidity versus profitability.
- Why too much working capital is bad and too little may be disastrous?
- Dealing with the conflicting motives of executives within your organisation.
- Cash conversion cycle – how long do you wait to get your operating expenses back.
- Reverse the conversion cycle – and boost your bottom line.

Topic 2: Credit management

- 2 main types of credit - revolving and promissory note.
- Credit risk – and setting your credit strategies.
- Optimism bias – know the adverse affects of this systematic tendency.
- Covenants – affirmative and negative.
- Default:
 - debt service default - common
 - technical default - rare
- The role of credit management.
- Vetting credit application:
 - credit analysis – the main techniques
 - credit bureau versus credit rating agency
 - 5 factors that a credit bureau considers when fixing a credit rating
 - 5 serious criticisms of credit rating agencies
 - credit rating – What does it tell you?
 - short-term rating and when to use it
 - the use of credit scorecards – a numerical expression of the creditworthiness of your customer
 - score facts using the FICO model – 4 vital weighted components making up the score
 - the use of credit references – what they tell you, and what they don't
 - the use of ratios including DSCR.
- Getting your money in - 10 actions you can take to deal with slow-paying customers.
- Control of “open accounts” – keeping track of invoices and the granting of revolving credit.
- 10 types of discounts – including ROG, EOM and X-dating.
- Evaluating an early settlement discount proposal – should you give the discount?
 - the simple case.
 - the complex case - where your market is elastic and you have multi-period collection patterns.

Continued Below...

3-DAY PROGRAMME OUTLINE (Continued)

Topic 2: Credit management (continued)

- Factoring – the main services available.
 - Credit control service – how it works – the benefits to you and your organisation.
 - Factoring your debts – why is factoring better than an overdraft?
 - Confidential invoice discounting.
 - Recourse factoring versus non-recourse factoring.
 - 8 strong benefits of factoring your invoices – but also take account of the 7 disadvantages.
 - Is your business suitable for factoring?
 - Invoice discounting – an alternative way of drawing money against your invoices.
 - Costs of factoring and invoice discounting.
- Overseas credit management:
 - Export factoring:
 - Account receivable factoring – provides immediate cash against an export invoice.
 - Purchase order financing (POF) – a short-term solution to finance your pre-export working capital.
 - Forfait financing.
 - Obtaining term finance for your overseas buyers.
 - Letters of credit financing - and documentary credits.
 - Bills of Exchange.
 - The services of confirming houses.

Topic 3: Management of inventories

- Carrying costs and acquisition costs – the tension between them.
- The EOQ model – and evaluating a bulk-discount offer.
- Materials resource planning (MRP) and Manufacturing resources planning (MRP 11) – still widely used.
- Vendor-managed inventory – and virtual supply-chain systems.
- Scan-based trading – and its implication on your inventory levels.
- Consignment stock – what is it?
- Kanban – and its influence in JIT inventory systems – and the rise of e-kanban.
- TOC and the use of OPT – as a way of increasing throughput but reducing your inventory levels.
- But, JIT goes beyond inventory management – it can give your company 2 other vital benefits.
- CONWIP – a single-stage Kanban.
- A focus on reducing your new old stock.
- The danger from having ‘phantom inventory’.
- Measuring the efficiency of your inventory – the use of common ratios including GMRO11.

Continued Below...

3-DAY PROGRAMME OUTLINE (Continued)

Topic 4: Management of payables

- The three main types of trade credit available to your organisation.
- 8 probable adverse effects of delaying your payments to suppliers beyond agreed times.
- Control the duplicate invoice – the second one may not be caught!
- Taking discount for early payment – is it worth it? We'll look at the calculations.
- E-procurement – what is it?
 - 7 strong benefits of using e-procurement.
 - risks and impacts of your e-procurement system.
 - 6 common types of e-procurement information system.
 - the growth in web-enabled e-procurement.
 - the use of reverse-auctions.
- Incoterms: The language and terms PO, CI, PFI, FOB, CIF, MOO, MAP, Force majeure, and more.
- Import factoring – financing your import trade:
 - accounts receivable factoring
 - asset-based line of credit financing
 - inventory financing
 - purchase order financing (POF)
 - equipment leasing
 - letters of credit financing.

Topic 5: Cash management

- Cash is a vital asset with no earning power – it's part of the net working capital equation.
- Overview of a company's liquidity flow - ins and outs.
- The 4 vital parts of cash management.
- Cash conversion cycle – how long to get your operating expenses back.
- 6 vital steps when forecasting cash – this is bedrock knowledge!
- Uncertainty as it exists in the business world – identify and manage.
- Flexed cash models - use different interest rates and risk measures.
- Cash estimate/budget in presented form:
 - receipts and payments model
 - cash-flow statement.
- Diagnosis of top line, middle lines and bottom line – it's surprising what you find!
- Liquidity versus profitability – find the optimum cash level.
- Pooling cash.
- 6 ways of dealing with excess "idle cash".
- 9 things to know before you invest "surplus cash" in the money market – think before you jump!
- Overcoming cash shortages – internal and external, short and long run.
- Spreadsheets – and their use in cash budgeting.

Topic 6: Determining working capital needs and funding strategies

- The distinction between permanent and fluctuating working capital – what it means for your organisation.
- The relative cost and risk of short-term and long-term finance – what is the right balance for you?
- The relative costs and benefits to your organisation of adopting: conservative, moderate or aggressive working capital funding policies.

Note: There is duplication in this seminar and the **Tony Surridge Seminar: Cash Management**. Both seminars deal with the aspect of cash management in similar ways.

Role and Work of the Financial Controller



Role and Work of the Financial Controller

+44 (0)2071 83 63 93
seminars@tonysurridge.co.uk

2-day programme

SEMINAR OVERVIEW

In the back-rooms of almost every successful, growing enterprise, there's a strong, skilled, persuasive, and highly respected financial manager who is helping the organisation by providing not only scrupulously accurate financial information but also detailed interpretation, thoughtful analysis and clear perspective. Evidence shows that those organisations which include their controllers in decision making and planning have better bottom-line results than those who don't.

Increasingly, the tendency is for controllers to work side by side with senior management and play an indispensable supporting role - that of a trusted advisor who can provide valuable financial insight when it comes to solving critical decision problems.

Yet, the work of financial controllers is much more extensive and they are faced with multiple day-to-day events and responsibilities that fall to them to handle: accounting, monitoring results, planning and budgeting, internal controls, asset management, financial and tax reporting, short-term cash fluctuations, information security, and administrative issues... not to mention keeping abreast with FSA regulations... figuring out how to control the relentless progress and pressures of e-business related involvement... overseeing the work of their employees... dealing with on-going trouble-shooting situations... and constantly auditing and redesigning systems that promise, and deliver the value-for-money their companies demand.

Attend this information-packed seminar and you'll go back to work armed with lots of ideas and top-notch ways of handling even the most daunting of challenges faced by any financial controller.

The seminar answers the five essential 'hows' of today's financial controller:

1. How to wear all your controller hats successfully – and create a powerful control environment.
2. How to build relationships – and break the “communication barrier” with colleagues who are “non-numbers” people.
3. How to tighten controls and protect your organisation's profits and assets – and boost your bottom line.
4. How the technical aspects of the Controller's job work – the ‘tricks of trade’.
5. How to manage the modern infrastructure – and take control of the “new world” technology.

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"I would like to thank you for your help and guidance"

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Francistown, **Botswana**

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WHAT YOU WILL LEARN

In this unique two-day course you'll learn a wealth of high-performance techniques, proven and practical ideas and profit-boosting strategies that will make for strong teamwork, increase your professional effectiveness and enable you to enjoy new standing and esteem as a trusted financial adviser and guru. For example, you'll return to your office knowing how to:

- Appreciate what your CEO *really* needs – and be able to redefine your own role accordingly.
- Contribute strongly to the financial strategy of your organisation.
- Identify specific actions you can take that instantly creates value for your organisation.
- Move from “being a bean counter” to become a highly respected proactive internal financial consultant.
- Explain financial information in ways that non-financial managers can easily understand, come to terms with, and use.
- Develop strategies for more constructive and effective control over projects and process re-design schemes.
- Devise ways of working with executives in your organisation to reduce excess “idle” working capital investment.
- Report last-period results more quickly and with forceful impact.
- Implement strong and secure information processing systems.
- Select the best control solutions for e-business, e-commerce, e-marketing, e-procurement and e-CRM – and help boost your organisation's bottom line.
- And there's much more!

WHO SHOULD ATTEND?

- Corporate, division and plant controllers.
- Newly appointed controllers.
- Accountants, cost professionals and financial planners.
- Executives or other personnel with responsibility for financial management and control.
- Managers or executives - in whatever functional area: project team-leader, facilitator or member of the finance team - who want an insight into financial control practices and principles.

IS THIS THE COURSE FOR YOU?

How would you deal with these controller nightmares?

1. It's early December and year-end is weeks away. Your senior managers are unhappy because the bonus target will not be reached. They're insisting that you massage the figures to reflect an acceptable level of profit. The intended manipulation will not benefit other stakeholders, in fact the company's performance will be disadvantaged over the next two years because of it. You, also are a participant in the bonus sharing scheme. What would you do?
2. It's Friday afternoon and your boss informs you that an extremely important contract is in jeopardy unless you can provide information required for a last-minute meeting scheduled for Monday afternoon. What can you do to get critically important information, on time, from managers who don't seem tuned-in to the emergency?
3. You suspect that the manager responsible for purchasing is taking large kickbacks. Top management want you to get to the bottom of it – and fix it. What approach will you take in this extremely sensitive and even explosive situation?
4. The external auditors are due to arrive in a few days and the draft accounts are nowhere near complete. Key staff involved in the work are down with a flu epidemic. The work-load is too big for you to handle, and anyway you have "hundreds" of other problems piling up. What do you do?
5. The word's finally out – the rumoured merger is going to take place. There will be a shakedown when the two finance departments combine and redundancies are now clearly signposted. What will you do to protect your company's interest over the volatile merger period, and how can you show that you are the best person for the merged company's finance team?
6. You're browsing a file of one of your budget-officers when you run across evidence that a significantly important investment project, currently marked up as "within budget targets", is in fact over-spent and suffering from severe slippage. How will you deal with the person who was withholding this information? How will you confront the project leader? How will you break the news to senior management? And how will you steer clear of the flak?

Continued Below...

Role and Work of the Financial Controller

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2-day programme

IS THIS THE COURSE FOR YOU? (Continued)

7. You are new in position and an important supplier informs you that they are extremely unhappy with your company's payment record. They point out that you've not been meeting the agreed terms and conditions over a long period of time, despite their attempts to have the situation rectified. They are thinking of removing your open-account and placing you on a 'promissory note' status. You pull out the files from the desk of the Account's Payable clerk to find a pile of unrecorded supplier's invoices – in fact there's over a hundred thousand pounds worth of severely past-due payables for your company. How will you deal with the clerk responsible? How will you break the news to management? What would you do to get back in the good books of the supplier?
8. You are at war with your marketing head. Marketing want to hold high levels of "completed goods" and also offer generous credit terms which are at odds with the industrial norm. Your company is running a substantial bank overdraft and simple calculations show that the cost of the extra credit is exorbitantly high and does not add value. What do you do to overcome the resistance of marketing management and bring the inventory and credit lead times on to even keel?

Such problems can be part and parcel of the daily life of the financial controller!

Do you need more guidance? Then bring your calculator and join the Tony Surridge seminar: 'Role and Work of the Financial Controller'.

“
... thank you for
giving an interest
in the subject,
which you made
come alive and
absorbing.”

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2-day programme

2-DAY PROGRAMME OUTLINE

Topic 1: Wear all your controller hats successfully – create a powerful control environment

- Understand the full role of today's financial controller – we'll write an expanded job description.
- Take account of the strong part personality plays in financial leadership - it's hard to ignore.
- Appreciate what CEOs really *need* from their financial controllers – and it's not just more reports!
- Know how to redefine your image from bothersome "numbers counter" to respected "future-oriented service provider".
- Understand your place, as controller, in your organisation - how your office functions and the relationships you have with colleagues.
- Find out how to make a much greater contribution to your organisation's financial strategy – size up the "big shoes" you have to fill.
- Find ways of going beyond historical, routinely run, reports – be innovative and drive a "one-time-only, tomorrow focused" reporting regime.
- Review the various issues facing today's financial controllers.

Topic 2: Build relationships – and break the "communication barrier" with colleagues who are "non-numbers" people

- Avoid the trap of "being an accountant" – become a revered "team player".
- Close the "language gap" between you and your non-financial colleagues.
- Know how to respectfully "put the brakes on a plan" – without hurting feelings and creating deep resentment.
- Understand the value of following through a report – don't just simply hand it over!
- Anticipate the needs of executives and generate the data they'll want – before they ask.
- Remember, numbers look good, but do they give the complete picture? We'll give hard-won advice on how to win confidence and change deep-seated positions.
- Present information without too much detail – there's one effective way of doing it.
- How to ask tough questions about unacceptable results.
- Know the rules for getting your story across to time-pressed executives.
- Be a guide dog, not a blood-hound - a devil's advocate without accusing – keep score without criticising.
- Avoid the 6 "traps" of hurting your credibility.

Topic 3: Tighten controls and protect your organisation's profits and assets – and boost your bottom line

- Establish a rock-strong system of internal controls.
- Know the key operating areas that must be monitored - continuously.
- Work with executives to reduce excess working capital investment:
 - strategies for increasing your inventory turn,
 - strategies for reducing collectibles and speeding up your receivables,
 - strategies for stretching payables without aggravating your suppliers.
- Things to look for - as your organisation's cash flow "watch dog".
- How to spot not-so-obvious opportunities to lift your profits.
- Know powerful reasons for becoming a profit centre – and see how you can "market" your services.

Continued Below...

2-day programme

2-DAY PROGRAMME OUTLINE (Continued)

Topic 4: Technical aspects of the Controller's job – know your 'tricks of trade'

- Understand 8 essential attributes of an effective reporting system – and how to create good reports.
- Identify and be able to manage the different types of audits – and the auditing processes.
- Understand the corporate strategy development cycle – and the controller's part in it.
- Be aware of how an effective capital budgeting system works – and its place in strategy development.
- Know the essence of 'responsibility accounting' – and the distinct controls required for "top-down" versus "bottom-up" budget systems.
- Know how to evaluate shareholder expectations – including the implications of "stakeholder consensus".
- Understand the substantial control problems brought on by project work and process re-development – and know how to develop the right iron-clad control system.

Topic 5: Manage the modern infrastructure – take control of the "new world" technology

- E-business strategy, e-procurement, e-commerce, e-marketing, e-CRM, change management – without control it's "every- way, any- way".
- Design for analysis (DFA) - setting up the right measures for website improvement.
- Set up strong performance drivers for your e-business and e-commerce strategies.
- Know the 5 essential diagnostic categories for e-marketing measurement - you need key metrics in each.
- Use the 4 vital tools and techniques for collecting e-marketing metrics and putting them to use.
- Select appropriate web analytics tools – there are hundreds to choose from.
- Create a measurement plan for the B2B company – we have suggestions.
- Develop a worksheet for calculating return on investment for an e-commerce site – we have a template.
- Understand the management issues of the e-business infrastructure – particularly ERP applications.
- Baseline your re-engineering and re-design projects – financial control is essential.
- Drill down on Internet security and control.

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"I must say you take pride in delivering your lectures. I'm impressed..."

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London, England

What is In-house training?

The **Tony Surridge In-house Training Service** aims to meet the specific training requirements and strategy of individual organisations. An important part of our work consists of developing and delivering bespoke programmes for organisations in which a group of employees are involved in learning the same concepts, principles or practices, and where a tailor-made training approach would provide cost-effective training.

The training typically takes place within a client's premises giving the specialists at Tony Surridge the opportunity to relate areas of training to the specific work of the participants and to orientate within their own working environment. The international nature of **Tony Surridge's In-house Training** involvement enables our teaching experts to pool and apply knowledge and relate problems from a wide gamut of different organisations and situations and thus match training techniques more precisely to particular needs.

In-house training will normally only be cost effective for an organisation if there is a sufficient number of staff participating. In the cases of one person, or small groups of people, the **public** courses outlined in this brochure and on our website (www.tonysurridge.co.uk/seminars) will provide an extremely effective training alternative.

What is involved?

The methods employed depend on the nature of the training commitment and scope of Tony Surridge's In-house involvement. Typically, our starting point is a close survey and critical analysis of your business in order that we obtain an informative and balanced overview of your organisation, its goals, stakeholders and functional components. We may find it necessary to investigate in some depth your product-market scope and strategic structure, the internal management systems in play and the techniques adopted by your organisation.

Once we have identified and agreed the training objectives the next stage is to develop a teaching package that best suits your organisation. Consultation and discussion with you at all stages is of central importance during this pre-training work.

What are the benefits of In-house training?

The foremost benefits obtained from In-house training are **versatility** and **flexibility**. The teaching system is **versatile** in terms of objectives and constraints, and **flexible** with regard to location and timing.

The benefits for you would be that Tony Surridge's In-house training packages:

- are tailored to meet the **specific needs** of your organisation
- relate to the **particular working policies and practices** of your organisation
- are held on **dates** agreed by you
- are held in **actual work locations** or in venues suitable for you
- are delivered so that the **level and style of teaching** is pertinent to the nature and type of your staff
- provide you a **cost effective** method of training staff *en bloc* for new policies or changed methods.

Any of the public seminars outlined in this brochure is available for In-house adaptation. Alternatively, Tony Surridge's In-house service is able to develop bespoke teaching packages to suit many different needs.

For further details please contact us: seminars@tonysurridge.co.uk or call +44(0) 2071 83 63 93