BUSINESSTODAY

Building Real Business Understanding

MANAGING BUSINESS TODAY

"We really need to move stock, but our margins are under pressure. Do we take a knock on G.P's but bring down working capital?" A typical conversation during the *Managing Business Today* course.

Managing Business Today is a board-based simulation which enables all levels of management to improve their contribution to the financial performance of the business as well as achieve individual goals. The programme takes the mystery out of finance and helps managers to understand the many inter-relationships that exist within a business and to identify and evaluate the many trade-offs involved.

The simulation involves teams of participants who manage their own company, and compete with other teams for market share. Following a realistic business process participants make all the decisions involved in their operations, such as investing in market research, developing new markets, recruiting and training staff, investing in capex, purchasing raw materials, product development, tendering for sales and various funding decisions. Teams run a number of business cycles, and after each cycle they have to draft and analyse the financial records of their business.

The simulation gives participants the opportunity to face a range of issues which they would typically confront during business operations, such as;

- managing working capital
- the trade-offs involved in business operations
- analysing financial statements to uncover problems and opportunities for improvement
- the financial implications of decisions

Throughout the programme the learnings in the simulation are related to the participants' actual working situation. The accounting documents used in the simulation are customised to use your own company's financial terminology and formats.

Managing Business Today enables managers to discover how they personally can influence the performance of the business through their everyday activities and decisions they make. This understanding helps managers transcend traditional notions about functional barriers and ultimately leads to improved decision making and problem solving, and therefore improved company performance.

LEARNING OUTCOMES

- Draft Income Statements, Balance Sheets and Cash Flow Statements using a given format.
- Identify and measure the drivers of business performance and analyse the impact of actions on business performance, such as Shareholder Value and ROCE.
- Identify and analyse market opportunities and implement market strategies.
- Analyse Income Statements using diagnostic tools such as vertical and horizontal trend analysis, financial ratios and benchmarking.
- Analyse Balance Sheets using diagnostic tools such as solvency ratios, liquidity ratios, return on investment measures, cash flow, benchmarking and external standards.
- Analyse cash flow statements using diagnostic tools such as operational cash flow, cash generation, investment cash flow and working capital.
- Prepare revenue and cost budgets, including analysing and understanding the different drivers of revenue and cost budgets.
- Report on actual results compared to budgets, conduct variance analyses and develop strategies for managing budgets.
- Differentiate between types of costs according to behaviour (fixed and variable), allocate costs and conduct breakeven analysis.
- Make decisions, implement those decisions and assess the results within the broader business context in terms of cross functional dependencies, allocation and utilisation of limited resources, competitor activity and business performance.

Delegates negotiating with the raw material supplier (trainer Leon Schelhase from Business Today) for better prices and delivery during a *Managing Business Today* programme.