



Why Finance Matters™

AUDIENCE

Any manager or knowledge worker who needs to better understand the financial impacts of their everyday decisions. Also appropriate for leadership development programs, executive-level case studies, and strategic simulations.

Transform finance from a “foreign language” into a competitive advantage

Program Benefits

Why Finance Matters™, from SMG (a BTS Company), is an interactive, web-based financial acumen learning solution. Even individuals who have found finance to be a “foreign language” in the past discover that *Why Finance Matters* gives them the understanding they need to make sound financial decisions that drive bottom-line results. Engaging, easy to understand, and easy to apply to your current business environment, the program combines a comprehensive list of hot topics—from ROI to Sarbanes Oxley—with cutting-edge multimedia delivery. The result is a powerful financial acumen learning experience that helps leaders, managers, supervisors, and individual performers across your organization develop the skills they need to execute strategy more effectively. Just a few of the benefits include:

- For leaders and managers: equips those managing toward strategic goals with the financial know-how to develop effective business plans and budgets, and make decisions that contribute to your organization’s bottom line
- For policymakers: ensures that professionals charged with investing in new products and making key technology and infrastructure commitments have the analytic tools they need to ensure your organization and its shareholders receive an acceptable return
- For sales team members: among numerous benefits, gives salespeople the ability to cost-justify proposals based on an intimate understanding of prospects’ and clients’ financial situations
- For supervisors and individual performers: helps employees understand how to optimize the way they manage inventories, collect receivables, process transactions, extend credit, and make other financial decisions that will improve cash flow and return on sales

Program Description

In 11 web-based learning modules, *Why Finance Matters* addresses virtually every important business finance topic—from understanding income statements and balance sheets, to calculating return on investment, to constructing “what if” sensitivity work-ups. The program engages participants by delivering learning in a story setting complete with colorful characters and full-motion video. The modular format of *Why Finance Matters* allows learners to choose and learn specific modules as needed, as well as update their skills on a regular basis. All of the case examples are easy for learners to grasp and apply to their own work environment. The 11 learning modules are:

1. **Introduction**—who employees ultimately work for in any organization, what shareholders expect and why meeting those expectations is crucial, the role of finance in any organization
2. **The Cash Cycle**—the difference between profit and cash, activities in cash flow cycle phases, sources of capital and their associated risks and expectations, working capital components and the factors that influence them, how business decisions can impact the cash cycle

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3. **Types of Financial Reporting**—the three types of financial reporting (external, internal, and tax), who uses them, how information is organized for each type of reporting
4. **The Balance Sheet**—purpose and structure, key components, location of key line items, how operating decisions impact the balance sheet
5. **The Income Statement**—purpose, structure, and key components of the income statement; location of key line items; how operating decisions impact the income statement
6. **The Cash Flow Statement**—purpose and structure, key components, tracking cash inflows and outflows, difference between the GAAP cash flow statement and free cash flow
7. **Financial Statement Analysis**—benefits of financial statement analysis; employing key ratios to assess efficiency, profitability, and capital management; components of the return on capital ratio (ROI); comparing financial performance between companies
8. **Cost of Capital**—what “cost of capital” means, risks and expectations of leaders and shareholders
9. **Economic Value Added**—components, why measure EVA, how to improve your EVA equation
10. **Investment Analysis**—developing an investment proposal, steps involved in the analysis process, components of a discounted cash flow analysis, how net present value (NPV) is used in evaluating investment proposals, how to perform a sensitivity analysis of key assumptions, how to calculate NPV of economic value added
11. **Creating Shareholder Value**—the relationship between stock price and investor expectations, how value is created for shareholders and how it can be quantified, value drivers that employees can affect in order to impact shareholder value

Why Finance Matters also includes:

- 36 drill-down opportunities to learn more about key financial topics such as accelerated depreciation, net present value, and free cash flow
- a glossary providing lucid definitions of 195 essential financial terms and concepts
- a case study repository showing how leading firms have skillfully employed financial best practices to enhance performance and shareholder value (firms include Quaker Oats, IBM, Target, Wal-Mart, CSX Corp, Southwest Airlines, Hermann Enterprises)

Implementation

Why Finance Matters is completely web-based; there is no software to load or any technology compatibility issues to consider. Secure administrator privileges are included, which make monitoring course participation and test results easy. The modules may be completed in order, or accessed as needed to address specific business finance challenges. Because the program is totally modular and available to learners 24/7, it is easily incorporated as a prerequisite, as a just-in-time learning adjunct, or as a stand-alone course. Modules can be customized to include your organization's financials, as well as terminology and key performance ratios specific to your industry, your customers, and your competition.