



Fundamentals of Finance

Develop your finance acumen to reach sounder business decisions and explore how organizations create value. This finance-oriented business simulation helps participants understand the financial impact of decisions, why and how they can monitor business performance.

What do participants do?

In a competitive environment, teams of participants lead a 2-product portfolio, each at a different stage of its lifecycle and targeted at a different consumer segment.

The goal of the game will be for participants to:

- **Capture markets potential** with a unique positioning that caters to their customers' profile;
- **Design a strategy through the eyes of a CFO:** define, plan and monitor financial KPIs to identify the best choices for their business, while allocating resources accordingly;
- **Find an optimal balance** between cash, profitability and market leadership, with their strategy in mind.

Decisions will be made in terms of production volume; pricing; budgets for R&D, Sales and Marketing efforts; payment terms for customers and suppliers; and facility production capacity.

Participants will explore fundamental elements of corporate finance, such as:

- **Income statement**
 - The different levels of profitability
 - Break even analysis : operational leverage
- **Cash Flow Statement**
 - The different categories of cash
 - Cash flow analysis
- **Balance Sheet & Economical Balance Sheet**
 - Fixed assets
 - Working Capital Requirement : components, drivers, evolution over time, impact on cash
 - Share capital, retained earnings & dividends
 - Loan financing
- **Performance assessment**
 - Operating Margin
 - Return On Capital Employed
 - Value creation : is the operating performance sufficient

What are the learning objectives?

- Understand **value creation**.
- Understand the **three financial statements**.
- Learn about the **implications of profitability, cash, and financing needs**.
- Integrate the concept of **operating working capital management**.
- Understand **how one's decisions influence the financial results** of the business.
- Develop a capacity to **identify the right KPIs**, such as liquidity, profitability, activity and leverage ratios, and **create monitoring tools**.
- Gain ability and confidence to **engage with and contribute to financial discussions**.

Duration, logistics, and target group

Target group – Corporate trainings: Junior to Middle Managers; Corporate Finance classes at University.

Duration – From 7 to 16 hours playing time; Can be spread over multiple days, weeks, or months.

Logistics – From 9 participants; Online, face-to-face or blended facilitation: Participants & professors have access to pre reading material to understand the rules of the game autonomously.

Example of training agenda

Online, total of 10 hours

	Pre-work – 90 minutes – individual E-learning about finance, Simulation rules and videos
Week 1 1.5 hours	Webinar – 30 mns Getting started; Simulation Q&A and demo
	Simulation Decision 1 – 1 hour Teamwork and live coaching
Week 2 2.5 hours	Webinar – 75 mns Results debrief; Financial statement analysis; Operating leverage
	Simulation Decision 2 – 75 mns Teamwork and live coaching
Week 3 2.5 hours	Webinar – 75 mns Results debrief; Profitability analysis and value creation; Cash-flow analysis
	Simulation Decision 3 – 75 mns Teamwork and live coaching
Week 4 2 hours	Simulation Decision 4 – 1 hour Teamwork and live coaching
	Webinar – 1 hour Results debrief and declaration of winner