

STRATEGIC FINANCE IN (BIO)PHARMA FOR THE NON- SPECIALIST

2-day course



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Enhance your practical understanding of finance to make better strategic decisions as a leader

COURSE OVERVIEW

Finance plays a crucial role in organisations of all sizes whether it be measuring the profit and loss of a product or division, making investment decisions or determining the health of your organisation now and in the future.

As a manager it is important that you have a fundamental understanding of financial management so you can interpret financial data, challenge your accounting team and make business critical decisions.

This two-day course has been specifically designed to give you a comprehensive understanding of financial management within the (bio) pharmaceutical industry. Over two days you will examine the key financial statements, discuss ratio analysis, examine costs, review budgeting and discuss project appraisal tools. Once completed you will have the skills and knowledge to understand financial management within the (bio)pharmaceutical industry.



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Andre Lanser ACA

Andre is a consulting trainer as well as a corporate finance practitioner. He has delivered courses for banks around the world in the areas of Credit, Corporate Finance, Valuation and Financial Modelling.

Andre qualified as a Chartered Accountant, completing articles with PricewaterhouseCoopers. He started his career with a subsidiary of Commercial Union, involved in the steel manufacturing industry. His experience ranged from systems implementation, credit assessment of the highly risky construction industry customers, heading up the finance functions to successfully turning the business around and then selling the company through a trade sale. He later joined Commercial Union in the investment back-office function, reengineering the investment back office and later headed-up a team who implemented a new investment management system for both the back office and the front office.

His career then spanned over 12 years in the Venture Capital and Private Equity arena, where he has gained a vast amount of experience in the corporate analysis and valuation field.

He is a specialist in developing and training finance related courses, including corporate credit related topics, credit analysis and cash flow analysis with a special focus on the banking sector, derivatives, and financial modelling courses. His training experience spans a period of more than 15 years.

MEET
THE
TRAINER

DAY ONE

Business Model

- Understand the business in terms of a business model
- Examine the generic business model
- Deriving the revenue drivers and cost drivers
- Assessing critical success factors

Easy Ways to Understand Financial Statements

- Overview of the financial statements and how they interrelate
- The Balance Sheet (financial position) – the financial "snapshot" of the business
- The Profit and Loss Statement (comprehensive income) – the historical record of trading
- What are the more important items you should look for
- What the financial statements will not disclose

The Profit and Loss (Income) Statement

Examine the income statement, reviewing the following key elements:

- Revenue
- Cost of goods sold
- Cost structure:
 - Fixed and variable costs (operating leverage)
- Defining expenses
- Reading the footnotes
- Segment reporting
- Minority interest
- Dividends and retained profit

The Balance Sheet

Learn the purpose of the balance sheet, understanding how it is constructed

- Accounting equation
- Non-current assets such as research and development
- Current assets
- Current liabilities
- Non-current liabilities
- Minority interests
- Share capital and reserves
- Footnotes

The Cash Flow Statement

Examine the significance of the cashflow statement appreciating its significance to the short-term health of your business.

- The structure of the cash flow statement
- Operating profit
- Non - cash items
- Changes in working investment
- Capital expenditure and disposals
- Taxation
- Interest and dividends
- Equity and debt increases and repayments

Working Capital and the Financing Decisions

- Examine the working capital cycle
- The element of working capital
- Discuss overtrading
- Financing gaps
- Understand how working capital contributes to decision making

DAY TWO

Ratio Analysis

Learn how to conduct ratio analysis to assess the performance of your business and your competitors.

- Define and apply the following:
 - Profitability
 - Liquidity
 - Efficiency
 - Gearing ratios
- Learn to apply DuPont analysis to measure performance
- Understand the importance of Return on Investment (ROI)
- Market related ratios and benchmarking

Cost Concepts and Decision-Making

Review and understand the following:

- Marginal costing
- Absorption costing
- Sunk costs
- Incremental costs
- Direct versus indirect costs
- Opportunity cost
- Break-even analysis

Budgeting

Learn how to set and control budgets deepening your understanding in:

- Sales and cost budgeting
- Operating budgets
- Profit versus cash operating budgets
- Understand and apply variance analysis
- Profit and cash breakeven
- Forecasting funding requirements

Project Appraisal

Learn how to financially appraise projects to help you to make better decisions.

- Understand the concept of time value of money
- Examine Internal Rate of Return (IRR)
- Assess Net Present Value (NPV)
- Applying the concepts to evaluate projects

Exercise

You will build a takeaway investment appraisal model which you can use in your future project appraisals.

Case Study

You will be provided with a set of annual reports from GSK and will be required to review, analyse and interpret income statement, balance sheet, cash flow statement and notes.



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WHO IS THIS COURSE FOR?

This course is aimed at non-financial managers such as middle/senior management who are responsible for budgets, investment decisions and company strategy and who would benefit from having a deeper understanding of finance.



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**For information contact our
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