

# Developing financial and commercial skills

## Commercial management

This workshop explores the key drivers of commercial performance. It provides a practical insight into the levers that drive value in the organisation and how your people can influence them in their roles.

- Having confidence with the business figures**
- The value drivers of the business
  - Understanding the revenue, cost and asset drivers of the business
  - Understanding the KPIs
  - Review of recent quarterly results

- The commercial environment**
- Challenges faced by the organisation
  - What return are management looking for?
  - How is this return being delivered?

- Learning from other businesses**
- Benchmarking against other organisations - both in and outside of your industry

- Operational performance**
- Understanding the relationship between the headline numbers

- Case study activity**
- Group work activity based around a selection of organisation specific commercial case studies (agreed in partnership with you)
  - Participants explore and analyse case information and present findings back to the group

- Outcomes**
- Understand the challenges facing the organisation
  - Understand how performance is measured
  - Make effective use of management information
  - Help identify opportunities for enhancing the commercial performance of the organisation - revenue, cost management activities, asset efficiency, customer experience

## Understanding the business model

This is an activity driven module (i.e. no slides) that would provide an innovative and highly engaging medium for embedding organisational values, culture and way of work. The approach works equally well as a development centre as it does an assessment centre for identifying high potentials/future leaders.

Activities are designed to reflect the key imperatives of the organisation (we work with you to design and develop relevant activities linked to your actual workplace). Activities are typically designed around; company values, customer service, commerciality, personal and organisational effectiveness, resourcing, stakeholders.

Participants are required to work collaboratively in teams, with each team member managing a specific activity. Activity outcomes have to be delivered before the end of the module, where typically we would have a 'bringing it all together' session where we explore how the learning is to be applied back to the workplace.

- Example themes**
- Risk management
  - Problem solving
  - Living the values
  - Delivering the numbers
  - Client focus
  - Collaboration.

- Outcomes**
- Helps create high levels of ambition and drive around the values, culture and business model
  - Enables your people to feel personally connected to the values and business model and know how to work in the spirit of them
  - Develops confidence, skills and insights around what good looks like and work with others to drive value

## Commercial decision making

This workshop provides the tools, skills and knowledge to make sound, commercially focused decisions.

- Leading commercial decision-making**
- What does commercial success mean?
  - What opportunities does the organisation face in the marketplace?
  - Taking positive and commercially robust decisions

- Decision-making framework**
- Understanding the situation
  - Deciding on the issues/problems to solve
  - Generating options
  - Assessing the options
  - Identifying the risk(s)
  - Checking the decision and the subsequent implications

- Interactive case study**
- In teams, participants are presented with a real life commercial decision where they have to apply their learning
  - Tools and techniques for generating, assessing and decision-making
  - Identifying, quantifying and evaluating risk
  - Commercial/Financial appraisal of decisions

- Outcomes**
- Step-by-step approach to making commercial decisions
  - Making effective long-term investment decisions and measuring ROI
  - Evaluating a decision after consideration of all possible options
  - Understand the key drivers of performance in the organisation
  - Identify and evaluate the risks associated with preferred options
  - Financially appraise options and take into account all relevant cash flows
  - Make more effective pricing decisions

## Balancing commercial and people leadership

This module is centred around an engaging business simulation - participants are responsible for setting up, growing and managing their business.

- Participants have to deal with the complexities of design, solution delivery, customer service, competition and a changing competitive landscape whilst motivating the team and delivering strategic and financial goals
- The simulation provides a rich environment to embed the learning from other modules and provides a strong platform for developing commercially-focused leadership
- We would work with you to identify the leadership behaviours that the business wishes to embrace, as well as your values, culture and KPIs - building these into the simulation to create a powerful, relevant learning experience
- The simulation has been used by our client's to break-down cross business barriers, functional silos and also create a one team ethos
- It encourages fresh thinking and demonstrates how to make an immediate contribution to the business by exploring leading self, others and the business

- Outcomes**
- Establishing and running a complex business with responsibility, as a team, for leading and managing strategy, operations, financial management, and talent management
  - Working effectively as a team, collaborating to get the best out of team members and colleagues
  - Running an effective Board and giving and receiving feedback in a constructive way
  - Monitoring and improving customer service and putting the client at the centre of the business

## Understanding financial performance

This workshop will enhance the financial knowledge of participants, helping them to make more informed decisions, and building their confidence to raise issues, justify decisions and present ideas to senior management.

- Financial reporting**
- The income statement, balance sheet and cash flow statement
  - Financial performance measures and KPIs

- Review of specific issues**
- Management accounts
  - Contract costing
  - Overhead allocation and absorption
  - WIP valuation and accounting

- Business drivers**
- Measuring return
  - Measuring financial strength - net operating financial assets/liabilities
  - Measuring the operating profit margin
  - Measuring project development costs - ROCE
  - Qualitative measures
  - Applying the pyramid of ratios

- Using management reports**
- Exploring a current management reporting pack
  - Exploring the organisation's KPIs

- Outcomes**
- Use and interpret the financial and internal management reports
  - Understand the specific financial reporting issues facing the organisation
  - Identify what steps you can take to contribute to the financial drivers of the organisation

## Commercial acumen

This module focuses on understanding the marketplace in which the organisation operates, the business model and KPIs and helps participants understand how their behaviour impacts on each of these.

- The centrepiece of the programme is a business solutions simulation where participants have to design/tailor a solution for a commercial customer and negotiate a deal before proceeding
- Through the simulation, participants become aware of the impact they have on financial outcomes and change their behaviour accordingly
- They are also better able to take decisions and know how to make the correct cost, risk and value trade-offs
- They also gain an insight into, and better understand, how their behaviour impacts future profitable growth
- The module can be further enhanced through the use of short media clips to help embed key messages about what commerciality means in the organisation - this would involve us filming a range of scenarios specific to the organisation

- Outcomes**
- What commercial management means in the organisation
  - Understanding the KPIs and how individuals can impact them
  - Building an end-to-end customer experience
  - Improving operational effectiveness
  - Negotiating commercial deals
  - Building and delivering a commercially viable business solution

## Managing financial performance

This module blends short tutor-led inputs with a powerful and engaging experiential film making activity.

The initial session provides participants with a solid grasp of the key measures of financial performance used by the organisation to manage their activities.

This knowledge is then applied and embedded through a filming activity that requires careful planning, resource management, financial and commercial management and effective project execution. Working in teams, participants have to carefully monitor all aspects of the film project to ensure successful delivery of a commercially viable client solution that meets their brief. Where this is not achieved, participants are required to explain why they deviated from plan and the actions that they would take to correct this.

The films also provide a tangible take-away from the module, for use on intranets, social learning platforms and learning portals, as the films (agreed in partnership with sponsors) are typically based around themes relevant and topical to the business.

- Outcomes**
- Explain with confidence the key measures of financial performance
  - Prepare a project plan with attendant resourcing requirements and activity scheduling and convert the plan into a financial budget
  - Understand the process of managing and monitoring activities relative to a financial plan and understand the process of reviewing and interpreting variances
  - Analyse the performance and financial success of a project post implementation