



Financial Risks & Opportunities in Supply Management

Shanghai 8-9-10 May and 6-7-8 November 2017

Beijing 7-8-9 August 2017 – Wuhan 13-14-15 February 2017

Learning Goals

The module aims to ensure a basic knowledge of business finance in order to

- Identify the main financial drivers and risks related to the procurement process
- Identify the financial health of a supplier
- Understand the financial process for Capital Expenditure projects

Following this module, buyers will be capable of

- Knowing the objective, contents and presentation and purposes of the 3 financial main statements included in the financial reporting
- Calculating ratios and asking questions to obtain a picture of the financial health of a supplier
- Understanding the impact of the cost structure on inventory valuation
- Assessing the consequences of some procurement decisions on the financial statements presentation and identifying the basic principles of risk assessment

Methods and Tools

- Presentation of the main financial statements
- Description of financial ratios and cost management principles
- Definition and use of net present value and internal rate of return
- Presentation of methodologies to manage risks and to profile suppliers
- Business game

Target Group

- Buyers, Lead Buyers and Commodity Managers, who need to evaluate the financial health of their suppliers or develop strategies to improve the financial performance of their own companies.

Duration

- 3 days

Training location

- Shanghai Beijing Wuhan - China



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Phase Content

Day 1

- Introduction and expectations
- Financial analysis of 3 financial statements: balance sheet, income statement, cash flow statement
- Formation of groups to team up and play out “Bee Finance”, a board-based simulation game and roll-out quarter 1 under the control of the instructor
- Groups take charge of their own company and make decisions regarding strategic spending, which will determine sales order, production and purchases
- Presentation and description of the most common financial ratios
- Groups produce their Q1 financial statements and ratios, and compare them to the objectives given by the instructor

Day 2

- Review of points covered and those which need further clarification
- Roll-out Quarter 2, make decision regarding news given by the instructor
- Groups produce their Q2 financial statements and ratios, and compare them to the objectives given by the instructor
- Presentation of the impact of Costing on Inventory Valuation, of Procurement Finance drivers of Net Present Value and Internal Rate of Return
- Roll-out Quarter 3, make decision regarding news given by the instructor, negotiate with instructor when needed
- Groups produce their Q3 financial statements and ratios, and compare them to the objectives given by the instructor

Day 3

- Presentation of methodologies to manage risks and to profile suppliers
- Roll-out Quarter 4, make decision regarding news given by the instructor, negotiate with instructor when needed
- Groups produce their Q4 financial statements and ratios, and compare them to the objectives given by the instructor
- Instructor presents various documents to allow participants to use them in their daily operations
- Exercise to assess knowledge acquisition
- Participants provide conclusions

Credits for



Professional Buyers Certification Programme

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