



# Financial Risks & Opportunities in Supply Management

Shanghai, China 8th-10th May 2017 / 6th-8th Nov 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

---

- 26A, No. 895, Yan An Road West, Shanghai, P. R. China, 200050



# Financial Risks & Opportunities in Supply Management

Shanghai, China 8th-10th May 2017 / 6th-8th Nov 2017

## 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

---