

Derek Hendrikz Consulting Presents:

# Financial Strategy

Duration:	3-days
Max. Participants:	20
Facilitators:	1
NQF Level:	6
SETQAA Accreditation:	Services SETA – Decision Number 2072

## About the workshop:

The financial strategy programme offers participants a systematic study of business finance with the aim at developing a framework for comparison which will be useful in the practice of developing and implementing organisational strategy. The programme should enable participants to make strategic decisions regarding transforming input resources into outputs.

## The workshop outcome:

On completion of this workshop the participant should be able to effectively apply strategic finance skills in order to meaningfully contribute towards financial strategy on senior level.

## Workshop Objectives:

Participants will achieve the workshop outcome by being able to:

- Understand the concept of strategic finance;
- Apply business valuation and discounted cash flow techniques;
- Do a cost of capital analysis and determine Weighted Average Cost of Capital (WACC);
- Apply various financial analysis techniques;
- Do modelling and analysis of financial markets;
- Understand and apply project finance techniques;
- Do risk modelling;
- Apply financial valuation techniques; and
- Apply option pricing techniques.

## Included:

All programme materials and handouts and the issuing of a certificate on completion of the programme. Permanent record will be kept of all results and assessments.

**Training methodology:**

The methodology is based on interactive learning (learning by doing). Furthermore learners will use examples from their own organisations, thus ensuring that the learning is anchored at their workplace. As with all DHC training programmes, we strive to effect actual change back at the workplace through effective and practical outcomes based training.

**Programme:**

Time:	Day 1:	Day 2:	Day 3:
08:00-10:00	Introduction to Strategic Finance.	Financial analysis techniques.	Risk Modelling.
10:00-10:30	<i>Convenience Break</i>		
10:30-12:30	Business valuation and discounted cash flow.	Modelling and analysis of financial markets.	Financial Valuation.
12:30-13:30	<i>Lunch</i>		
13:30-15:00	Cost of capital and WACC.	Project finance.	Option Pricing.
15:00-15:15	<i>Convenience Break</i>		
15:15-16:00	Day Review	Day Review	Workshop Review & Evaluation

**Who should attend?**

- Directors & Senior Management.
- Managers on all levels.
- Strategy Development practitioners and developers.
- Accounts, Sales, Marketing & Financial Managers.
- Any person who is interested in applying financial modelling techniques.

**Day 1:*****Introduction to Strategic Finance:***

- Financial appraisal.
- Finance and investment.
- Financial risk management.
- Strategic implications of finance.

***Business Valuation and Discounted Cash Flow:***

- Standard premise of business value.
- Fair market value.
- Elements of business valuation.
- Income approaches.
- Asset-based approaches.
- Market approaches.
- Discounted Cash Flow.
- Net Present Value (NPV) & Internal Rate of Return (IRR)

***Cost of Capital and WACC:***

- Cost of Debt.
- Cost of Equity.
- Weighted Average Cost of Capital (WACC).
- Capital Structure.

**Day 2:*****Financial Analysis techniques:***

- Profitability Ratios.
- Liquidity Ratios.
- Solvency Ratios.
- Past, future and comparative performance.

***Modelling and analysis of financial markets:***

- Price & Market volatility.
- Gaussian distribution.
- Time series analysis.
- Standard deviation.

***Project Finance:***

- The choice between debt and equity financing.
- Limited resource financing.
- Risk identification and allocation.
- Complicating factors.

**Day 3:*****Risk Modelling:***

- Formal econometric techniques.
- Historical Simulation (HS).
- Aggregate risk in financial portfolio.
- Extreme Value Theory (EVT).
- Market risks.
- Credit-; liquidity-; interest rate-; and operational- risk.
- Value-at-Risk.

***Financial Valuation:***

- Methods of business valuation.
- Asset pricing models.
- Asset valuation.
- Liability valuation.

***Option Pricing:***

- Black-Scholes model.
- Monte Carlo options model.
- Binomial options pricing model.
- Barone-Adesi & Whaley American option approximation.

**Derek Hendrikz Consulting cc:***(1997/060793/23)*

- Tel: 012 567 2824
- Fax: 012 543 3292
- E-mail: [hello@derekhendrikz.com](mailto:hello@derekhendrikz.com)
- URL: [www.derekhendrikz.co.za](http://www.derekhendrikz.co.za)
- P. O. Box 14557, Sinoville, 0129, South Africa

**Beyond Comparison!**