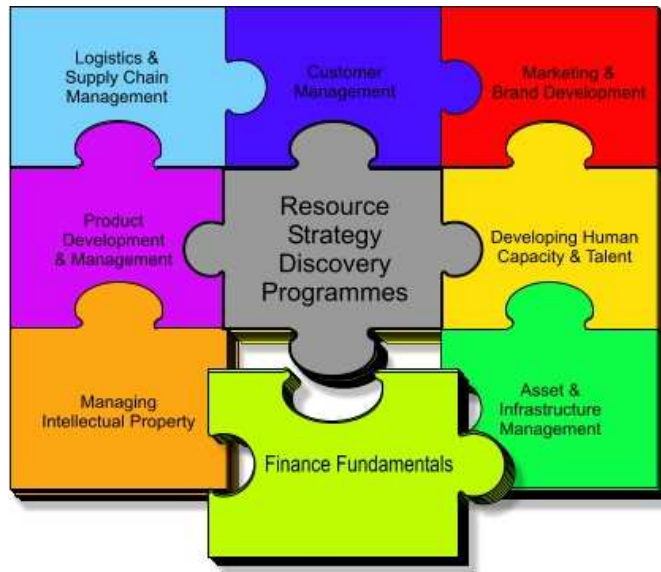




This short modular programme is for senior and mid-level managers in finance, strategy, and business development.

It is delivered 'in-house' to meet clear company needs and objectives, with pre-preparation and post-hoc debriefing as required.

The programme is supplemented by optional 'follow-on' foundation skills training and strategy support.



Strategy Discovery Programmes:

An integrated suite of high-intensity programmes that apply simulations to address resource strategy management issues – providing wide insights into business strategy and long-term valuation.

Fundamentals of Strategy Valuation

Your Challenge

As a CFO, finance manager, strategy or business development professional, you are under increasing pressure to create real value.

It's no longer sufficient to plan in a back room – your strategies and plans are under ever-increasing scrutiny from a wider variety of internal and external stakeholders. You need more transparent strategy planning methods and tools that are integrated and explained within a rigorous valuation framework.

Our Objective...

...is to introduce you to a comprehensive strategy method based on *resources* – things that you must actually manage and measure – to show you how you can build comprehensive strategies starting with simple resource building blocks – and integrate the whole approach within a rigorous valuation framework.

Our Approach

We apply a 'hands-on' simulation-based approach that first teaches essential elements of resource based strategy and valuation – and that then encourages self-learning through controlled experimentation with simulations.

Resource strategies are integrated within the wider business picture using the framework of *value cycle dynamics*.

What you will take away

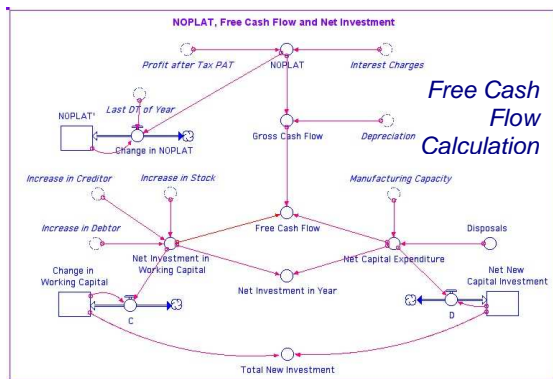
You will take away simulations for further learning and communication with your colleagues. Simulations that you can further customise to your own situation.

You also take away our ongoing support. To help build your own skills an/or to implement your own solutions.

What you will learn

Financial Structures – System Diagrams

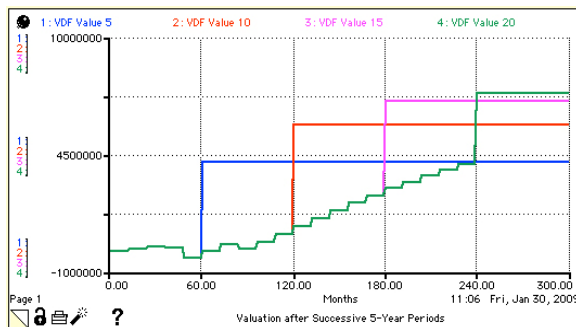
There exists a simple, universal and easily shared 'language' for the description of financial structures. The discipline of *system dynamics* was developed at MIT, has been applied across many industries for over 60 years – and is now described and applied through a *simple visual* language. Compare the visual simplicity of this cash flow diagram with the opaque structure of a spreadsheet.



You will learn to develop and apply simple 'system diagrams' to describe rigorous financial structures and link them to company strategy and valuation simulations.

Valuation Techniques

The DCF method of investment and strategy valuation is widely applied but often misunderstood, particularly in long life-cycle industries such as energy, utilities and pharmaceuticals.



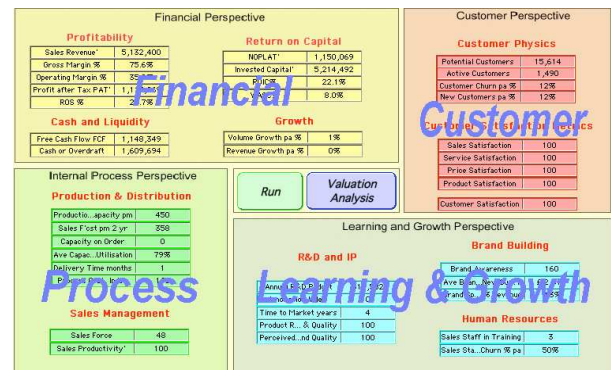
Pharmaceuticals Valuation: showing how the choice of an explicit forecasting period can influence total valuation

For example (see graph) it is standard theory that total valuation is independent of the explicit forecast period as long as, by the end of that period, the business has reached a 'steady state' where future returns equal the cost of capital. But in long-life industries with 'lumpy' investment opportunities, an idealised steady state will rarely if ever be reached. Standard DCF valuation formulae can then be very misleading. Simulation over a long asset or product life-cycle is far more transparent than applying opaque formulae.

You will learn how to apply standard and rigorous DCF valuation techniques and understand the strengths and limitations of different approaches.

Integrating Strategy and Valuation

Long term planning requires that a wide range of resource investment policies must be integrated across the whole business. Dynamic *balanced scorecards*, supported by simulations, are an excellent means to develop integrated policies.



Scorecards, however, provide only 'point in time' performance measures. We also need to add a 'performance over future time' valuation perspective.

You will learn to develop and apply simulations that integrate resource scorecards and also provide long term financial valuation tools, to evaluate the potential effectiveness of alternative strategies and policies – and communicate them.

Programme Summary

The programme comprises two core modules that may be taken separately or contiguously. Each module stands alone and offers a wide variety of learning points and benefits. Each module may be focused on specific company interests and issues.

Module 1: Valuation Foundations (2 days)

Understand the structural foundations of DCF strategy valuation.

Module 2: Integrating Strategy and Valuation (1-2 days)

Integrate logistics strategies within the wider business context and explore the financial value implications of investment and policy decisions.