

# Finance for Non-Financial Managers

An in-house training course for NEWCO

28-30 March in Paris

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## An interactive seminar combining theory and practice

Have you ever wished that you would better understand Finance and Business Planning? Maybe with a view to take 'Profit responsibility' within NEWCO?

**Then this course is for you.**

As Warren Buffett, one of the richest people on the planet once said: "You have to understand Accounting and Finance. It is the language of business and it is an imperfect language, but unless you are willing to put the effort to learn accounting - how to read and interpret Financial Statements - then you really should not select stock (nor make business investment decisions) yourself".

### For NEWCO Group Employees

Accounting and Finance are not hard to learn, and everybody can learn them. In fact, to fulfil NEWCO's vision to be one of the top 20 telecommunications operators in the world by 2020, NEWCO must become even more performance driven than it has been in the past, and this starts with financial performance. But do you understand Finance well enough to be able to take optimal investment decisions yourself, affecting your business unit and the overall company?

### A 3-day training to learn what others have learned in years

The 3-day training will bring you up to speed with the key concepts used in Finance: the difference between cash and profit; key financial ratios; valuation of businesses and investment plans; the cost of capital, and many more.



### Seminar provided by INVESTAURA

INVESTAURA Management Consultants is a leading boutique Telecoms consulting and training firm.

From its HQs in Cambridge (UK) and regional offices in Germany, Senegal and the UAE, it serves its clients in more than 40 countries worldwide.

Founded in 2008 by veterans of the Telecoms industry, INVESTAURA only recruits leading industry experts.

The seminar will be run by one of our Managing Partners at INVESTAURA.



In addition to trainer-led presentations that are richly illustrated with examples from the Telecoms industry, the participants will solve a series of exercises and work on the 'TetraStars' case study.

## Day 1

### Understanding Company Financial Statements

- Session 1: Why does Finance matter at NEWCO?
- Session 2: Overview of the 3 Financial Statements: Profit & Loss, Balance Sheet and Cashflow statement
- Session 3: Accounting terminology: Sales, CAPEX, OPEX, Depreciation, Fixed and Current assets, Liabilities, Equity, and more
- Session 4: Learning to read and understand financial statements

### Exercise 1 - Start of the Case Study

### Exercise 2 - Financial statements step-by-step

### Group Exercise 3 - Reading the Financial statements of Vodafone, Etisalat, MTN, Cisco, IBM, Huawei, Google

**Key Learning:** by the end of the first day you will be familiar with financial statements and able to read and interpret them. You will also know how CAPEX are treated in the P&L, the difference between cash and profit, various types of cashflows and what the Balance Sheet tells us about the business.

## Day 2

### Financial Ratios and Valuation

- Session 1: Recapitulation of Day 1
- Session 2: Financial Ratios and KPIs: Profitability, Liquidity, Stability, Capital efficiency; Other operational KPIs
- Session 3: Valuation: Multiples (Sales, EBITDA); Forecasting cashflows; Net Present Value (NPV)
- Session 4: The time value of money and the cost of capital (WACC)

### Exercise 1 - Calculation of NEWCO as well as 'TetraStars' financial ratios

### Exercise 2 - Multiples from recent M&A transactions (Maroc Telecom, Verizon Wireless)

### Exercise 3 - Estimating the NPV of NEWCO, as well as 'TetraStars'

### Exercise 4 - Estimating the cost of capital of NEWCO and 'TetraStars'

**Key Learning:** you will become knowledgeable about various types of Profit Margins, Liquidity and Stability ratios, as well as ROE and ROIC. Furthermore, you will understand how to value a business or an investment project, using Multiples, NPV and the Cost of Capital.

## Day 3

### Financing, Business Planning and Costing

- Session 1: Recapitulation of Day 2
- Session 2: Working Capital
- Session 3: Financing & Fundraising
- Session 4: Business Planning & Budgeting
- Session 5: Service Costing
- Conclusion of the seminar

**Exercise 1 - Calculation of the Working Capital days for NEWCO and 'TetraStars'**

**Exercise 2 - Calculation of the debt-to-equity, gearing and debt-cover ratios**

**Exercise 3 - Investment plan for a single BTS-site**

**Exercise 4 - The annuity formula: the cost of capital is real!**

**Exercise 5 - Per minute costing**

**Key Learning:** by the end of the seminar, you will be familiar with other important concepts such as the Working Capital, Leverage and the Annuity formula. Also you will be capable to prepare a simple Business / Investment plan, and apply what you have learned to perform Costing calculations.

"Money never starts an idea; it is the idea that starts the money"

"Failing to Plan is Planning to Fail"

*Chinese proverb*

### About the Seminar

The Seminar is run as a series of presentations interspersed with group discussions, exercises using public domain information from 'real companies' (e.g. NEWCO, Etisalat, Maroc Telecom etc), as well as the 'TetraStars' case study.

This approach will enable participants to immediately take ownership of what has been presented by the trainer and apply it to their work.

No prerequisite knowledge is necessary to attend the seminar; however, participants should come with their laptop, spreadsheet software (Excel), as well as Internet access.

### About the 'TetraStars' case study

INVESTAURA has prepared an original case study to apply what you learn during the seminar. The case study is based on fictitious events, but is none-the-less representative of issues that happen in the Telecoms industry. The case study will take about 3 hours to complete over the course of the seminar.

The case study starts like this:

" We are in January 2014. You are an expert in the telecoms industry, and work as Investment Analyst for NewColInvest, an investment fund recently set-up by NEWCO in London to invest in ICT (Information and Communication Technology) solutions in Europe and the USA. As Investment Analyst, your job is to screen investment opportunities and undertake preliminary analyses of companies and their finances.

You have just been contacted by Mike Davis, Director at ClayBarns, an investment bank located in London. ClayBarns has been mandated by Jeremy Thomson for an M&A transaction. Jeremy is the CEO and owner of TetraStars, a world-leading provider of TETRA (Terrestrial Trunked Radio) voice and data communication networks and solutions. Jeremy is 65 years old and owns 98% of the company, founded by him back in 1985. He would like to retire and sell the business. ClayBarns, the investment bank, would like to know whether this might be an interesting investment for NewColInvest. It is up to you to tell the board of NewColInvest whether the investment looks attractive, and provide advise on the next course of action. What a responsibility! So let us get started...."



# Your coaches for this Seminar

## Pierre Lurin

Pierre is a Partner at INVESTAURA Management Consultants. He started his career in 1995 in the UK with AnalysysMason, a consultancy specialising in telecommunications strategy. In 1999, he joined Siemens Communications in Germany, now Nokia Solutions Networks and has held a number of senior positions in Marketing, Sales, Finance, M&A, Portfolio Management and Managed Services. In 2008, he was one of the founding Partners setting up INVESTAURA.

As a trainer, he has worked with numerous operators and manufacturers across Europe, Asia, the Middle East and Africa, training people on Finance, Business Planning, Budgeting, Costing, Business Modelling and Entrepreneurship.

Pierre has lived and worked in the UK, France, Malaysia and Germany. He holds a Master of Science from Ecole Centrale Paris (France), as well as a Master in Finance from the University of Cambridge (UK). He is also the author of the book "Business Planning for Managers: how to use powerful techniques to write better business plans" (see [www.business-planning-for-managers.com](http://www.business-planning-for-managers.com) and [Amazon.co.uk](http://Amazon.co.uk)).

*It took me 20 years to learn what I know about Finance today. I wish that I knew 20 years ago what you will learn in this seminar!*

## Guido Peters

Guido is a Partner at INVESTAURA Management Consultants. He started his career in 1994 working for BT (British Telecom). In 1996 he joined Siemens Communications in Germany with the assignment to build a Business Planning expert team for Mobile Networks, Fixed Networks and Enterprise Solutions. In 2000 he moved to Sao Paulo, Brazil to set up a Centre of Competence in Marketing and Business Planning for Latin America. In 2005 he joined Strabag in Austria and later Xerox in Germany as Vice President for Intelligent Transportation Systems. In this role, he had Sales responsibility for large IT outsourcing projects and managed to secure multiple 'mega' deals for the company.

In 2010 he joined INVESTAURA as Partner, and is responsible for developing business in Central Europe and Latin America. Guido is also acting as Business Angel and Coach in the European High-Tech start-up scene.

As a trainer and coach, his specialty is training people in Business Planning, investment cases and ROI calculations. Guido holds a Master of Economics from the Technical University in Berlin. He is also a graduate from the Siemens internal MBA programme for high potentials (Duke University - The Fuqua School of Business).

*At the beginning of my career few people in the Telecoms industry understood Finance and Value-based Management. I am pleased that I could help make a change.*

## INVESTAURA Management Consultants

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Registered in the United Kingdom, number 8247122  
VAT registration: GB 144 1114 59

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Finance for Financial Managers  
Business Planning for existing business  
Business Planning for new businesses (Innovation)  
Budgeting, Planning and Forecasting  
Service Costing and Profitability Management  
Valuation, Due Diligence and M&A