Primary Instructors
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Working with Financial Statements - Part I
A case study will be used to help you gain a deeper understanding of two key financial documents—the balance sheet and income statement. You’ll discover how to use these two documents to derive and critically interpret financial ratios that fit each company’s situation, understanding its strengths and weaknesses. The session concludes by showing you how to use current financial statements and ratios to evaluate the sustainable growth rate of a company and forecast its future “pro forma” balance sheet. A second short case study explores the effects on cash flows of alternative planning assumptions at an engineering design firm.

Working with Financial Statements - Part II
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Capital Budgeting and Investment Analysis
The world of investment analysis is populated by three-letter acronyms: DCF, NPV, IRR, EVA. In this session, we’ll examine the fundamental economic concepts and assumptions upon which these techniques are based. Then we’ll begin to apply the techniques to a typical project proposal. To build the appropriate spreadsheet analysis and run the numbers, we’ll work through a checklist of complex tasks: forecasting revenue and expense growth rates, determining the implications of taxes and tax incentives, and ferreting out hidden assumptions such as adequate working-capital maintenance.

Project Scenario Analysis
In the session we will continue to analyze the project proposal and reach a complete discounted-cash-flow measure of the project’s merit. We’ll face the discomfiting realization that virtually every number in the spreadsheet ultimately turns out to be wrong, to a greater or lesser degree. Consequently, as a first line of defense, we’ll perform sensitivity analyses to determine which parameters exert the greatest influence on the project’s financial success. Then, we’ll see how Monte Carlo simulation software can be used to model the risks faced and how they interact, producing an implied distribution of possible outcomes. That approach will lead naturally to a discussion of real options, modeling how managers might react to events as they unfold.

Financial Issues Related to Fraud and Litigation
In this session we’ll review some of the recent legislation related to business ethics and fraud. We’ll take an in-depth look at financial statement fraud, discussing an auditor’s responsibility to detect fraud and the SEC’s involvement in investigating fraud. We will also review other types of fraud schemes, such as embezzlement of corporate assets. Before concluding the session, we will discuss the types of commercial litigation that you may encounter during your career, along with a basic framework for measuring damages in commercial litigation.
Project Benefits Management
In this session, we will review the key aspects of assessing and understanding what benefits flow from a project. We'll learn what is meant by project benefits management (PBM) and its applicability in today's business environment. This will include discussion of how and why PBM creates value for the organization. We will complete this initial review of PBM looking at ways in which PBM complements the project life-cycle perspective. We’ll conclude with a summary discussion of the various ways in which project managers’ actions affect the financial performance of their companies.