



THE ARC TRAINING GROUP
 A Division of The ARC Consulting Group, Inc.
 A Profit Enhancement Firm
 Providing Educational and Consultative Services to the
 International Business Community

SEMINAR FACT SHEET

FINANCIAL ANALYSIS USING EXCEL: DEMYSTIFYING AND FINDING TRUTH IN FINANCIAL REPORTING COURSE NO. ARC 007

SEMINAR OVERVIEW

Reading the financials is one thing, finding if they tell the truth is a totally different level! This interactive program goes far beyond the typical financial analysis program; identifying the strategic drivers that can dramatically enhance the profitability of your organization, to a higher level; determining if they are hiding fraud! Using the power of Excel[®], you will learn how to master the tools and techniques it provides to master the latest financial analysis techniques, understand what the numbers are saying, and be better able to predict the outcome of strategic and tactical decisions. You will learn how to use this information to create wealth, find fraud, prevent disastrous acquisitions, and understand what the numbers are really saying. Don't get blinded by fancy photos, cut through the hype and get to the facts.

WHO SHOULD ATTEND

All financial professionals, financial management, department heads, internal auditors, project managers, and those responsible for ensuring the effective use and management of corporate resources. In addition, sales and marketing professionals, R&D professionals, and anyone who needs to understand how controls are the key to enhanced organizational performance.

AUDIT PROFESSIONALS	FINANCIAL PROFESSIONALS	TECHNICAL PROFESSIONALS	OPERATIONAL PROFESSIONALS	STRATEGIC MANAGEMENT
■ Staff	■ Staff	■ I / T	■ Supervisors	■ Managers
■ Seniors	■ Controllers	■ Engineers	■ Team Leaders	■ Directors
■ Managers	■ Directors	■ Proj. Managers	■ Managers	■ Vice Presidents
■ Directors	■ VP's & CFO's	■ ISO & Quality	■ Plant Managers	■ CEO's

WHAT WILL BE COVERED

Using Excel[®], you will learn how to calculate the impact time has on future cash flows, how to project the benefit of capital projects, make lease vs. buy decisions, determine the cost of capital, and project EVA[®]. Also, using Excel[®], you will learn how to evaluate organizations with which you are planning to do business; determine if they are able to provide strategic strength to your company. Participants will be provided Excel[®] templates for use during this session, and when they return to their organizations.

SPECIAL FEATURE: You can tailor this program by using your companies' financials, financial of key suppliers or customers, or any organization you choose standard case study provided with the materials at no additional charge.

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HOW YOU WILL BENEFIT

Every day, we see cases of shareholders losing millions of dollars because the financial statements contain material misstatements. Your management team's ability to "pull apart" the financials of potential customers, suppliers, strategic partners, or any organization that is strategically critical to your organization's success is now the most sought skill set.

This program will address timely issues such as:

- Analyzing a company's annual report to understand what the numbers are really saying.
- Use the powerful tools in Excel[®] such as Solver, Scenario, and the Data Analysis toolbox.
- Understand the theory of interest and the time value of money and their applications.
- Develop an Economic model to see the organization from the shareholders' perspective.
- Using Financial Analyses as a Fraud Detection Tool
- Analyze the impact of cash on the organization's operations.
- Benchmark corporate performance against peer groups and industry statistics.
- Measure management's ability to convert the investment in assets into shareholder return.
- Project the benefit of capital investment.
- Analyze the risks and benefits of proposed Acquisitions
- Value target companies, and identify issues relating to post-acquisition integration.
- Evaluate the Lease V. Buy decision and understand the critical concerns relating to asset leasing.
- Project the impact of time on future cash flows.

PROGRAM AGENDA

DAY ONE:

THE INTERNATIONAL BUSINESS ENVIRONMENT

- Overview of the strategic, tactical, and operational aspects of today's global business entity
- The Organizational Planning Model
- The Product/Decision/Information Cycle
- The Objectives of Financial Analysis

THE FINANCIAL REPORTING PROCESS AND THE ORGANIZATIONAL PLANNING CYCLE

- Review of financial statements using both American and International GAAP
- "Asset-Light" vs. "Asset Heavy" companies and the relative impact on Return
- The picture presented by the financial statements relative to past operations
- The inter-relationship among financial statements, strategic decisions, and operations
- GAAP vs. Cash – How to spot accounting irregularities in financial statements
- Focus provided by NOPAT and ROIC

CREATING SHAREHOLDER VALUE

- What constitutes "Shareholder Value?"
- Analysis of "The Tube" and its impact on a company's future operations
- Calculate Weighted Average Cost of Capital by using the Capital Asset Pricing Model
- Determining the company's "Beta"
- Determine the Cost of Debt, Preferred Equity and Common Equity
- Develop the EVA[®] Model
- Impact of Acquisitions on WACC

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CASE STUDY PART I: THE PERSONA OF THE ENTITY

In order to enhance and reinforce the tools, skills and concepts presented in this program, you will work as part of a financial analysis team, evaluating the internal and external financial reports of a real company and present the results of your evaluation on the last day of the class.

DAY TWO:

ANALYZING THE ANNUAL REPORT

- Ratio Analysis – The heart of Financial Analysis
- Use Excel[®] templates to calculate and interpret liquidity, leverage and profitability ratios
- Interpret the results of ratio analysis from an accrual accounting perspective
- The inter-relationship between the DuPont Formula and EVA[®]
- How to use the Altman Z-Score
- Use various investment surveys to benchmark the results of financial analysis

CASH FLOW ANALYSIS AND CASH PLANNING

- Understanding the Cash Flow Statement
- Using the Cash Flow Statement to identify accounting irregularities
- Determine Cash Flows related to Operations, Investing, and Financing activities
- Evaluate the various calculations of “Free Cash Flow”
- Understand the difference between accrual and cash ratios
- Use Excel[®] templates to calculate and interpret cash-based liquidity, leverage and profitability ratios
- Interpret the results of ratio analysis from a cash accounting perspective

THE TIME VALUE OF MONEY

- The impact time has on the value of money.
- Understand the various interest calculations
- Using WACC and ROIC as benchmarks
- Use Excel[®], to determine Present Value, Future Value, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return
- Using MIRR and a basis for capital project evaluation

EVALUATING CAPITAL PROJECT PROPOSALS

- Identify the various types of capital projects
- Discuss the capital project evaluation process
- Determining the initial and subsequent capital project cash flows
- Development of the “Hurdle Rate” for capital projects
- Discuss the use of “Terminal Value” in evaluating capital projects
Use Excel[®] to evaluate capital projects by applying NPV, IRR, MIRR, and Discounted Payback models

CASE STUDY PART II: HOW DOES THE ENTITY LOOK?

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DAY THREE:

EVALUATING THE LEASING OPTION

- Why Lease?
 - Leases from American and International perspectives
 - Identify the various types of leases
 - Discuss the lease evaluation process
 - Determining the initial and subsequent cash flows related to leases
 - Development of the “Hurdle Rate” for leases
 - Discuss the use of “Terminal Value” in evaluating the lease option
- Use Excel[®] to evaluate leases by applying NPV, IRR, MIRR, and Discounted Payback models

EVALUATING ACQUISITIONS AND DIVESTITURES

- Understand the nature of Acquisitions and Divestitures (Business Combinations)
- The strategic reasons for Acquisitions and Divestitures
- Pricing a company for sale
- Evaluation of Synergies in an Acquisition
- Discussion of Due Diligence
- The essential components of the Acquisition Team
- The major Takeover Defenses

HOW TO SPOT THE SEVEN KEY FRAUDULENT FINANCIAL STATEMENT REPORTING SCHEMES

- Premature or Questionable Recognition of Revenue
- Recording Fictitious Revenue
- Recognizing as Revenue Below-The –Line “One Time Gains”
- Shifting Current Expenses to Future Periods
- Failing to Record or Improperly Reducing Liabilities
- Shifting Current Revenue into a future Period
- Shifting Future Expenses into the Current Period

CASE STUDY PART IV: YOUR TEAM’S RESULTS

Your team provides a presentation addressing the key requirements of the Case.

COURSE SUMMARY AND WRAP-UP

This section provides you with the opportunity to address any specific issues with the total group as a resource, to review any specific issue or topic addressed in the program, or to just recap the benefits received from the program and the group as a whole.

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SEMINAR PRICING AND LOGISTICS

Duration: 3 Days	Program Level: Introductory
Prerequisites: None	Advanced Preparation: None
Maximum Attendance: 25	CPE Hours: 24
Delivery Method: Group Live	Booking Instructions: Call (904) 268-1148
Our fees include all instructor travel, living and professional fees. Participant materials are billed at actual. You are responsible for training facility, audio-visual requirements, and other creature comforts. For information regarding refund, complaint and program cancellation policies, please visit our website at www.arctraining.com, or call Kate Robbins at (904) 268-1148.	
For additional savings to your organization, invite participants from companies in your area who may also be interested in this program. The ARC Training Group places no restrictions on who you can ask to join your group.	



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