Finance for Operations Directors

GoSkills online course syllabus

Saturday, March 29, 2025

Skill level
Intermediate

Lessons
46

Accredited by
CPD

Pre-requisites
None

Video duration
3h 56m

Estimated study time
23h for all materials

Instructor
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Finance Fundamentals

1 **Amount and Timing**

There are two equally important attributes of every financial transaction, the amount and the date it occurred. Both are required for financial reporting and analysis.

2 **Revenues and Profits**

Revenue is the amount of money that a company receives for selling its goods and services. Profit is the amount of money that a company earns after it has paid all its expenses.

3 **Cost and Investment**

Both costs and investments result in spending money. Costs are spending money to run the business and investments are spending money to prepare for the future.

4 **Operations and Ownership**

Operating managers are responsible for managing the day to day business operations. Owners are ultimately responsible for success or failure of the business. Ideally these two groups are working closely together.

5 **Taxes and Currency**

Taxes and Currency reflect the business operation's financial interactions with governments.

Financial Reports

6 **Earnings Statement Part 1**

The Earnings Statement is a financial report that shows business profitability over some time period.

7 **Earnings Statement Part 2**

The Earnings Statement is a financial report that shows business profitability over some time period. This lesson will focus on the revenue portion of the Earnings Statement.

8 Earnings Statement Part 3

The Earnings Statement is a financial report that shows business profitability over some time period. This lesson will focus on the expense portion of the Earnings Statement.

9 Balance Sheet Part 1

The Balance Sheet is the financial report that shows what the business is worth at some instant in time.

10 Balance Sheet Part 2

The Balance Sheet is the financial report that shows what the business is worth at some instant in time. This lesson will focus on the Asset side of the Balance Sheet.

11 Balance Sheet Part 3

The Balance Sheet is the financial report that shows what the business is worth at some instant in time. This lesson will focus on the Liabilities and Equity side of the Balance Sheet.

12 Cash Flow Statement Part 1

The Cash Flow Statement is a financial report that shows how well the company was able to convert business activity into cash over some time period.

13 Cash Flow Statement Part 2

The Cash Flow Statement is a financial report that shows how well the company was able to convert business activity into cash over some time period. This lesson will focus on sources of cash.

14 Cash Flow Statement Part 3

The Cash Flow Statement is a financial report that shows how well the company was able to convert business activity into cash over some time period. This lesson will focus on uses of cash.

15 Relationships Between Financial Statements

Each of the financial statements provides insight on an aspect of the business financial status and structure. These accounts across the statements are related, and changes to values will likely impact multiple statements.

Ratios and Measures

16 Profit Measures

When calculating profitability, the different profit measures provide insight into the most significant factors that are creating corporate profit or loss.

17 Return on ... Ratios

Return ratios are normally used for comparing companies or comparing the past performance of a company with its present performance.

18 Working Capital Measurements

The working capital and turnover measurements are used by operations managers to track the efficiency of the operations.

19 Leverage and Liquidity Ratios and Measures

There are several calculated values based upon data found on the Balance Sheet and Cash Flow Statement that provide insights on leverage and liquidity.

Budgeting

20 Cost Account Characteristics

It is important to know what category of account you are working with when budgeting and tracking spending. The different categories of accounts behave differently so knowing which category you are working with will provide insight into the budgeting and tracking process.

21 Strategic Planning and Budgeting

Most businesses prepare a strategic plan that projects how the company will achieve or maintain a competitive advantage. It is used to guide the budgeting process.

22 Business Budgeting

Business budgets are the financial plan of the business. They are normally created for one year at a time and allocate the spending and revenue across business units, departments and accounts.

23 Estimating

Estimating is used when planning and budgeting business costs or revenues. The estimate needs to include both the amount and the timing of the transaction.

24 Capitalization and Amortization

Whenever a company purchases an asset with long term value, it must be capitalized. Every asset that is capitalized is then depreciated, which is special form of amortization.

25 Depreciation

If you capitalize a fixed asset, you are required to depreciate it on the business financial books.

26 Financial Reserves

A Financial Reserve is money that has been budgeted for a general purpose (department, project or initiative, but not specifically allocated to a task or activity.

27 Budget Baseline

Budget baselines should be used if costs must be controlled within a department or on a project.

Business Case

28 Developing a Business Case

The business case provides the business rationale, normally in financial terms, of why a project should be done.

29 Return on Investment (ROI)

Return on Investment is a financial calculation to determine whether the business benefit of an investment is worth the cost.

30 Payback Period

The Payback Period is a Return on Investment analysis that determines the amount of time needed to accumulate enough benefit to pay for the cost of the project.

31 Breakeven Point

The Breakeven Point is a Return on Investment analysis that determines the number of units or amount of sales that are needed to accumulate enough benefit to pay for the cost of the project.

32 Net Present Value (NPV)

The Net Present Value is a Return on Investment analysis that determines a value in monetary terms for the accumulated cost and benefits of a project over a set time period.

33 Internal Rate of Return (IRR)

The Internal Rate of Return is a Return on Investment analysis that determines an "equivalent interest rate" that if applied to the investment would yield a similar return as the project is forecasted to return over a set time period.

Variance and Forecasting

34 Cost Behavior

The business financial system records costs based upon the cost account type. The costs are often accrued near the end of fiscal quarter or year.

35 Tracking Operational Expenses

Operational expenses are the normal costs of the business and are tracked by function and cost type. They are either reported as totals on a per unit (unit cost) basis.

36 Tracking Project Expenses

Project costs and investments are the business expenses required to complete a project. Tracking the magnitude and timing of those costs are important indicators of project success.

37 Cost Variance Reporting

Cost variance reporting is the calculation and reporting of costs that are different than what was expected by the budget or standard.

38 Forecasting Expenses

Financial forecasts for the final cost of activities are created to allow activity managers to make wise business decisions. The approach used for forecasting should vary based upon the nature of the activities being forecasted.

Operations Finance

39 Product Cost

The business circumstances will dictate how best to analyse and assess product cost. Factors to consider are the manufacturing location, material and labor content, and product configurations.

40 Inventory Cost Management

Companies that manufacture products must manage their inventory to keep costs low but availability high.

41 Make versus Buy

Make versus Buy is a decision process to determine if a product, or part of a product, should be made by the company or by a supplier.

42 Productivity

Productivity is a term used to indicate improved efficiency which results in more output for the same input.

Earned Value

43 Earned Value Analysis

Earned Value Management is a comprehensive project management technique that combines scope, schedule and resource management into one set of measures. It is used for planning, variance analysis and forecasting.

44 Determining the Earned Value

Earned Value Management is a comprehensive project management technique that combines scope, schedule and resource management into one set of measures. The Earned Value analysis rests on task level planning and earned value calculations.

45 Earned Value Variance Analysis

Earned Value Management is a comprehensive project management technique that combines scope, schedule and resource management into one set of measures. The Earned Value variance analysis is an analytical method for separating cost and schedule effects from financial variances.

46 Earned Value Forecasting

Earned Value Management is a comprehensive project management technique that combines scope, schedule and resource management into one set of measures. With these measures a project forecast can be generated.