SYLLABUS

Diploma in
Strategic Finance and
Business Analytics

Become a Finance Business Partner
www.charteredaccountants.ie/diplomas
**Background**

As part of its mandate to provide opportunities for continuing education and development to its members, Chartered Accountants Ireland wishes to offer a Diploma in Strategic Finance & Analytics (DSFA).

Senior financial professionals working in management were in the past caricatured as little more than bothersome referees who would sporadically appear to present results or to admonish people for breaches of procedures. Whatever about the truth of this caricature, financial managers today must act as coaches who understand what is happening in the business and who continually explain to colleagues in other functions how their actions impact on the attainment of overall corporate goals.

The most successful businesses are powered by individuals who are contributing fully, able to make a difference, and committed to their company’s success. They must challenge and drive better business decisions, supported by accurate and timely information. Data is not enough; the finance partner must show the insight from that data and communicate it in a relevant and credible way.

**Aim**

The DSF aims to help participants fulfil their role as coaches by addressing two key needs:

1. Analytical – the need to accurately diagnose the firm’s strategic position and to recommend appropriate responses using business strategy analysis, value chain analysis etc.
2. Commercial skills – the ability to influence and win over management colleagues and other staff by using presentation, communication, persuasion and negotiation skills in an ethical way.

The course will aim to offer candidates a tool-kit of techniques which address both needs so that each participant become a more valued asset to the businesses and has a seat at the table when decisions are being made. The course will also address current topics such as Big Data and the evolving role of the finance manager.

**Target**

The course is primarily – but not exclusively - aimed at accountant and other financial professionals working in management in industry, business and financial services.

**Structure**

The format of the course will be six 10 hour teaching modules to take place Friday afternoon/Saturday.

**Evaluation**

There will be a two-stage evaluation of candidates for the DSF qualification:

1. Two assignments:
   a. An analytical assignment (after Module 3) requiring candidates to conduct the examination of a strategic aspect of their own business e.g. a review of the strategic value of their firm’s various activities.
   b. A personal skills-based assignment (after Module 6) requiring candidates to use all the skills taught on the course e.g. a live/recorded, case-based project making use of presentation, communication, persuasion and negotiation skills.
Strategic Corporate Finance

Topics
• Enterprise value and its significance in corporate finance
• Business risk, financial risk and the cost of capital
• Cost of capital, return on capital employed and shareholder value added
• The impact of business strategy on shareholder value added
• The application of business strategy and ABC analysis in business restructuring
• The impact of the business cycle and the asset price cycle on asset returns

Course Materials
• Course notes
• Case studies

Strategy Analysis

Topics
• Introduction: the financial manager as referee v. the financial manager as coach looking forward instead of back…
• Managing ambiguity and change;
• Is the finance function driving growth or driving down cost?
• Corporate finance basics – adding value versus subtracting value
• Business strategy analysis
• Knowing your industry; what is your business trying to achieve?
• Value chain analysis
• Determining corporate strategy
• Useful sources of information on the internet

Course Materials
• Course notes
• Case studies
**MODULE 2**

**DAY 1 - STRATEGIC COSTING**

**Strategic Costing**

Topics
- Activity based costing
- Enterprise resource planning
- Life-cycle costing
- Target costing
- Enterprise resource planning
- Value chain analysis
- Pricing for advantage

Course Materials
- Course notes
- Case studies
- Guest speaker- Using Enterprise Resource Planning systems.

**Strategic Cost Accounting**

Topics
- Strategic cost accounting
- Key performance indicators (KPIs) and the Balanced Scorecard
- Strategic benchmarking – measuring the performance of other companies
- Enterprise resource planning and Activity-Based-Costing (ABC) analysis
- The implications of ABC analysis for business strategy
- Analysis as a tool to solve problems/make better decisions
- What do the numbers tell you
- Financial planning, modelling, forecasting and variance analysis
- Analysis of costs, margins, product mix, etc.

Course Materials
- Case studies
- Ryanair case study and strategic analysis: An analysis on the competitiveness and low-cost strategy of Europe's leading low-cost carrier Ryanair

**MODULE 2**

**DAY 2 - COMMUNICATING WITH DIFFERENT PERSONALITY TYPES**

**Communicating With Different Personality Types**

Topics
- Understanding different personality types
- Individual personality assessment
- Impact of your work style
- Communicating effectively with different types of people
- Adapting your approach in order to get results
- Asserting yourself without upsetting others

Course materials
- Completion of MBTI questionnaire
- Exercise - Communicating as a finance business partner with key stakeholders/audiences
Budgeting & Strategic Planning
Be clear on your business case and confident in it.
Topics
- Financial planning
- Analysis of order backlog, book to bill ratio etc.
- Forecasting
- Budgeting & phasing of budgets
- Capital expenditure
- Reporting
- Balanced scorecard & KPIs
- Benchmarking

Course Materials
- Course notes
- Case studies

Influencing Key People
Topics
- Building your influencing tool-kit - getting buy in
- 4 step influencing model
- The psychology of persuasion
- Influencing practice & feedback
- Influencing upwards
- Personal influence & impact
- Using social & emotional intelligence to get results

Course materials
- Exercise - Influencing key stakeholders/audiences as a finance business partner
- Completion of Emotional Intelligence assessment
Structure, Strategy & Organisation

Topics
• Structure & strategy
• Capacity planning - management of staff numbers based on above, including getting right balance between own staff and contractors
• Design effective partner strategy balancing sales imperatives with financial constraints
• Incentives - designing remuneration systems to accord with strategic objectives
• Business restructuring
• Financial restructuring

Course Materials
• Course notes
• Case studies

Presenting Persuasively

Topics
• Building credibility as a business leader
• Presenting financials in a meaningful way
• Delivery that connects, engages & gets results
• Selling yourself & your message
• Presentation practice & feedback

Course materials
• Exercise - analysing your audience
• Finance business partner presentation with feedback
MODULE 5
OUR LIVES THROUGH DATA: USING ANALYTICAL TOOLS TO ANALYSE BIG DATA
DAY 1 - THE ANALYTICAL TOOLBOX

The Analytical Toolbox

Topics

Introduction to Analytics
• What is Data Analytics?
• Business case for analytics
• Types of analytics – predictive, descriptive

Introductory Case Study – Data Science and the Titanic

Working with Data
• Types of data – nominal, ordinal, categorical, numerical
• Types of data sources
• Data preparation and data cleaning

Basic Data Exploration
• Investigating a new data set
• Get summary information
• Ranges and deviations
• Using R and R-Studio

Regression
• Basic Linear Regression
• Application of regression model
• Analysing performance of model
• More complex regression types

Classification
• Decision trees
• Application of decision tree – Loan Applications
• Decision rules
• Comparison of trees and rules for application
• Bayes Theorem
• Bayesian classifiers
• Application - fraud transaction analysis

Association
• Types of association
• Association rules
• Using Support and Lift
• Application – Market Basket Analysis

Cluster Analysis
• Looking for sets of similar items
• K Nearest neighbours method
• Other cluster methods
• Applications in the accounting domain

Black Box Methods
• Neural networks
• Support vector machines
• Using neural networks on loan data

Text Analysis
• Categorisation
• Concept extraction
• Twitter text application

Data Visualisation
• Types of visualisation
• Choosing the right visualisation method

Summary
• When to use different analytical methods
• Other tools which may be useful
Building an Analytical Capability

The Data Analytics Pipeline
- Extract, transform and Load
- Data cleaning
- Feature extraction
- Online Analytical Processing
- Tools and techniques
- Case study

The Big Data Revolution
- Sources of data
- Dealing with Unstructured data
- Hadoop and other big data tools
- Big data and the Cloud

Case Study – Netflix

Competing on Analytics
- Using analytics to gain competitive advantage
- The key attributes of analytical companies
- Using analytics on internal processes – Financial, Manufacturing and HR
- Applying analytics on external processes – Customer, Supply chain
- Case Study

Building an Analytical Capability
- A maturity model for analytical capability
- Managing analytical people
- An architecture for business intelligence
- Future of analytical competition
- Case Study

Conclusions
- Key Action Points to Take from the Course
- Further directions
- Checklist
- Reading List
Current Topics

Topics
• Introduction to corporate risk management.
• Yield management
• Supply chain analysis, outsourcing and the make/buy decision.
• Joint ventures and strategic partnerships
• Acquisition and divestiture decisions

Course Materials
• Course notes
• Guest on Transforming the Finance function.