

# Advanced Commercial Analysis

## INTRODUCTION

- Central to the success of any enterprise is the thorough analysis and understanding of the markets served and stakeholder expectations, the enterprise's commercial positioning in these markets and their financial performance.
- In the light hereof, the demand for specialised commercial analysts or staff with a broad understanding of commercial analysis is growing.
- Although the scope of commercial analysis will vary depending on the organisation, the main objective is to maximise profit and increase market share. Forecasts need to be underpinned by a solid understanding of current market conditions. Thus, there is a need to engage with stakeholders, to take into account competitors' performance and external regulatory developments and to define key performance indicators (both financial and non-financial) to monitor alignment with corporate strategy and performance within the business.

Commercial analysis can be broken down into five major components:

- Strategic planning refers to the identification of needs specific to the business
- Business model analysis involves researching business policies and approaches to customers and stakeholder
- Process design is related to the analysis of employees and workflow.
- System analysis refers to the analysis of technical systems that support the organisation strategy
- Financial Analysis is related to financial performance and positioning
- This advanced training course will provide an in depth overview of commercial analysis, specifically from a financial perspective. To optimize financial performance, one needs to do a detailed business and market analysis, to align expected financial output with departmental and organisational strategy. A key tool in this is the Balanced Scorecard with implementation and evaluation of key performance indicators. The underlying systems should support these strategic outputs and hence should be analysed in the light thereof.
- With the systems in place, the focus is on budgeting and internal financial analysis and the subsequent evaluation of financial performance as part of continuous operational output. This performance is then measured against competitors and stakeholder expectations. Finally, the participant will conclude with a commercial analysis development plan, to be implemented in his department or organisation.

## PROGRAMME OBJECTIVES

- At the conclusion of this training course all participants will gain a strong understanding of the practicalities; techniques and strategies of commercial analysis that will both enhance their

- effectiveness and contribution in their current role and their career opportunities based on the skills and insights acquired.
- By attending the Advanced Commercial Analysis training course, participants whose background is not in the financial sector will gain an understanding of both the strategic and the technical aspects of commercial analysis for performance improvement.

Participants will also be able to:

- Understand market and stakeholder analysis (based on best practices)
- Align organisational and departmental strategy
- Define corporate culture and employee output measurements
- Use the Balanced Scorecard for analysis of organisational effectiveness
- Use Key Performance Indicators to analyse performance
- Align organisational systems with strategic outputs
- Understand budgeting and costing
- Understand working capital management
- Understand financial appraisal techniques
- Define and implement financial metrics for continuous analysis
- Align budgets with Balanced Scorecard and KPI's
- Understand financial statements and key financial ratios
- Draft a commercial analysis development plan for their department

## WHO SHOULD ATTEND?

- This training course is designed for those that have experience in the financial or accounting department; accountants who want to improve their career opportunities or those who wish to broaden their scope of understanding of commercial analysis. It would specifically suit the following:
  - Accounting Professionals
  - Financial Managers
  - Heads of Departments
  - Both financial and non-financial professionals with operational experience
  - As it is an advanced programme, some accounting and operations background would be beneficial.

## TRAINING METHODOLOGY

- This training course is delivered as a hierarchy of related but separate modules and proceeds in a systematic interactive manner using lectures, lessons learned, practical examples, video materials, case studies, software demonstrations, shared participant experiences and practice sessions and assessments. Participants will partake in group activities as well as individual exercises.

## PROGRAMME SUMMARY

- This Advanced Commercial Analysis training course will enable each participant to appreciate and understand the basics and certain complexities associated with commercial analysis with topic terminology, concepts and applications.
- The programme covers most critical aspects that one needs to know for commercial analysis. It will also cover the regulatory environment, practical implementation, risk assessment as well as integration with other divisions.

## PROGRAM OUTLINE

### Business and Market Analysis

- Analysing product and service portfolio
- Analysing stakeholder expectations
- Delivering business value
- Aligning organisational and department strategy
- Understanding and analysis of organisation culture
- Organisation structuring
- Line, staff and functional responsibilities

### Balanced Scorecard and KPI

- Organisational effectiveness and the Balanced Scorecard
- Strategic themes and perspectives
- Defining objectives and initiatives
- Defining Key Performance Indicators
- Lead and lag indicators
- Defining Critical Success Factors (CSF) from the balanced scorecard
- Using performance information to analyse performance and evaluate KPI's

### Internal System and Financial Analysis

- Aligning organisational systems with strategic outputs
- Analysing control environment
- Understanding accounting principles and methods
- Management analysis versus financial analysis
- Cost management and financial performance
- Working capital management
- Cost allocation and apportionment
- The time value of money
- Understanding Appraisal Techniques – Net Present Value (NPV), Internal Rate of Return (IRR) and Payback period
- Strategic considerations in assessing capital projects

## Evaluating Financial Performance

- Understanding cost structure and behaviour
- Costs as a relationship to outputs – cost/volume/price relationship
- Full Costing, Marginal Costing and Activity Based Costing
- The concept of contribution margin
- Break-even analysis for planning and control
- Benefit-cost analysis
- Budgetary control and variance analysis
- Defining and implementing financial metrics for continuous analysis
- Aligning budgets with Balanced Scorecard and KPI's

## Financial and External Commercial Analysis

- Analysing business domain
- Overview of International Financial Reporting Standards (IFRS) and disclosures
- Balance Sheet Analysis
- Income Statement Analysis
- Cash Flow Statement
- Financial Ratio Analysis
- Development of Commercial Analysis plan for you department/organisation

