

# Finance for the Non-Financial Manager

## The basics of finance and accounting

### Designed for:

- The nonfinancial manager in functional areas such as HR, IT, Marketing, Sales, Manufacturing or Engineering
- The general manager who has been promoted through these functional areas
- Prior knowledge of finance is not necessary

### Takeaways

The program helps participants improve communication with financial-areas executives, contribute to financial decisions, and better understand financial statements and the impact of strategic decisions on shareholder value. This program's focus on both accounting and finance helps participants develop a well-rounded understanding of the language and requirements of financial expectations and performance. Participants learn how to evaluate a project's financial attractiveness from the shareholders' perspective and to better understand and predict the impact of business decisions.

### Learning Experience

Our participants tell us over and over that the Michigan Finance faculty team makes finance not only understandable but also fun! Through a carefully crafted program design that includes cases, application activities, discussions, engaging lecture and some actual "number crunching" using a financial calculator and Excel, you will leave with the confidence and the ability to add the investors' perspective to your managerial decision-making.

### Program Focus

#### Financial Statement Analysis

- Income statement, balance sheet and cash flow statement
- Market value versus book value
- Accounting income versus economic income

#### Evaluating Operating Performance

- Ratio analysis: Profitability, efficiency, liquidity and leverage ratios

#### Valuation Tools

- Time value of money
- Valuing cash flow streams
- Using a financial calculator and spreadsheets

#### Resource Allocation: Decision Criteria

- Net present value
- Internal rate of return
- Economic value added

#### Resource Allocation: Estimating Cash Flows

- Incremental cash flow concepts
- Treatment of opportunity costs and sunk costs
- Cash flow drivers

#### Sources and Cost of Capital

- Risk — the concept of beta
- Costs of debt and equity capital
- The weighted average cost of capital

#### Comprehensive Cases

- Resource allocation decisions
- Performance evaluation

Participants in this program will receive a financial calculator, compliments of Stephen M. Ross School of Business at the University of Michigan.



**"This program opened my eyes to the possibilities in Finance. The instructors exemplify teaching and show their knowledge and skills through their expert instruction."**

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