FIN–105 Financial Modeling in Telecommunications

Description

*This course is also available as a live distance learning course*

Financial models are a key element in most major business decisions. They are useful tools that allow business options and risks to be evaluated in a cost-effective manner against a range of assumptions, identify optimal solutions in evaluating financial returns and understand the impact of resource constraints to make the most effective business decisions.

This 4–day Training Course provides participants with the fundamental concepts, principles, tools and best practices of financial modeling as it applies to the telecommunications sector in order for them to:

▪ Gain a true grasp of financial modeling and;
▪ Learn how to apply it on–the–job while linking it to the strategic plan

Objectives

At the end of the course, participants will be able to:

▪ Understand the key concepts of financial analysis
▪ Demonstrate a true grasp of the link between the strategic plan and financial modeling
▪ Identify the type of financial models applicable to different situations
▪ Identify areas of strengths and weaknesses in financial results
▪ Develop more complex best practice based financial models
▪ Build short clear chart–based executive management reports on financial results
▪ Use excel to perform more complex financial modeling operations
▪ Efficiently build the financial representation of complex business cases

Topics

The Training Course covers the following topics:

DAY 1

▪ Basic principles of accounting
  – Fundamental concepts of financial statements
  – Financial statements
  – Exercise – Financial statement build–up
  – Financial ratios
▪ Financial models. What is a financial model?
  – Types of financial models
Main components of financial models
• Annex: Telecom financial model characteristics
  • Exercise – NPV/IRR

Price setting
• Setting the optimal price
• Pricing methodologies
• Best practices

Capital project/product introduction evaluation
• Definitions
• Typical process
• Business case
• Methods for evaluating projects
  • Investment project – a practical illustration

DAY 2

• Case Study – TopTelecom

Strategic planning process
• The strategic planning process
• Financial planning and budgeting

Variance analysis on financial results
• Performance management process
• Implementation / Execution
• Performance measurement tools
• Performance evaluation
• Variance analysis steps

DAY 3

• Project / product evaluation – Practical aspects
  • Positive cash flows
  • Incremental cash flows
  • Size of the project
  • Strategic projects
  • Risk analysis
Alternative solutions
- Prior to the capital committee/board meeting
- At the capital committee/board meeting
- Importance of following up project after approval

- Capital project/product introduction evaluation. Definitions:
  - Business case
  - Methods for evaluating projects
  - Cost of capital
  - Case study: Networksoft

- Exercise – Excel functions

DAY 4

- Financial planning best practices and components: Financial planning and budgeting
  - Financial planning best practices
  - Main components of financial plans

- Exercise – Budget preparation – ZapChat

- Variance analysis for financial and non-financial results.
  - Performance management process
  - Implementation/Execution
  - Performance measurement tools
  - Performance evaluation

- Case Study – Top Telecom bonuses and salary increases

Target Audience

- Telecommunications managers and personnel responsible for financial analysis, financial modeling and business valuation
- Managers looking to complement their skill-set by gaining a good understanding of financial modeling
Methodology
A combination of engaging activities and dynamic presentations to stimulate and maximize participants' learning.

About Neotelis
Neotelis provides training, consulting, conferences and publications to the telecommunications industry worldwide. Its team of senior experts has trained thousands of executives and managers working for operators, regulators, policymakers and governments in over 120 countries around the world.