

# Financial Management & Project Governance for Project Managers

*Essential financial management concepts, templates, tools & techniques and best practices designed for successful governance of projects and programs*

2-DAY WORKSHOP

**16  
PDU's**

## Seminar Focus:

Projects and the bigger picture  
Financial Concepts  
Financial Analysis  
Asset Management  
Project & Program Governance  
Pricing/ Costs and the Contract  
Cost Estimating and Forecasting  
Practical Applications

## Overview

Company success is dependent on project success. For a project to be successful it should be regarded as a business unit, or indeed “company within a company”. As such it is crucial that the project team understands how profitability is measured and improved. This course takes a practical look at financial metrics and how these can be optimised within the project. This includes increasing income, decreasing costs and optimising cash utilisation by the project, a subject often poorly understood at project level. A wide range of tools and techniques applicable across the project lifecycle are covered.

The course is highly interactive, starting off with analysis of simple sample data, then moving on to practical application of these techniques to real project data. The course duration is 2 days. This course is frequently combined with Contract Skills for Project Managers (2 days). Combination course runs in 3 days.

## Objectives

- Communicate with other members of the team/ organisation using standard financial terms and concepts
- Understand the “bigger” picture in terms of company profitability
- Understand the factors involved in increasing profitability: increasing revenues, reducing costs and effectively managing assets
- Understand and use a range of (management) accounting techniques

## Who Should Attend

- Project Manager
- Program Managers
- Projects Support Specialists
- All others involved in financial aspects of managing a project or program

**This course is in line with PMBOK 7th Edition and makes the participants eligible for 16 PDUs**

## 2-DAY WORKSHOP AGENDA

### SESSION 1: INTRODUCTION: PROJECTS AND THE BIGGER PICTURE

- The project as a business unit.
- Financial responsibility within the project

### SESSION 2: FINANCIAL CONCEPTS

- The basics
- Generally Accepted Accounting Principles (GAAP)
- Recognizing revenue and matching costs
- Accruals
- Profit & Loss, Balance Sheet, Cash Flow

#### Case Study/ Exercise

### SESSION 3: FINANCIAL ANALYSIS

- Applying financial ratios to interpret financial reports

#### Case Study/ Exercise

### SESSION 4: MANAGEMENT ACCOUNTING

#### TECHNIQUES (i.e. internal management techniques)

This section can be customized to include client's required areas. *Example* areas:

- Building the business case
- Discounted cash flows
- Principles of costing
- Direct Vs. indirect costs
- Fixed Vs. variable costs
- Breakeven analysis
- Discounted cash flow
- Decision trees/expected value analysis
- Economic Value Added
- Other internal processes

#### Case Study/ Exercises

### SESSION 5: ASSET MANAGEMENT - CASH IS KING!

Optimizing assets:

- The Cost of Capital (Investment)
- Importance of cash flow
- Managing receivables
- Cost of uncollectibles
- Inventory
- Property, Plant and Equipment
- Recognizing Revenue

#### Case Study/ Exercise

### SESSION 5: PROJECT & PROGRAM GOVERNANCE

- How revenue, costs, profit and cashflow (incl. inventory, wip, debtors etc) are reported and what the reports mean

#### Case Study/ Exercise

### SESSION 6: PRICING/ COSTS AND THE CONTRACT

- The Pricing Process
- Understanding where costs may be hidden in the contract
- Importance of the contract in determining price and payment terms.

#### Case Study/ Exercise

### SESSION 7: COST ESTIMATING AND FORECASTING

- Forecasting techniques
- Estimation techniques

#### Case Study/ Exercise

### SESSION 8: LESSONS LEARNED

- Summaries, feedback, sharing of lessons learned