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FINANCE FOR SALES TEAMS™



The course

This course is for managers and sales teams who need basic financial understanding, sales induction programs, selling skills, sales conferences and profitability drives.

The simulation gives participants a comprehensive understanding of the critical determinants in the success of your business, and how they as the sales force can contribute to this success.

Until your sales team develop a deep understanding of and belief in the consequences of pricing versus volume and why selling the right mix is crucial, their skill in selling may well be misdirected or under-utilized.

Better market intelligence as the simulation shows how important competitor monitoring in the field actually is.

Better forecasting as teams struggle to source or produce stock which their sales force has a sudden demand for.

More co-operation between sales and procurement/production.

Reduction in customer debt problems. Understanding of the critical business problems brought about by too much stock, bad debt, poor margin and high fixed costs.

The process involves teams of participants 'running their own business' in competition with other teams in the room. Each team manages their own business by following a realistic business process which includes forecasting stock, making marketing decisions, planning and pricing, sales strategies, collecting money and paying expenses.

Learning outcomes

- Calculating and analyzing gross and net margins – by product, region, customer.
- Analysing your company financial statements, and how decisions made by the sales force impact on these
- Product mix - why it is important to focus time and effort in proportion to gross margin, and not just ease of sale
- Evaluating customer service and its impact on profitability
- Analysing debtors and bad debt. The necessity of assessing which customers are high risk and what damage this can cause to cash flow and profits

- Making and implementing decisions and assessing results within the broader business context in terms of cross-functional dependencies, allocation of limited resources, competitor activity and business performance.

Course details

Minimum 16, maximum 20 participants in a group

Period: 2 days, from 9:00 to 17:00

Trainers: Georgeta Dendrino, Stefan Palarie, Lucian Mihai

AGENDA

1. Cycle 1- First simulation stage with trainer support

Each team independently manages business cycles and analyses the business situation using the real KPI's from their company.

Each team decide on their own strategy and go through the business simulation process

- Collect debtors
- Pay creditors
- Decide about warehousing capacity
- Plan purchases
- Decide about investment in fixed assets
- Pay supply chain
- Decide about new market development
- Decide about staffing – sales and support
- Receive stocks
- Prepare the commercial and technical to participate in the auction
- Pay expenses
- Record bad debts
- Show depreciation
- Update loans
- Complete accounts and pay tax
- Pay dividends
- Report results to the top management

The participants go through each step of the business simulation and correlate their decisions with the key performance indicators from the current reality of their company

- Market share (%)
- Sales target
- Turnover
- EBITDA
- Cash-flow
- Net profit

Results of the first simulation cycle

Each team present their results (budget vs achieved) to the entire group and answer potential questions. The group represents the top management.

- Results and variance analysis

- Feedback and conclusion
- Plan the next simulation cycle

Transfer to reality – customized exercises introduced in stages during the simulations

- Budgeting
- Vertical and horizontal trend analysis
- Results variance analysis
- Cash flow analysis
- Costs behavior
- Working capital and stocks optimization
- Analysis of debtor collection rate
- Analysis of stocks rotation rate
- Analysis of profitability margin per industry/company
- Profit triangles and return on investment
- Shareholder value – RONA, ROCE, EVA
- Optional exercises depending on industry and requirements of the target group
- Report results to the top management

All concepts are gradually introduced during the simulation cycle and are correlated with the reality – big picture of business, fixed and variable costs, financial indicators specific to the client organization against which the operational activity of managers from any level is measured.

The participants continue the simulation with the next cycles.

All teams go through the same business process as the one from Year 1, while designing their own strategies and making different decisions, without trainers' support.

Final results and celebration of team success

Representatives of each team present the team results to the top management from the KPI's perspective. The group decides on the best results and votes the winning team of the session.