insightexperience

Business Acumen

Business acumen is a foundational skill required to be an effective and credible leader. Business acumen enables leaders to understand and anticipate how decisions impact financial performance and the business system in which they work. Leaders must have a strong grasp of basic financial concepts and metrics in order to monitor company performance and make adjustments to their plans. Business acumen skills help them understand how decisions impact such key financial performance as profitability, cash flow, and asset utilization.

The Learning Experience

Understand Financial Concepts to Better Manage Performance

During Insight Experience's Business Acumen program, participants are introduced to important financial reports and metrics. They learn about the Income Statement, Balance Sheet, and Cash Flow statement — and why they are important in monitoring the financial health of a business. Attendees also learn about key performance indicators such as GM, EBIT, and PAT; asset utilization metrics like DSO, ITO, ROA, and ROIC; shareholder measures, including EPS and P/E ratios; and the importance and impact of debt, equity, and leverage. In order to reinforce participants' understanding of the financial concepts presented, current company and competitor financials are presented and analyzed throughout the program.

Sharpen Critical Leadership Skills

The Business Acumen program demonstrates the need for both effective business skills *and* leadership skills to improve business performance. "Financial and business acumen are table stakes in managing a business in today's complex and global environment," says Ned Wasniewski, an Insight Experience Business Acumen facilitator, "but business acumen alone isn't enough. Throughout the program, we not only stress that understanding finance is important in measuring and managing company performance, but also that financial results are the outcome of great leadership."

Identify Improvement Actions

Throughout the program, participants identify specific actions to enhance their company's performance. Examples include increasing forecasting accuracy, reducing days sales outstanding, boosting inventory turnover, optimizing asset utilization, expanding profitability margins, improving cash flow, developing employees, and strengthening communication with stakeholders.

Target Audience
Managers at all levels and functions, and high-potential individual contributors who are preparing for future leadership roles.

Desired Outcomes
This program helps participants understand:

- How their company makes money.
- How to use financial reports and metrics to manage the business.
- Why running a business profitably is important.
- The drivers of profitability and how to impact them.
- The importance of effective asset management.
- How to improve cash flow.
- How to increase shareholder value.

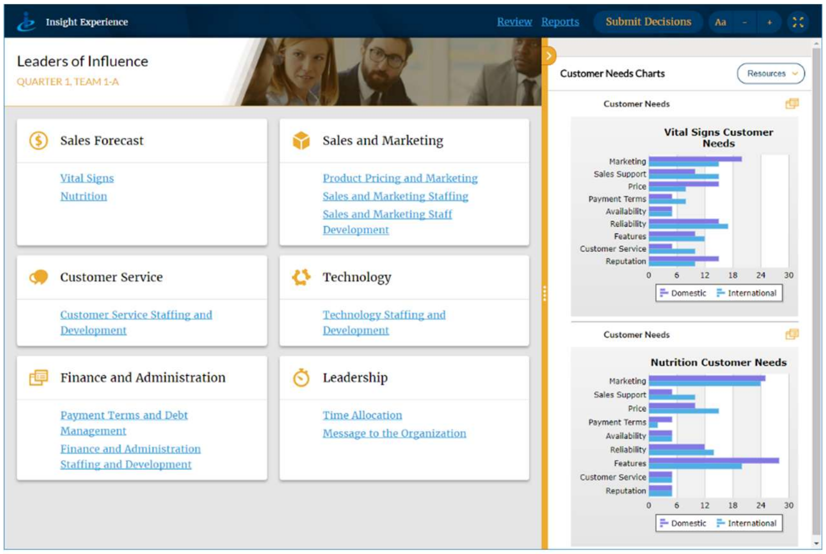
Logistics

- 2–3 days
- 16–36 participants

Dynamic Business Simulation

In a Business Acumen simulation experience, participants step into the role of a General Manager of a fictitious business that presents them with strategic, financial, and operational challenges and opportunities. Simulation teams must market and sell products, forecast market demand, manage a supply chain, invest in new technologies, and manage debt and customer collections – while simultaneously managing the business's profitability and cash flow.

During several rounds of decision-making, participants are asked to apply business management skills, strategic thinking, market and competitive analysis, and financial acumen to make effective decisions to generate improved financial performance.



Sample Program Agenda

Insight Experience's Business Acumen program can be modified to suit a company's specific needs. It can be delivered as an in-person classroom experience or as a virtual program. A sample program agenda is provided below.

Day 1	Day 2	Day 3
Executive Welcome and Leadership Perspective Financial Insights for Business Leaders External Perspective	Understanding the Income Statement **Simulation – Round 1 Learning Discussion** **Simulation – Round 2 Decision-Making**	**Simulation – Round 3 Decision-Making** Understanding Cash Flow **Simulation – Quarter 3 Learning Discussion**
Lunch	Lunch	Lunch
Simulation Introduction and Overview Strategy Development Exercise Simulation Software Demonstration **Simulation – Round 1 Decision-Making** Introduction to Statements	Understanding the Balance Sheet: Current and Fixed Assets Understanding the Balance Sheet – Liabilities and Equity **Simulation – Round 2 Learning Discussion**	**Simulation – Round 4 Decision-Making** Investment Analysis **Final Simulation Results and Learning Discussion** Next Steps and Wrap-up