



# Financial Management in Turbulent Times

David Allen

Many of the techniques that underpin financial management were developed in conditions of stability. Yet the last ten years have been marked by increasing and unprecedented turbulence. This new *Peer-enriched learning* course focuses on the dynamics of financial management. Learners will be prompted to think through how the volatility which characterises today's business environment has affected their particular enterprise, and how they are, or might be, responding.

**Financial Management in Turbulent Times** is a **peer-enriched learning** course. These courses stimulate intelligent dialogue and debate and provide a valuable and evolving resource of professional knowledge and experience. Each module is split into two activities. The first encourages learners to think about a topic, drawing on their own professional experience and knowledge. The second helps learners to put ideas and/or theories into practice as part of their day-to-day work.

**Financial Management in Turbulent Times** enables the learner to:

- Think about how financial aspects can be managed, with particular reference to the greater importance now attached to the customer dimension, and to the popularity of more devolved structures.
- Consider the irrelevance of many academic hypotheses (like efficient markets and capital assets pricing) and find an alternative approach to establishing decision making criteria and their communication within a multi-product/market organisation structure, so as to assess value and ensure accountability.
- Move away from the 'command and compliance' style of management towards the 'trust and commitment' one; its connection with the need to balance the interests of various stakeholders, and the pressure for greater CSR.
- Examine how investment appraisal techniques are being adapted so as to cope with a greater degree of uncertainty and an increase in the proportion of investment which produces intangible assets – coupled with a practical approach to the monitoring of investments, strategies and businesses.
- Look at their relations with customers and suppliers, and how they have changed. This will be with particular reference to credit and stock controls, the inappropriateness of traditional approaches e.g. reliance on customers' published accounts, and the importance of thinking globally.

## Topics

### The place of finance in the organisation

- Planning v. strategy
- Devolution
- Fixedness
- Customer orientation
- Participation

### Financial objectives

- Retirement planning
- An insurmountable opportunity?
- Charity begins at home
- A matter of discounting
- Overhead recovery

### Investment capital

- Marketing
- Interest rates
- Uncertainty
- Monitoring

### Working capital

- Cash is tight
- Customer mix
- Transparency
- Competitive risk

### Target audience

This course is designed to appeal to finance professionals working in practice and in industry.

**Author:** David Allen, is a past president of CIMA and a past chairman of the Management Accounting Committee of the International Federation of Accountants. He was employed for many years by Cadbury Schweppes group holding directorships with various subsidiary companies, notably Cadbury Ltd.