Financial Fundamentals For Product Managers

Two Day Course

Successful Product Managers Are Financially Literate and Articulate

Successful Product Managers know their way around their product's financials. They should be able to convey the health of their product today and anticipate the path that it will take.

The Financial Fundamentals course is a refresher course to help Product Managers revise their financial knowledge and improve their ability to understand and explain the key financial terms that underpin the product's performance.

Course Overview

The course is a two-day interactive course designed to arm Product Managers with the language and a more thorough understanding of key financial concepts. The course also provides Product Managers the opportunity to practice delivering financial information under 3 different scenarios:

1. Assessing the performance of a product.
2. Forecasting the performance of a product.
3. Requesting investment for new product development.

Learning Outcomes

Product Managers will learn:

- Concepts such as Revenue, Cost, Operational Cost versus CAPEX, Margin, Cash Flow, Annual Reports and Non-Financial Metrics.
- To determine how these concepts are applied in Product Management.
- Key issues that arise when applying these concepts.
- How to calculate financial concepts (as described above).
- How to make decisions using financial tools.
- How to calculate a market opportunity.
- How to confidently explain the product's performance to Executives.

Business Benefits

Organisations will realise immediate and ongoing benefits of investing in their Product Management capabilities:

- The presentation of financially sound, compelling opportunities for the business to determine which to select and pursue.
- The ability to make better investment decisions.
- More focus on the bottom line.
- A competitive advantage for your business.

Who Should Attend?

- Product Managers
- Product Marketers
- Product Analysts

Class Agenda

Day 1

- Introduction

  During the introduction, we will discuss the following questions:

  - Why is it important to understand the Financials?
  - When do you need Finance?

- Reading and Speaking the Language of Finance

  During this session, we will review each of the most useful concepts in Finance. We will spend time assessing what these concepts mean, how are they used in business, how are they calculated and what the issues using these concepts bring.

  Participants will work through some simple and short illustrative team and individual exercises and games to bring those concepts to life.

  Concepts that we will discuss and review include:

  - Revenue
    - ARPU
    - Ongoing vs One-Off
  - Cost
    - CPU
    - Direct vs Indirect
    - Fixed vs Variable
    - Marginal

- Cost vs CAPEX
- Margin
  - Gross Margin
  - Net Profit
  - EBITDA
- Cash Flows
- Reading Annual Reports
  - P&L
  - Balance Sheet
  - Cash Flows
- Non-Financial Metrics
  - NFP
  - Government

Day 2

Using Finance as a Communication and Decision Making Tool

During this section, we will start using the language and tools that we have learnt in the previous section so that we may begin to learn to communicate within the company (with financiers and senior executives). We will also learn to use it as a way to support decision making.

This section consists of short lectures and simple and short team or individual exercises or games.

- Establishing the Base Line
  - Driver Tree
  - Budget & Forecast
- Making an Investment Decision
  - Concept of Certain Equivalent
  - Timing
  - Risk and Return
  - Discount Rate
  - NPV
  - IRR
  - Pay back
  - Cash on Cash
- Assessing the Performance of a Product
  - Actual vs Budget / Forecast
  - Variance Explanation

Pulling It Together

In this section, we will string together the concepts that we learnt by running three case studies. The group will be divided in teams that will consider and work on the materials offered and present to the rest of the participants.

- Case Study 1: Assessing the performance of a product.
- Case Study 2: Forecasting the performance of a product.
- Case Study 3: Requesting investment for a new product.

Course Fee

The price of this 2 day course is $1,995 (incl. GST) per participant and includes:

- Course Material
- Morning Tea
- Lunch
- Afternoon Tea

About The Facilitator

Stéphane Chatonsky is an Adjunct Faculty of the Australian Graduate School of Management, an Honorary Fellow at Macquarie University and Tsinghua University. He is a member of the Finance faculty and has taught Private Equity, Venture Capital and Valuation and Financial Modelling to post-graduate students in Australia, Singapore, China PRC and Hong Kong.

He has also taught to private and public organisations including the Finance Department of the Commonwealth of Australia. Over the last 10+ years that he has been teaching, Stephane has consistently received outstanding participant reviews and in particular, has been recognized as being able to explain complex concepts in simple terms.

Stephane is a member of the expert panel of UNSW on issues of corporate finance, valuation and private equity.

Stéphane is also the co-founder and managing director of Ivest and comes with over 15 years experience as an investment and strategy leader with a blend of private equity, venture capital, investment banking, strategy consulting and corporate experience with a strong Asian and emerging markets focus.

Stéphane has experience across a broad range of industries, including financial services and insurance, healthcare, education, media, telecommunications, retail, consumer and business services. Prior to co-founding Ivest, Stéphane was a General Partner at LeapFrog Investments, a leading emerging markets private equity fund and had overall responsibility for South East Asia.

Stéphane worked in principal investment and investment banking at Macquarie Bank and was a management consultant at McKinsey & Co focusing on financials services, media and telecommunication across the Asia-Pacific region. Prior to McKinsey, Stéphane was an investment banker at Lazard Frères & Co in Europe.

Stéphane holds an MBA from the Wharton Graduate School and a BSc Economics from Essec (Paris). He is a Fellow from the Australian Institute of Company Directors.

About Brainmates

Brainmates dream of a happy world with organisations filled with amazing Product Managers creating and rejuvenating products and services that their customers love.

The start of Brainmates' magnanimous dream began by offering interim Product Management resources and training to medium and large organisations in 2004. They have since established a vibrant Australian Product Management community by curating regular public and private Product and Marketing professional events. They created a practical Product Delivery framework to enable Product Leaders to optimise their Product Delivery processes across multiple industries including media, finance, medical devices and government.

When they are not changing the world, one organisation at a time, Brainmates gallivant around the world sharing their though-leadership and stories about Product Management with Product professional audiences and executives on a regular basis.

Contact Us

To find out when the next public course is running in a city near you, or to schedule a private enterprise course, contact Brainmates:

- Email us on training@brainmates.com.au
- Call us on 1800 272 466