

# FINANCIAL DECISION TO ENSURE BUSINESS SUSTAINABILITY

# Why we are here today / Exceptions

- ❖ Making good financial decisions about when, where, and how a firm acquires funds is critical. Because a company benefits the greatest when the market value of its stock rises, which is not only a symbol of growth for the company but also increases investor wealth.
- ❖ Financial management is essentially the act of developing a business plan and then ensuring that all departments stay on track. The establishment of proper financial management and the making of sound judgments help to ensure the business's long-term viability.
- ❖ Participants will learn financial planning in this course. They will learn how the capital structure should be, how to find and use appropriate funding sources, how to distribute and use profits.

# List of topics

(as in syllabus/ theoretical part)

Financial  
Management

Investments

Funding  
Opportunities

Dividend  
Decisions

Debt Payoff  
Strategy



# Learning points

(as in syllabus/ theoretical part)



Determinate the total amount of assets to be held in their firm.



Compose these assets with the risk complexions of the firm.



Select such sources of funds which will make optimum capital structure.



Properly use their business' funds to achieve the goal of wealth maximization and risk minimization.



Decide how to distribute or retain the profits of their business.



Make the right decisions with your money, so you don't go into debt any further.



# Main activities / structure of the session

(theoretical, practical,...)



Make a presentation about the general purpose of the session and learn about the expectations of the participants



Presentation of analyzes made within the scope of activities



Creating a Business Idea



Activity 1.1: Activity 1. 2: Preparing an investment plan



Q&A session



Evaluation



# What are you expected to produce (list of concrete outputs)



Learning how to create A business idea, creating A mindmap by dividing the business idea into sub-themes



Learning to express our needs clearly for the business idea



Experiencing what to do at which stages in order to make a correct investment plan



Identifying and presenting the core elements of the investment plan



# Overview on the theoretical part

FINANCIAL DECISION TO ENSURE BUSINESS SUSTAINABILITY

## 3 main pillars of financial management

1

- Identifying what has to happen financially in order for the organization to meet its short- and long-term objectives.

2

- Decision-making, or assisting corporate executives in determining the best approach to carry out plans by giving up-to-date financial reports and data on essential KPIs for scenario planning, for example.

3

- Controlling, or ensuring that each department contributes to the vision while staying within budget and on track with the strategy.



# 4 categories of financial management

## Planning

The financial manager anticipates how much money the company will need to maintain positive cash flow, allocate funds for expansion or the addition of new products or services, and deal with unforeseen events, and shares this information with his or her coworkers.

## Budgeting

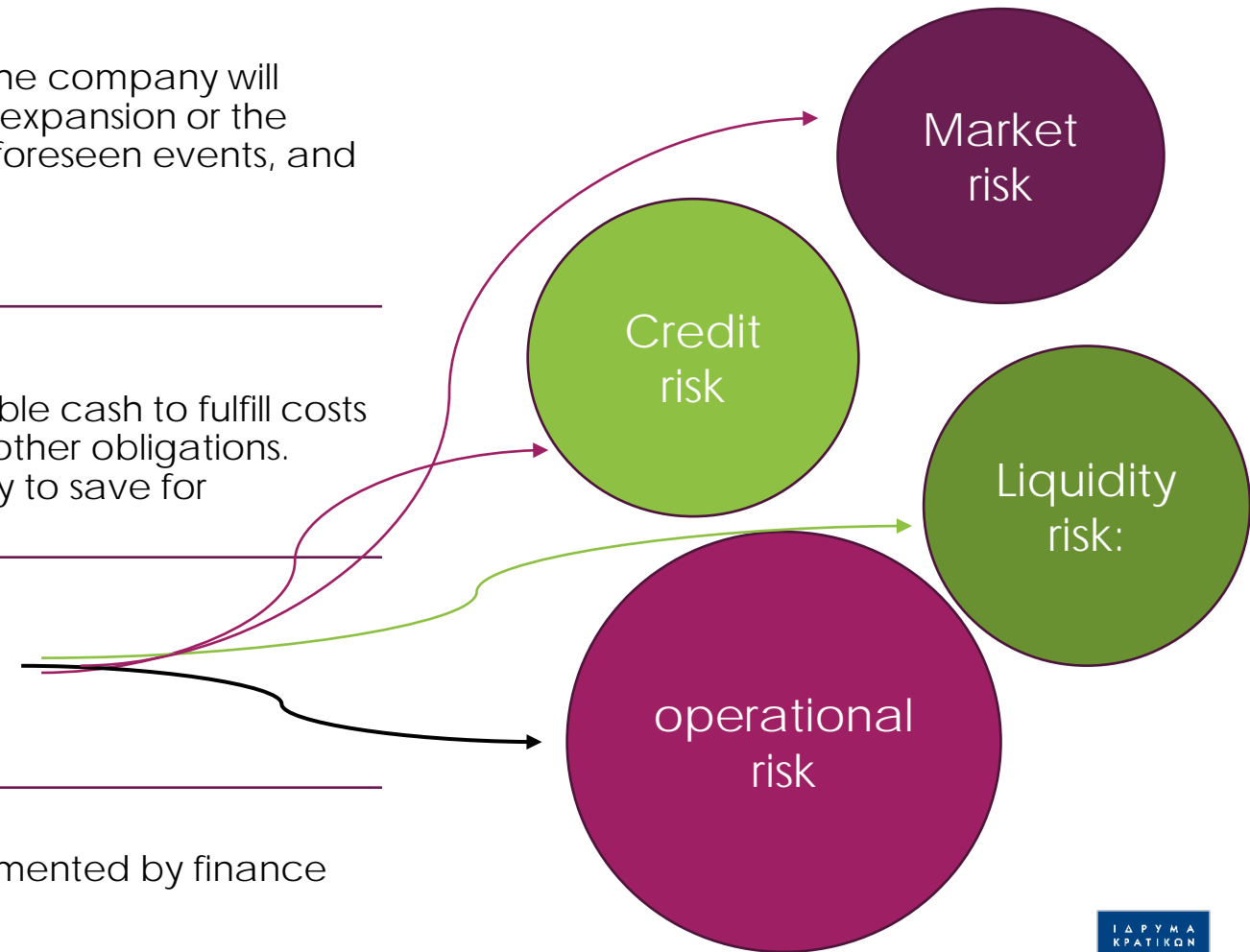
The financial manager allocates the company's available cash to fulfill costs such as mortgages or rents, salaries, raw supplies, and other obligations. There will be enough money left over in an ideal society to save for emergencies and fund new business endeavors.

## Risks

Accurate assessment of a range of risks

## Compensating controls

Compensatory controls and anti-risk controls are implemented by finance managers.



# Type of Investments

## Growth investments

Long-term investors who are willing and able to ride out market volatility will benefit from these.

## Shares

Shares are a sort of growth investment since they can help you expand your initial investment over time.

## Property

Property is also known as a growth investment since the price of houses and other assets can rise dramatically over a medium to long period of time.

## Defensive investments

Because they are more focused on generating constant income rather than growth, they are less hazardous than growth investments



# Overview on the practical part

FINANCIAL DECISION TO ENSURE BUSINESS SUSTAINABILITY ACTIVITIES



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# What we will achieve today

Participants will learn how to create a business idea, what to consider when creating a business idea, to visualize our business idea with the help of mindmap and to divide it into sub-themes.

Participants will learn what the 10 steps to follow when making an investment plan are and how to prepare an investment plan.

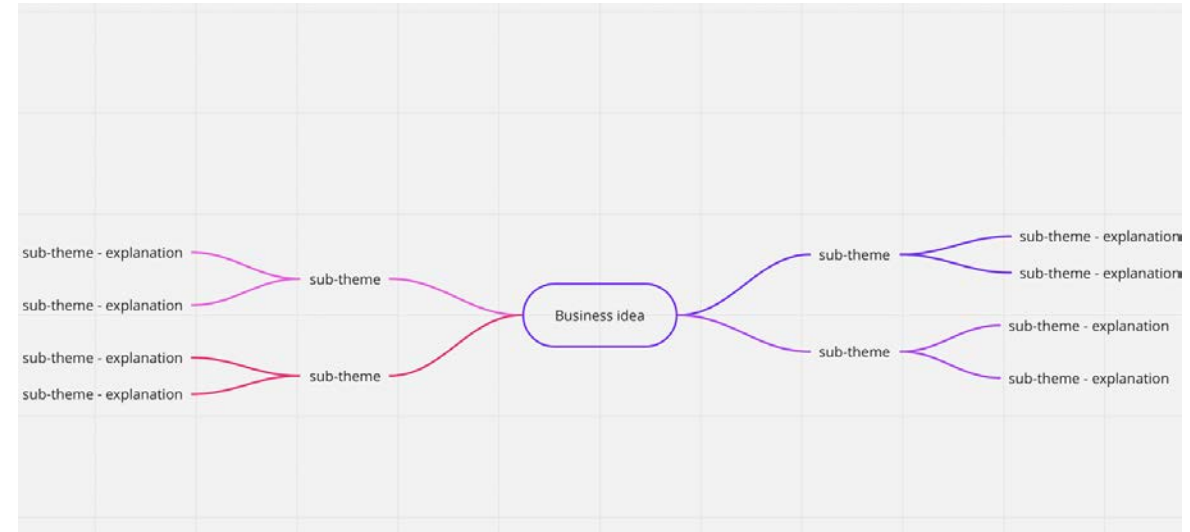
A business plan will be developed in this direction, as it should be aimed at an existing problem or need while creating the business idea.

The importance of alternative fund sources in the investment plan will be seen.



# Activity 1.1: Creating a Business Idea

- ❖ In order to clearly define your business idea, it may sometimes be necessary to visualize it and analyze it by subdividing it. When we show it this way, the ideas are more memorable. You can use the mindmapping.com website for this activity. You can also use this the miro mind map tool [https://miro.com/app/board/uXjVOOxuEyg=/?invite\\_link\\_id=30725343946](https://miro.com/app/board/uXjVOOxuEyg=/?invite_link_id=30725343946)
- ❖ Write down your entrepreneurial idea (main theme) in the centre of a page and develop a mind map.
- ❖ Identify sub-themes that are important to your main theme and place them around it.
- ❖ Write down secondary ideas for each sub-theme to better understand their reach.
- ❖ Use graphic assets to make your diagram brain-friendly and easily memorable.
- ❖ Mind map: <https://www.mindmapping.com/>



# Activity 1.2: Preparing an investment plan

Follow the steps bellow and complete the exercise:

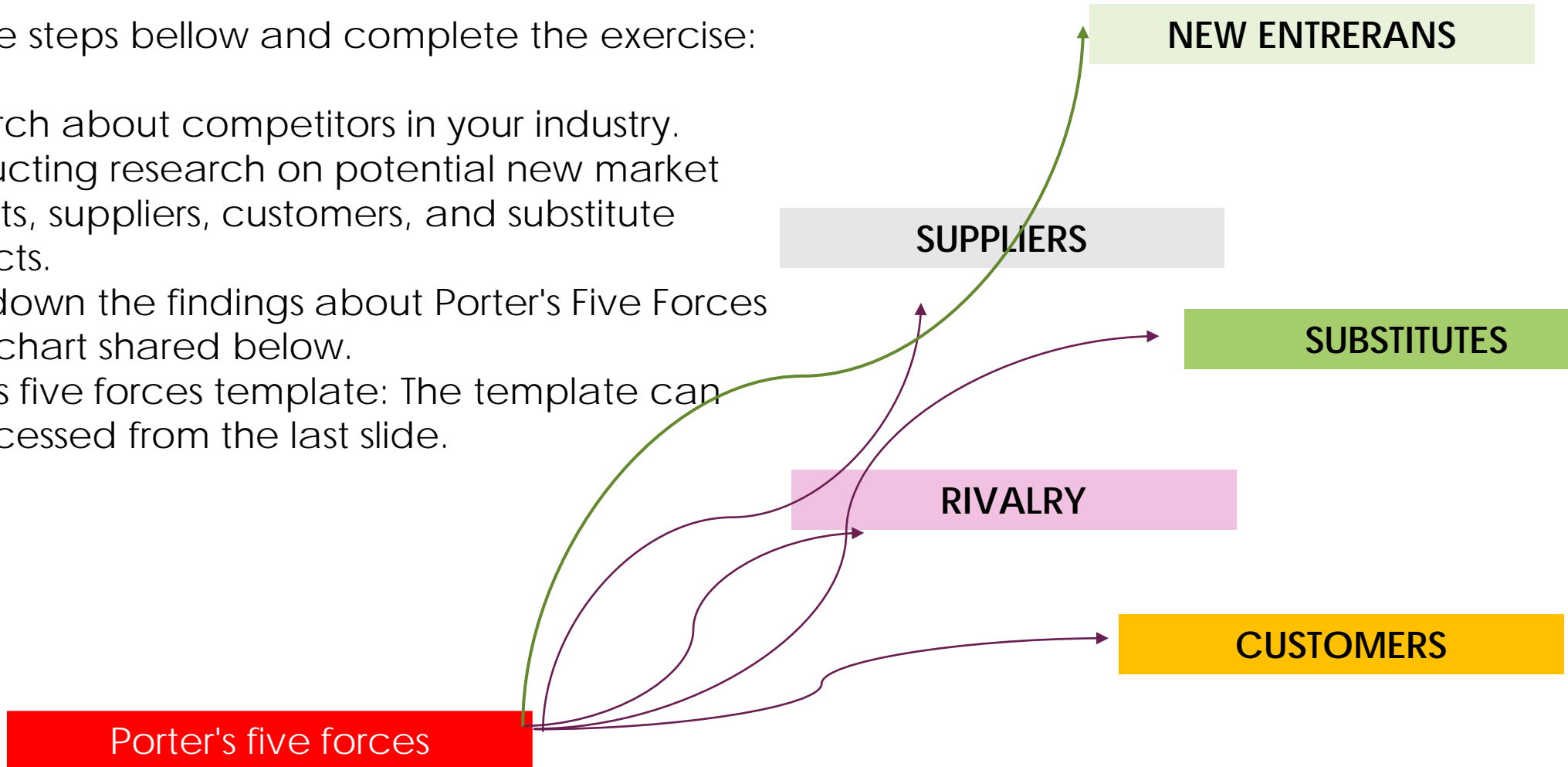
- Identification of the core elements of the investment plan
- Development of the investment plan
- Presentation of the plan
- The trainer will provide support throughout the process when it's needed
- Inspiration:  
<https://www.ruleoneinvesting.com/blog/how-to-invest/get-started-investing-with-these-10-steps/>



# Activity 1.3 Be competitive!

Follow the steps bellow and complete the exercise:

- Research about competitors in your industry.
- Conducting research on potential new market entrants, suppliers, customers, and substitute products.
- Write down the findings about Porter's Five Forces in the chart shared below.
- Porter's five forces template: The template can be accessed from the last slide.



# Activity 1.3 Be competitive!

NEW ENTRANTS	SUPPLIERS	SUBSTITUTES	RIVALRY	CUSTOMERS

Porter's five forces Template