

Financial Success Training for Brokers

6-Week Online Training Course*

*This syllabus only lists the formal subjects in the online portion of the training program. It does not cover the weekly, practical-application exercises or Mentoring sessions that are conducted periodically throughout the course.

Weeks One & Two

Part One – Basics of Business Literacy and Financial Statements

Module #1: Introduction to the principles of Business and Finance

- Course goals
- Learning methods for this program
- Participant's Guide
- Discovering information about your customer's company

Module #2: The Strategy Ring Toss Game – Six Principles of Business Success (This is an optional module – not a required part of the 6-week course)

- Introduction to module and objectives
- Six principles of business success: Experience; Niche; Innovation; Leverage; Market Research; Lag Time

Module #3: Financial Statements—Balance sheet and Cash Statement

- Introduction to module and objectives
- Naming the three financial statements
- Starting Dymax, our new company
- Creating Balance Sheet and Cash Statement using Dymax's first transaction
- Naming the scorecards and labeling the different sections
- Basic Accounting Equation
- The Cash Statement—define 3 types of cash flow
- The order of Assets, Liabilities, and Owners Equity
- Transactions 2-11
 1. Shareholder Equity
 2. Current and Prepaid Expenses
 3. Fixed Assets
 4. Ordering and receiving inventory from a supplier

5. Recording a Sale
 6. Deposits from customers \
 7. Accounts Receivables and Accounts Payables
 8. Calculating Earnings
 9. The Accrual Method of Accounting vs. Cash Method
 10. Defining Cost of Sales vs. Expenses
 11. Solving a Cash Flow problem
 12. Warranty work
 13. Depreciating a Fixed Asset
- Purpose of Cash Statement
 - Purpose of Balance Sheet
 - Relationship of Balance Sheet and Cash Statement

Module # 4: The Income Statement

- Introduction to module and objectives
- Discovering how Dymax made money
- Determining what transactions affect income
- The Income Process Map activity
- Defining the Sales-Through-Delivery Process at Dymax
- How does the Process Map relate to the Income Statement
- Introduce the Income Statement and it's structure
- Complete Income Statement for Dymax
- Purpose of Income Statement
- Why separate Cost of Sales and Expenses
- Relationships of the 3 Statements

Weeks Three through Six

Part Two – Financial Analysis and Decision-Making

Module # 1: The Three Bottom Lines

- Understand how the three financial statements are used
- Learn the 3 bottom lines—Net Income, Return on Assets, and Operating Cash Flow
- Identify the financial statement associated with each bottom line

Module # 2: The First Bottom Line—Net Income

- Analyze the income statement to identify performance trends
- Identify crucial drivers and key performance indicators of net income
- Perform a trend analysis of key drivers of net income
- Discover how to help a customer improve income performance
- Identify strengths and weaknesses of net income as a bottom line

Course Syllabus – Financial Success Training for Brokers

- Complete participant guide activity—Analyzing net income trends for your customer including identifying potential causes of current performance trends

Module # 3: The Second Bottom Line—Operating Cash Flow

- Analyze cash statement information to identify important performance trends and strategic decisions
- The role managing assets plays in generating operating cash flow
- Identify the crucial drivers and key performance indicators of the operating cash flow bottom line
- Perform a trend analysis of the key drivers of cash
- Identify the strengths and weaknesses of operating cash flow as a bottom line
- Understand the seven ways a company can use its cash flow and what each tells us about the company's strategy and priorities
- Participant guide activity—Analyze cash flow trends for customer's company including identifying potential causes of current performance trends

Module # 4: Third Bottom Line—Return on Assets

- The formula for ROA
- ROA—the comprehensive bottom line that shows how well sales, expenses, and assets are being managed
- Identify the crucial drivers of Return on Assets (ROA)
- Perform a trend analysis on the key drivers of ROA
- Identify the strengths and weaknesses of ROA as a bottom line
- Analyze balance sheet information from three different viewpoints (Working Capital & the Cash Conversion Cycle; Fixed Asset Turnover; Capital Structure) to identify important performance trends and strategic decisions
- Participant guide activity—Analyze ROA trends for your customer's company including identifying potential causes of current performance trends

Final assignment – Week #6: Broker's Analyzer

- Participants will use the sample numbers they have been working with throughout the course and the *Broker's Analyzer* to calculate key customer ratios