Certificate in Corporate FP&A

Syllabus

Module 1: The Role of FP&A in the Enterprise

- Definition, purpose and evolution of financial planning and analysis.
- FP&A versus accounting, controllership, treasury and strategy.
- FP&A as a business partner to management.
- The planning cycle: strategy, plan, budget, forecast and review.
- FP&A operating models: centralised, decentralised and centre of excellence.
- FP&A in listed companies, private companies, start-ups, family businesses and multinationals.
- Stakeholders: board, CEO, CFO, business heads, investors and lenders.
- FP&A maturity stages.
- Skills and competencies of an FP&A professional.
- The value proposition of FP&A.

Module 2: Financial Statements and Accounting for FP&A

- Balance sheet, statement of profit and loss and cash-flow statement.
- Linkages between the three financial statements.
- Accrual accounting and revenue recognition principles.
- Key Ind AS standards relevant to planning: revenue, leases, inventories and financial instruments.
- EBITDA, EBIT, PAT and adjusted metrics.
- Consolidation, segments and intercompany transactions.
- Reading notes to accounts.
- Quality of earnings.
- Accounting judgements and their impact on plans.

Module 3: Cost Behaviour and Management Accounting

- Fixed, variable, semi-variable and step costs.
- Contribution margin and break-even analysis.
- Operating leverage.

- Cost-volume-profit analysis.
- Absorption and marginal costing.
- Activity-based costing.
- Standard costing and cost variances.
- Cost allocation and shared-service charging.
- Product, customer and channel costing.
- Cost-reduction and zero-based approaches.

Module 4: Business Drivers and Driver-Based Planning

- Understanding the business model and value chain.
- Identifying operational and financial drivers.
- Volume, price, mix and productivity drivers.
- Unit economics.
- Building driver trees.
- Linking operational KPIs to financial outcomes.
- Driver-based budgets and forecasts.
- Industry-specific drivers: manufacturing, retail, services, financial services and technology.
- Sensitivity of results to key drivers.

Module 5: Budgeting and the Annual Operating Plan

- Purpose and limitations of budgets.
- Top-down, bottom-up and hybrid budgeting.
- The annual operating plan process and calendar.
- Revenue budgets.
- Operating expense and headcount budgets.
- Capital expenditure budgets.
- Cash and working capital budgets.
- Budget consolidation and review.
- Zero-based budgeting.
- Activity-based budgeting.
- Beyond budgeting.
- Behavioural aspects: sandbagging, padding and target-setting.

Module 6: Forecasting

- Purpose and types of forecasts.

- Rolling forecasts.
- Forecast horizons and frequency.
- Qualitative forecasting methods.
- Quantitative methods: trend, moving averages and exponential smoothing.
- Regression-based forecasting.
- Seasonality and cyclicality.
- Forecasting revenue, costs and cash.
- Forecast accuracy and bias.
- Latest estimates and outlook updates.
- Forecasting in volatile conditions.

Module 7: Financial Modelling for FP&A

- Principles of financial model design.
- Model structure: inputs, calculations and outputs.
- Integrated three-statement models.
- Operating models and revenue build-ups.
- Debt schedules and funding requirements.
- Scenario and sensitivity analysis.
- Data tables, goal seek and scenario managers.
- Model checks, controls and audit trails.
- Model documentation.
- Model review and common errors.
- Spreadsheet best practices and naming standards.

Module 8: Revenue, Pricing and Profitability Analytics

- Revenue analysis by product, customer, geography and channel.
- Price, volume and mix analysis.
- Pricing strategies and pricing analytics.
- Discount and margin leakage.
- Customer and product profitability.
- Customer acquisition cost and lifetime value.
- Gross-to-net revenue analysis.
- Margin bridges.
- Profit improvement initiatives.

Module 9: Working Capital and Cash-Flow Planning

- Components of working capital.
- Cash conversion cycle.
- Receivables, inventory and payables management.
- Direct and indirect cash-flow forecasting.
- Thirteen-week cash-flow forecasts.
- Liquidity planning and funding gaps.
- Working capital financing options.
- Free cash flow and cash-flow drivers.
- Cash-flow risks and early-warning signals.

Module 10: Capital Budgeting and Investment Appraisal

- Capital allocation principles.
- Payback and discounted payback.
- Net present value.
- Internal rate of return and modified IRR.
- Profitability index.
- Cost of capital and hurdle rates.
- Incremental cash flows and sunk costs.
- Capital rationing.
- Real options.
- Post-investment reviews.
- Business cases for new products, plants and acquisitions.

Module 11: Corporate Finance Essentials for FP&A

- Capital structure and leverage.
- Weighted average cost of capital.
- Debt capacity and covenant analysis.
- Dividend and buyback policy.
- Valuation methods: discounted cash flow and multiples.
- Shareholder value and economic value added.
- Mergers, acquisitions and integration planning.
- Synergy estimation and tracking.
- Fundraising support: equity, debt and private capital.
- Investor and lender communication.

Module 12: Strategic Planning, Scenarios and Risk

- Linking strategy to financial plans.
- Long-range planning.
- Strategic initiatives and portfolio decisions.
- Scenario planning.
- Stress testing of plans.
- Macroeconomic, commodity and currency assumptions.
- Enterprise risk management and FP&A.
- Risk-adjusted planning.
- Contingency planning.
- Integrated business planning and sales and operations planning.

Module 13: Performance Management, KPIs and Variance Analysis

- Performance management frameworks.
- Designing KPIs.
- Financial and non-financial KPIs.
- Balanced scorecard.
- Objectives and key results.
- Variance analysis: budget versus actual, forecast versus actual and prior period.
- Price, volume, mix and efficiency variances.
- Root-cause analysis.
- Corrective actions and accountability.
- Benchmarking against peers.
- Linking performance to incentives.

Module 14: Management Reporting and Communication

- Management information systems.
- Monthly, quarterly and annual reporting packs.
- Board and investment committee reporting.
- Dashboard design.
- Data visualisation principles.
- Commentary and narrative writing.
- Financial storytelling.
- Presenting to senior management and boards.
- Communicating with non-financial managers.

- Investor presentations and earnings guidance support.

Module 15: Tax, Regulation and Governance for FP&A

- Direct tax considerations in planning.
- GST and indirect tax considerations.
- Transfer pricing basics.
- Companies Act requirements relevant to FP&A.
- SEBI listing obligations and disclosure requirements.
- Internal financial controls.
- Audit committees and governance.
- Related-party transactions.
- Ethics in planning, forecasting and reporting.

Module 16: FP&A Technology, Data and AI

- FP&A technology landscape.
- ERP systems and data sources.
- Corporate performance management and planning platforms.
- Data integration and data quality.
- Business intelligence tools.
- Automation of planning and reporting.
- Predictive analytics and machine learning in forecasting.
- Generative AI for FP&A: uses and limits.
- Selecting and implementing FP&A systems.
- Controls over data and models.

Module 17: Leading the FP&A Function

- Building an FP&A team.
- Roles, skills and career paths.
- Planning calendars and process ownership.
- Stakeholder management.
- Influencing decisions.
- Change management in planning transformations.
- Continuous improvement of the FP&A process.
- Measuring FP&A effectiveness.
- Emerging trends in FP&A.

- Case studies in FP&A transformation.