

"Project Management Impact on Financial Outcomes"

A Financial Management Class that your people will enjoy!

Project managers will have FUN as they work through a case study and uncover the math mystery buried in the WIP. They will calculate each column by hand to see where the numbers come from and recognize which numbers provide key information. The key information will spotlight problems and opportunities contained within the numbers of a financial report. Project managers will increase their financial fluency and be able to communicate more effectively to get the right information to make their projects more profitable.

Not to be missed!

Topics include:

1. How project managers impact the company income statement and balance sheet
2. How the WIP can effect year end profits and cash flow
3. Overbillings and underbillings and the impact of each
4. Analyze the difference between gross profit % and mark up %
5. WIP Case Study explaining what each column represents and where the math comes from
6. Explain what percentage of completion accounting is and why it is used

What participants have said:

"The section explaining change order pricing and the impact on gross margin pays for the class. Our project managers now have a clear understanding of why the accounting staff is always "bugging" them to get their job costs in and call customers to ask when they are going to pay. The class does a great job taking a boring subject and explaining how project managers impact the income statement and balance sheet."

Lou Bailly
Operations Manager for Special Projects
McKinstry – Seattle

"I got more out of this one day class than I got out of a three month, five credit college accounting class."

Jeff Phillips

PLEASE HAVE PARTICIPANTS BRING CALCULATORS!

Course Materials developed jointly by David Ashcraft and MCA of Western Washington

Curriculum Overview...

7:00-7:30 *Breakfast*

7:30-8:00 INTRODUCTION AND OVERVIEW

- Why are we having this class Quiz
- Class Roles and Rules
- The Key Financial Statements for Contractors

8:00-9:00 FINANCIAL STATEMENT OVERVIEW

- Understanding how Project Managers Impact the Income Statement
- Understanding how Project Managers Impact the Balance Sheet
- Introduce the concept of the Working Capital Cycle
- Overbillings and underbillings and the impact of each

9:00-9:15 *Morning Break*

9:15-11:15 FINANCIAL STATEMENT ANALYSIS

- Using Financial Ratios to Measure Efficiency and Risk
- The Importance of Industry Benchmarks and Other Financial Guidelines
- Analyze the difference between gross profit % and mark up %
- How the WIP can effect year end profits and cash flow
- Explain what percentage of completion accounting is and why it is used
- Perform percentage of complete calculation

11:15-11:45 *Lunch*

11:45-12:45 WIP - Case Study

- Archer Case Study and Practical Application
- Introduce the "Scene of the Crime" financial model
- Explain what each column of the WIP represents
- Use the Case Study to complete WIP calculations

12:45-1:00 CONCLUSION

- Case Study wrap up
- Golden Rules
- Evaluation

Advantage Learning Systems

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