

# UCT Graduate School of Business combats financial illiteracy

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Do you understand what the income statement and other financial statements are telling you? If it's all Greek to you, then you are missing a great opportunity to take a step up in your career and also to increase the performance of your department and the business on the whole.



So said Professor Colin Firer, programme director of the course Finance for Non-Financial Managers, running at the University of Cape Town's Graduate School of Business (GSB) from 16 - 20 May.

Professor Firer noted that "the importance of understanding financial statements and financial jargon for non-financial personnel is often not realised, and small businesses suffer

as a result.

"Many managers are not financially literate, despite the fact that financial planning is an integral part of day-to-day business affairs."

Finance for Non-Financial Managers gives non-financial people the financial literacy to penetrate the veil of the language of accounting and finance; offering the understanding of the meaning of the numbers on financial statements, as well as an appreciation of the strategies, decisions and actions that impact on these numbers.

Participants will be taught how to read an organisation's financial statements and to explore their limitations. They will be given the tools to analyse cost behaviour and financial performance; will participate in creating a financial plan; and gain the knowledge and confidence needed to contribute to creating value within their organisation.

According to Firer, aspects of business, such as proper budget control, are often not properly dealt with. "Without a sound understanding of financial statements, businesses may run out of cash before anyone realises it. Your business may be profitable, but that doesn't mean you aren't in danger of depleting your cash resources," said Firer.

Firer observes that without the skills taught on this course, problems such as these will persist. "In the programme we look at actual case studies of problem businesses. Having a degree of financial literacy would allow one to "read" the company's financial statements, taking into consideration how company strategies and initiatives have impacted the numbers. For example, if you look at Health & Racquet's income statements now, it's not difficult to see why they were heading for trouble," said Firer.

No prior exposure to accounting or finance is necessary for the course. It is designed for non-financial people from any sector, those responsible for meeting budgets and containing costs, and for anyone wanting to understand the key drivers of performance in organisations - entrepreneurs running their own businesses, managers responsible for meeting budgets and containing costs, as well as engineers, marketing, sales, operations and human resource managers.

"Those who gain an understanding of the language of finance will be better able to engage with financial professionals and appreciate their points of view. They will also be better able to examine the financial health of an organisation, identify problems and inefficiencies and appreciate how their resolution will improve financial performance. They will also better understand the drivers and measurement of costs, and be able to construct a financial plan and appreciate its financial feasibility," said Firer.

The course, offered by the Executive Education unit at the GSB, runs from 16 - 20 May and also runs from 10 - 14 October. For more information, contact (021) 406 1323 or SMS "Finance" to 31497. Standard Rates Apply.

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