

The balance sheet barrier

The basics of business finance



A Video Arts production
featuring Dawn French
and John Cleese.



The balance sheet barrier:

The basics of business finance

Published in 2000 by Video Arts Group, trading as Video Arts Limited

Tel: 020 7637 7288 Fax: 020 7580 8103
email: info@videoarts.co.uk

Sales tel: 0845 601 2531
Visit our website at: www.videoarts.com

© Video Arts Limited 2000

Written by: Paul Sitkowski
Editor: Pat Mitchell, Mitchell Management Training
Designed by: Design Revolution, Brighton

WARNING

It is unlawful to copy this programme or any portion thereof unless specified otherwise or with the prior consent in writing of the copyright owner. This programme is supplied subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out or otherwise circulated without the prior consent in writing of the copyright owner.

Titles in this series:

Absence minded: managing absenteeism
An inside job: meeting internal customer needs
Building the perfect team: Belbin's team role theory in action
Can you spare a moment?: counselling skills for managers
Demanding customers: customer care made perfect
Does the team work?: improving effectiveness through teamwork
First among equals: leading a team
How am I doing?: the performance review
How to lose customers without really trying: keeping the customer satisfied
I wasn't prepared for that: overcoming the fear of making presentations
I'd like a word with you: the discipline interview
If looks could kill: the power of behaviour
It's your choice: selection skills for managers
Meetings, bloody meetings: making meetings more productive
More bloody meetings: the people side of meetings
Negotiating - tying the knot: a skill for life
No complaints?: complaints and the customer
Not my type: valuing diversity
On the receiving end: making call centres more effective
Performance matters: the importance of praise
Performance matters: the need for constructive criticism
Project management: leading a project team
Report writing: the art of writing a good report
Selecting the perfect team: utilising internal and external resources
Sell it to me! parts 1 & 2: essential skills for a salesperson
Straight talking: the art of assertiveness
Talking to the team: how to run a team meeting
Team spirit?: how to be an effective team member
Telephone behaviour: the rules of effective communication
The balance sheet barrier: the basics of business finance
The best of motives, parts 1 & 2: informing and involving
The dreaded appraisal: both sides of the appraisal interview
The grapevine: communicating in a world of change
The helping hand: coaching skills for managers
The paper chase: cutting back on paperwork
The unorganised manager, parts 1 & 2: damnation and salvation
The unorganised manager, part 3: divine intervention
The ultimate change show: managing change
The ultimate stress show: managing stress
Who sold you this, then?: effective after-sales service
You'll soon get the hang of it: the techniques of one-to-one training

Contents

4-5 Video-based training from Video Arts

6-8 Introduction

9-11 What the pack contains

12-26 Course leader's guide

GTW-1-GTW-17 Group training workbook*

SSW-1-SSW-28 Self-study workbook*

OHP-1-OHP-8 Presentation slides/OHPs*

Certificate*

*Copies of these resources are available on the enclosed computer disks to allow you to customise them to your specific requirements and to print the required number of copies from the master for the sole purpose of the training envisaged by the programme, and not for any commercial purpose.

Video-based training from Video Arts



Congratulations on choosing **The balance sheet barrier** from Video Arts to help develop the skills in your organisation.

Video Arts is recognised as the world leader in video-based training, with over 30 years' experience in staff development. With a portfolio of more than 250 video and e-learning/on-line programmes covering all the essential skills of business, you can remain confident that training with Video Arts is the most effective way to improve the skillset of the people within your organisation.



Rita Scroggs (Dawn French) teaches Carruthers (John Cleese) the secrets of accounts.

Why train?

Train hard, fight easy - Marshal Zhukov

These days, it is difficult for organisations to become successful and stay that way. The pace of change is faster, competition is tougher, customers are more demanding, innovation is more prized, but harder to achieve.

Part of the response has been to create leaner, flatter, more flexible structures, but structures don't run organisations and create success, people do - intelligent people, energetic people, reliable people and, most of all, people with the right mix of up-to-date knowledge and skills.

That means people who are trained, not for a lifetime's work, not just once in a while, but as a central, continuing part of their working lives.

Why use video-based training?

Video is familiar. Television is how most people find out what is going on in the world. It is not surprising that this is a medium they are comfortable to learn from when they are being trained.

Video makes demonstration easy. We can show situations being handled badly. We can contrast that with how to handle them well.

Video is flexible. It can be the cornerstone of a course run for a group by a specialist trainer. It can quickly provide simple, clear lessons for a team whenever it is convenient for them. It can bring interest and enlightenment to a self-study programme.

Video injects realism. It lets us present those being trained with emotional, as well as rational, problems to solve. Ask a group '*how would you deal with an angry customer?*' and you will get a tidy, textbook answer. Use video to confront them with an angry customer and you will get a much more realistic reaction.

Video provides variety. Different people learn in different ways and none of us have an infinite attention span. Video provides us with a powerful means of injecting variety into our training.

Why use Video Arts' programmes?

Winston Churchill once said that he loved to learn, but hated being taught.

That is the secret of successful training: how to help people who want to learn. We do it by combining:

A storehouse of professional knowledge and expertise, developed over 25 years and drawing on some of the best minds in the business.

The highest possible production values, both in the videos we produce and in the support material that goes with them.

The magic ingredient - humour - which can make a delight of the dullest subject.

Introduction

Many employees go through their entire career without understanding what a business is and what factors allow it to grow or prevent it from doing so. The salesperson who allows a discount, the orders clerk who doesn't charge for special delivery and the service engineer who doesn't charge for a small piece of equipment all mean well, but actually damage the organisation that pays their salaries.

Each of these examples costs money, and money is the life blood of business. If too much of it leaks out without being replaced, then the organisation can bleed to death.

This package from Video Arts covers the fundamentals of business finance in a way that is easy to understand for all concerned.

Objectives

Those who work their way through the **The balance sheet barrier** training programme will be able to:

- Recognise the basic features of a balance sheet, profit and loss account and cash flow forecast
- Understand the meaning and purpose of these documents
- Understand how a business makes profits and why
- Devise an Action plan to improve their understanding of finance

Using 'The balance sheet barrier'

- **Dual use.** The programme can be used either as a conventional training course with a small group or for self study by individuals. The pack contains guidance and appropriate materials for each use
- **Resources on disk.** Most of the support materials, such as OHPs and the workbooks, are supplied on disk. This makes it easy for you to customise them to your specific requirements and allows you to print as many copies as you need for group or individual use

The target audience

The programme is designed for all those who need to understand business finance but who do not work within the finance discipline.

The course leader

You do not have to be a professional trainer to lead a group through the programme. Line managers will be able to deliver this course with confidence by using the materials and detailed guidance provided.

Further resources

Other titles available from Video Arts that will help you improve the comprehension of finance within your organisation include:

- **Budgeting** This programme, which features John Cleese and John Bird, demonstrates how to budget for sales accurately and what can happen if the process is mishandled
- **Cost, profit and break even** John Cleese and Ronnie Corbett explain the relationship between sales, fixed and variable costs, and break even point
- **The control of working capital** In this programme, John Cleese and John Bird highlight the need to keep the working capital in any business at an acceptable level and turning over adequately

What the pack contains

The balance sheet barrier video

The video features John Cleese as Julian Carruthers, a 'sophisticated' manager in a large corporation. His counterpart is Rita Scroggs, played by Dawn French, who is 'crude and uneducated', but who nevertheless runs a small spoon manufacturing business very successfully. Apart from their social and business backgrounds, there is one other factor which differentiates them: he doesn't understand finance and she does.

During the course of the video, Rita explains a number of fundamental concepts to Julian. The first of these is that accounts are all about money. Next, she explains the term 'working capital' for him and then shows how turning over working capital affects the business' profitability.

In the second half of the video, Julian finally learns what 'profit' means, as well as some of the other terminology used in the balance sheet. His final lesson centres on cash flow and cash flow forecasts.

The video is in one continuous sequence, but can be broken down to highlight the individual lessons described above.

Course leader's guide

- An outline of a half-day programme
- How to prepare the programme
- A detailed session plan. This tells the course leader precisely what to do and which resources to use in each session of the programme

Group training workbook

This workbook allows those taking part in a group training course to record the conclusions they reach during the various sessions and the actions they propose to take as a result of the course. The workbook is supplied on computer disk.

It also contains a copy of the course objectives and programme and a set of notes which summarise the main points of **The balance sheet barrier**.

Self-study workbook

This workbook, which is supplied on computer disk, contains detailed instructions which enable individuals to work systematically through the programme. Users will find that they are prompted to record their answers to questions about what they have seen and to produce an Action plan.

The workbook also contains a set of notes which summarise the main points from **The balance sheet barrier**.

Links to NVQs

Both workbooks contain a checklist of material which those who have taken part in the programme should collect, such as examples of communications briefs on specific projects. These will form a portfolio of evidence which they can use to support a claim for competence in elements of NVQs.

Presentation 'slides'/OHPs

These are master copies supplied in Microsoft® PowerPoint® on computer disk, for printing on to acetate or for use as a computer-driven 'slide' show.

Certificate

One of the disks also contain a blank certificate which users can customise and issue to those who have completed the course based on **The balance sheet barrier**.

Computer disks

As explained above, the computer disks contain copies of:

- Group training workbook (Microsoft® Word®)
- Self-study workbook (Microsoft® Word®)
- Presentation 'slides'/OHPs (Microsoft® PowerPoint®)
- Certificate (Microsoft Word)

(Microsoft®, Word® and PowerPoint® are trademarks of Microsoft Corporation.)

Course leader's guide

Course Programme

How to prepare the programme

Session 1 Introduction

Session 2 Business finance: an overview

Session 3 Accounts are all about money

Session 4 Working capital

Session 5 What profit really is

Session 6 Some more balance-sheet terminology

Session 7 The concept of cash flow

Session 8 Action plans



Course programme

This is a suggested programme for a half-day course based on *The balance sheet barrier*.

You may choose to incorporate additional sessions to cover key points specific to your organisation or just take elements of the course and run a series of short sessions covering each aspect of *The balance sheet barrier* individually.

If you would like help in facilitating this course or in adapting it to your specific requirements, call Video Arts Training Services. An experienced training consultant can advise you or, for an agreed fee, design and run a course for you.

Video Arts Training Services can be contacted at:

Video Arts Limited
Dumbarton House
68 Oxford Street
London W1N 0LH
Tel: 020 7637 7288

The programme below is an outline of the course.

Each session is covered in detail later in the Course leader's guide.



Carruthers learns that knowledge is an asset, not a liability.

Session no.	Session content	Approx. timing
Session 1	Introduction and objectives <ul style="list-style-type: none"> • Welcome and housekeeping • Objectives • Structure of the course 	<i>10 mins</i>
Session 2	Business finance: an overview <ul style="list-style-type: none"> • Exercise • Video 	<i>40 mins</i>
Session 3	Accounts are all about money <ul style="list-style-type: none"> • Video excerpt • Exercise • Exercise 	<i>25 mins</i>
Session 4	Working capital <ul style="list-style-type: none"> • Video excerpt • Exercise: learning points • Exercise: improving working capital 	<i>35 mins</i>
Break		<i>15 mins</i>
Session 5	What profit really is <ul style="list-style-type: none"> • Video excerpt • Exercise: learning points • Exercise: ways to increase profits 	<i>35 mins</i>
Session 6	Some more balance-sheet terminology <ul style="list-style-type: none"> • Video excerpt • Exercise: accounting terminology • Exercise: types of money 	<i>45 mins</i>
Session 7	The concept of cash flow <ul style="list-style-type: none"> • Video finish • Exercise: cash-flow forecast 	<i>20 mins</i>
Session 8	Action plans <ul style="list-style-type: none"> • Action plan • Course summary 	<i>10 mins</i>
Total:		<i>4 hours (including break)</i>