

Business Finances for Built-Environment Professionals

Course Verification Number **SAICEfin06/00004/08** Valid until December 2008

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(This course is regarded as a Core Course, i.e. essential for the Practitioner.
It is tailored specifically for the needs of Design Consultants.)



“If you think education expensive, try ignorance.” Derek Bok, Harvard University President Emeritus

BACKGROUND

The Business Finances course is designed for the practitioner in private practice, the partners of practices and the senior members of the larger professional firms, although all people in a business will benefit commensurate to their work responsibilities. It is written and presented in everyday, easy-to-understand language. **The course is run as a 2 day "workshop" and no more than 18 delegates are accepted.** This ensures adequate time for in-depth discussion and gives every delegate opportunities to ask directly relevant questions and to get practical answers.

It is not intended that delegates should try to replace their financial managers or accountants, but rather to get a good understanding of the financial aspects of their business, and to comprehend the full implications of their actions and decisions, such that delegates can communicate better with their financial staff. The professional's financial knowledge will also enable him to deal more confidently with clients and developers, other professionals and contractors, and to better withstand the pressures for discounting.

COURSE OUTCOMES

- Generally understand Accounting Terms and the "mechanisms" of a business;
- Understand the need for own financial involvement;
- Understand, draw up and read a Balance Sheet and an Income Statement;
- Understand difference between Mark-up and Profit margins, also the correct units for Investment;
- Calculate Profit, Return on Investment and Circulation of Capital;
- Understand how the general business principles are applied in a Design Professional's Practice;
- Implement DuPont Chart of Control;
- Establish performance standards as guidelines for the successful management of the firm;
- Assess health of the firm;
- Understand **the full consequences and disastrous effects of Discounting**;
- Can communicate to Client the leveraged impact of Fees on project success;
- Calculate profit required to cope with effects of Inflation;
- Calculate Economic Value Added Threshold;
- Understand the concept of Productivity;
- Understand Financial Decisions based on Payback, Net Present Value, Internal Rate of Return;
- Understand the concept of The Balanced Scorecard;
- Can communicate with firm's Financial People and tell them what is required.

The whole programme is designed to be extremely participative and practical. Each participant is given his copy of the extensive Workbook. There are drill and test exercises in every section that ensure not only the grasp of the concepts and reinforcement of them, but also the ability to use and apply the knowledge.

The last section of the course deals with the applications of the principles specifically to the practice of a Built-Environment Design Professional, typified here as a Consulting Engineer. Graphical presentations illustrate the flow of the work through the Practice and where the various measurements and controls have to be exercised. A list of these is given which can be adapted for the particular circumstances. An overview of tools for Investment Appraisal (Payback, Return on Capital Employed, Net Present Value and Internal Rate of Return) is given. Advanced concepts such as Economic Value Added, Fair Market Value of a Practice and Internal Transfer of Ownership can be discussed according to the interest of participants.

COURSE ENDORSEMENT

To date, nearly 500 participants have successfully completed the course. All of them have assessed it very positively and have stated in writing that they would recommend the course to others.

The course has been validated as serving the objectives of ECSA's Continuing Professional Development policy. The Association of SA Quantity Surveyors (ASAQS) has also approved it for their CPD.

It qualifies for re-imburement of costs from the Skills Development Fund.