
TOOLBOX

Finance for Buyers

An Introduction to the analysis of
financial statements for
Purchasing Professionals

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An Introduction to the analysis of financial statements for Purchasing Professionals

Content

This training gives purchasers an insight in the basics of the techniques of “Analysis of Financial Statements”.

Target Group

Junior Buyers
Senior Buyers
Supplier (Quality) Auditors
Any employee involved in analyzing a supplier’s financial situation

Objectives

Buyers often need a better insight in a supplier’s financial situation. This can be the case during a sourcing process, when the financial health of a company is crucial to determine whether a supplier is fit to be shortlisted. During the preparation of a negotiation, buyers will collect a lot of information from the supplier’s Financial Statement which will help them to build a negotiation strategy, and use the appropriate arguments during the negotiation. This training will introduce analysis techniques from the above points of view: fitness of a candidate supplier, and building a negotiation strategy.

Program

Approach

This training offers some very practical hands-on techniques to get an idea of:

The annual report

- Balance sheet
- Profit & Loss account
- Social Statement

Liquidity

- Current ratio
- Quick ratio
- Working capital

Efficiency

- Days sales outstanding
- Days Payable outstanding
- Inventory Turnover



Solvability

- Solvability ratio
- Long term debt ratio

Profitability

- Cash flow
- Net profit margin
- Operation profit margin
- Gross profit margin

Case study

A comprehensive case that shows the complete process

Exercise

Every participant will receive a USB stick with templates to help them to start doing their own financial analyses.

Participants All participants will be asked to download a supplier's balance sheet prior to attending the training. During the training everybody will analyze this financial statement as a real life case.

