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UNIVERSITAT POLITÈCNICA
DE CATALUNYA
BARCELONATECH

TEACHING GUIDE FINANCIAL IMPACT OF STRATEGIC DECISIONS 2023-24



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GENERAL DETAILS

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| Name: | Financial Impact of Strategic Decisions |
| Code: | 801522 |
| Academic Year: | 2023-2024 |
| Degree: | University Master's Program in Marketing Management |
| Number of credits (ECTS): | 5 |
| Location in the curriculum: | First Quarter |
| Department | Financial management, management control and accounting |
| Head of department | Noèlia Hurtado Soriano |
| Date of latest revision: | September 2023 |
| Lecturer in charge: | Noèlia Hurtado Soriano |

1. GENERAL DESCRIPTION

Most of the decisions that are taken in any area of a company have economic and financial significance. For this reason, all those responsible for the different functional areas of a company, and in this sense those in marketing are no exception, must know different indicators that allow them to interpret how their decisions affect the economic and financial structure of their department and the project in general.

Considering that the decisions of the marketing area generate an impact on the economic and financial dimension, knowing how to measure and manage this impact allows better decisions to be taken and that these are aligned with the objectives that are being pursued and the company's strategy.

The economic-financial consequences need a higher knowledge. It is the common language of business and decisions are based on it, and their knowledge helps people to be relaxed, to interpret, analyse and share economic information for the benefit of everybody. The Balanced Scorecard is a clear example of this, as it helps to turn the daily execution into the path that leads to the stated strategic objective previously set. Management control is essential to be able to evaluate the decisions that are made together every day. This will affect the company culture and around positively, also allowing the efforts of all people to be joined and stimulated.

The main objective is to bring economic and financial management and knowledge closer to all the people in the marketing area, in order to see the adaptation of the company to the market, the degree of successful development of the decisions, the activities and the way to improve constantly in the daily decisions.

2. OBJECTIVES

- Understand what financial statements are and are not for. Obtain the information from the balance sheet and the profit and loss (P&L) account to help us know the economic and financial aspects that move companies.
- Help students to see the way to interpret financial statements to improve management and learn to make decisions that will move and charge the organization towards the objectives previously set and its purpose.
- Learn to prepare and communicate adequately the budgets originated by the company's marketing actions.
- Provide the students with the point of view of the economic dimension, identifying the difficulties they may have to integrate the mindset that "we all" are and work connected to the economy of the organization.
- Furnish students with the analysis tools that will help them in financial management and decision-making and, in this way, know the impact they will have on other areas of the company. Having this information gives students security, confidence and motivation towards the results.
- Provide students with the economic and financial training and information that will contribute to their personal development, facilitating knowledge about this matter. Through this, students will improve their employability and will be able to interact within the company using the same language as finances.

3. CONTENTS

TEMA 1. Impact of the company's economic management in the business results.

TEMA 2. Financial statements: balance sheet, P&L account and cash flow.

TEMA 3. Elaborating and communicating budgets.

TEMA 4. Elaborating a project's financial plan.

TEMA 5. Sources of financing.

TEMA 1. IMPACT OF THE COMPANY'S ECONOMIC MANAGEMENT IN THE BUSINESS RESULTS

Learning outcome

After studying the unit and solving the exercises, students will be able to:

- Understand the economic information that needs to be analysed.
- Identify the relationship between financial analysis and strategy.
- Identify a methodology for financial analysis.

Content

1. Economic dimension of the company.
2. Financial information for decision making.
3. Contribution of finances to the strategy.

TEMA 2. FINANCIAL STATEMENTS: BALANCE SHEET, P&L ACCOUNT AND CASH FLOW

Learning outcome

After studying the unit and solving the exercises, students will be able to:

- Analyse the economic situation of the company on a given date.
- Calculate the result of the company's management because of ordinary operations (income and expenses).
- Elaborate a profit and loss account.
- Elaborate a cash flow control account.
- Understand the variables that influence the profitability of a company.
- Analyse the different margins.

Content

1. Main financial statements.
2. Components and analysis of balances.
3. Components of the result, income and expenses.
4. Structure and content of the profit and loss account.
5. Margin analysis.
6. The breakeven point.
7. Prices and results.
8. Structure and content of the cash Flow account.

TEMA 3. ELABORATING AND COMMUNICATION BUDGETS

Learning outcome

After studying the unit and solving the exercises, students will be able to:

- Organise the company's budget.
- Calculate Budget variances and make decisions about it.
- Implement a balanced scorecard.
- Implementation monitoring.

Content

1. Budget management.
2. Financial KPIs.
3. Financial reporting system.
4. Balanced scorecard.

TEMA 4. ELABORATING A PROJECT'S FINANCIAL PLAN

Learning outcome

After studying the unit and solving the exercises, students will be able to:

- Carry out a complete financing plan for a business project using all the concepts studied during the course.
- Understand the different flows and their interpretation.
- Identify business growth levers.

Content

1. Parts of a financial plan.
2. Investment calculation.
3. Break-even point calculation.
4. Gross operating margin calculation.
5. Project cost effectiveness analysis.

TEMA 5. SOURCES OF FINANCING

Learning outcome

After studying the unit and solving the exercises, students will be able to:

- Analyse and understand the ways used by the company to obtain the necessary financial resources to cover its activity.
- Through the constraints of the different types of available financing for the company, students will be able to evaluate what financing source is better suited to fund the company's investments, both in the short and in the long term.

Content

1. Internal own financing.
2. Outside own financing. Different options.
3. Short-term external financing. Different options.
4. Financial leverage and value creation.

4. TEACHING AND LEARNING METHODOLOGY

El proceso de aprendizaje de la asignatura es eminentemente práctico, combinando explicaciones y reflexiones en clase con casos prácticos y tareas a desarrollar fuera y dentro del aula.

CASE STUDIES

Solving hypothetical business issues to experiment with using a practical application of the theoretical content of the different subjects. The cases must be prepared outside the classroom to be discussed in the face-to-face session.

INTERACTIVE CLASSES

The teaching sessions Will take place on continuous interaction between the students and the lecturers, who Will teach with the objective of comparing the relevant concepts through the means of analysis and open debate, with the help of real-world case studies and simulations.

ONLINE TUTORIALS

Personalised online sessions Will be programmed to solve doubts and lend support to the different assignments and exercises posed during the course.

5. ASSESSMENT

According to the Bologna Process, the model rewards the student's constant and continued effort. 60 % of the mark is obtained through continuous assessment of the managed activities, and the remaining 40% from the final exam, which is held in a single sitting.

The subject's final mark (FM) Will be calculated according to the following formula:

- FM = Final Exam Mark 40 % + Continuous Assessment Mark 60 %
- The minimum mark of the final exam for the calculation of the FM will be 40 points over 100.
- The subject will successfully pass with a FM equal to or higher than 50 points over 100.

| Activity type | Description | % Evaluation | |
|--------------------|---------------------|--------------|------------|
| Tasks: | | | 40% |
| | Class participation | 24% | |
| | Case | 24% | |
| | Final case | 52% | |
| Tests: | | | 20% |
| | Final test | 100% | |
| Final exam: | | | 40% |
| | Final exam | 100% | |

6. BIBLIOGRAPHY

6.1. BASIC BIBLIOGRAPHY

- Martínez Abascal, Eduardo. *Finance for managers*. London: McGraw-Hill Higher Education, 2012. ISBN 97888478979691.
- Massons Rabassa, Joan. *Finanzas para profesionales de marketing y ventas* [en línea]. Barcelona: Deusto, 2014. ISBN 9788423427932.
- Santandreu Gràcia, Pol. Santandreu Martínez, Eliseu. *Manual de Finanzas*. Gestión 2000. 2020. ISBN 9788480884006
- Santandreu Gràcia, Pol y otros. *Fundamentos de Análisis Financiero*. Granica Ediciones. ISBN 9788475773179

- Santandreu, Eliseu. *Finanzas para directivos de marketing. Ediciones Gestión 2000. 2003. ISBN 9788480888400*

6.2. FURTHER READING

- Amat, Oriol. *Análisis de los estados financieros: fundamentos y aplicaciones. Barcelona: Gestión 2000, 2008. ISBN 9788496612969.*
- Collins, James C. *Empresas que sobresalen: por qué algunas sí pueden mejorar la rentabilidad y otras no. Barcelona: Deusto, 2014. ISBN 9788423428007.*
- Gutiérrez Viguera, Manuel; Couso Ruano, Álvaro. *Interpretación y análisis de balances. Madrid: RA-MA, 2010. ISBN 9788478979691.*
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