

# Course Overview



*What should you expect to get out of this course?*

# Aerospace Engineer...

## Solving the Space Junk Problem



- Your job is to design small satellites for high-resolution imaging applications.
- You have an idea that you believe will reduce the growing space junk problem.
- The new technology requires funding for 3 years and could be implemented within 2 years after that.

*How do you propose this idea to the executive office to secure the funding and develop the technology?*





# Environmental Engineer...

## Reducing the Microplastic Pollution Problem



- Your job is to develop new products that help companies create a positive environmental impact.
- Your team developed a new filtration system that separates microplastics from beach sand.
- The product can be used in many resort and tourist locations and creates a raw material source for recycling.

*What is the financial business case for the new product?*



# About the Course...

*It's budgeting time, and your company has \$1M to spend on projects...*

Project A  
\$800K

*You propose this one,  
representing Engineering.*

Project B  
\$800K

*Manufacturing  
proposes this one.*

Project C  
\$800K

*Marketing  
proposes this one.*



*How does management  
decide which one to pick?*



# About the Course...

*Or maybe you're an entrepreneur and want to start your own business...*

*...you need to know a lot about cash flow.*

We will learn what “cash flow” means, and the financial tools to manage it during your startup.



# Financial Management...

Evaluating historical financial data and future economic trends to make sound investment decisions.



Financial Management:  
managing a firm's money  
to achieve its desired  
financial objectives.

# Financial Management...

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Readey's Definition: Financial Management is...

- ➡ *a lot of interesting number crunching, that...*
- ➡ *identifies the optimum path among many alternatives...*
- ➡ *using equations that are not terribly complex...*
- ➡ *and input values based on historical performance...*
- ➡ *to make your best estimate of the future outcomes!*

# What we'll cover in this course...

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**Time Value of  
Money (TVM)**

**Discounted Cash  
Flow Analysis**

**The Capital Budgeting  
Process**

**Depreciation, Taxes &  
Inflation**

**Building a Project's  
Business Case**



# Our Ultimate Goal...

By the end of this course, you will be able to:

- ✓ Understand and apply the principles of Time Value of Money;
- ✓ Establish whether a project is financially worthwhile;
- ✓ Determine how depreciation, taxes and inflation impact cash flows;
- ✓ Build the financial business case for a new product introduction project;
- ✓ Communicate with your financial colleagues with confidence, using the language of business.

# Our Ultimate Goal...



*Are you ready?*

# Next Time...

## *Course Mechanics*



# Credits & References

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