



“My business became more successful once **everyone** understood the **process** of business.”

*Uncle Thurman talking about the need for business literacy and financial acumen throughout the organization.*

## FINANCE FOR EVERYONE

- ♦ Business Literacy ♦
- ♦ Finance for Sales Professionals ♦
- ♦ Foundations in Finance and Decision-Making ♦
- ♦ Finance for Non-Finance Managers ♦

**The Game of income/outcome** is a family of business models that present the real-world drivers of real-world business. You can use **i/o** to meet a range of financial training needs - from *workforce development* to *leadership programs* to *major strategic initiatives*.

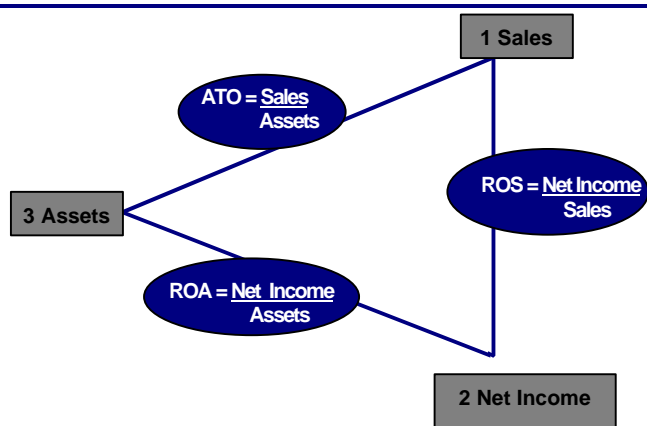
These 1- to 2-day **Finance for Everyone** programs are wholly aligned with Andromeda’s shorter **Basic Business Literacy** and the longer, more complex **Advanced Business Strategies** which addresses executive level competencies.

When used throughout the organization, **income/outcome** builds **organizational alignment** through the development of a **common understanding of business** - the dynamics, the goals, and the metrics you use to determine success.

*i/o board game simulations provide employees with a ‘hands-on experience’ of running a business.*

*These experiential-learning programs are designed for people at every level of the organization: the dynamics are simple enough to be grasped by hourly employees, yet the competitive challenge proves engaging for senior managers.*

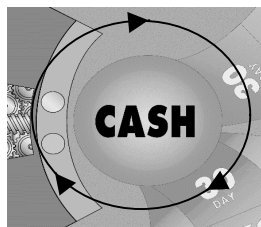
**The Process of Business: the i/o gameboard demonstrates how business concepts are interconnected. Long after the classroom session is finished, employees continue to use the i/o gameboard as matrix for organizing and expressing ideas.**



- 1 What were your **Sales**?
- 2 How much **Profit** did you make from those **Sales**?
- 3 How many **Assets** did you use to make the **Profit**?

This last question is a standard business ratio - **ROA (Return on Assets)** asks: *Is this the best use of Assets? Would you do better to leave them in the bank?*

The typical (textbook) presentation of Ratio Analysis is limited to formulae and numbers. The **i/o Triangle** presents standard ratios as a *dynamic overlay* on the gameboard - adding color, pattern and dimension to the learning process. At any time employees can use this visual (and easy-to-remember) image to ‘reconstruct’ the business ideas and concepts presented in the classroom.



Does cash drive your business? **i/o** business simulations have a strong emphasis on *cash flow* and offer a clear definition of the *difference between profit and cash*.

Why does the **income/outcome** business model work as a training tool?

- **i/o** works because it provides the view of the investor who wants ‘shareholder value’: short-term reward (dividends, share price) and long term stability and growth.
- **i/o** works because it models a real-world business with real-world drivers, including a very competitive marketplace.
- **i/o** works because it models a business that requires *constant decision-making* in real-world ways: Do I target big customers or small? What prices do I set? Should I increase capacity? Should I borrow money or sell my buildings? Wow! Competition is really tough, what can I do to improve my competitive edge in the marketplace?

**i/o** works because it gives your employees a **big-picture understanding** of business. Individuals see that the impact of their decisions extends beyond the immediate work sphere to affect other departments, management, customers, and shareholders, as well as the bottom line.

# i/o: Defining the Process of Business™

## Learning Objectives for Finance for Everyone

At the end of this program, your employees will understand:

- why market conditions dominate business decisions
- basic financial statements and their management uses
- the impact of inventory build-up and the need to control working capital
- the value of budgets and cash flow forecasts
- the need to manage separately for cash and profit
- ratios as *metrics* for management (ROA, ROI, EVA) and the specific financial metrics used by your company to gauge performance

Your employees will develop their critical thinking skills by identifying operational areas which can be improved and determining the best use of limited resources. They will experience:

- playing all the major roles in an operating company - production, R&D, sales, marketing, management, and finance
- team decision making in each area,
- generating and maintaining financial statements
- preparing budgets and cash flow forecasts
- implementing change and measuring the results
- using operating results to compare performance against the competition
- calculating basic ratios on their operating company, using ratios to compare their business to their competitor's
- using ratios and dynamics to identify the 'buttons' which drive company performance and behavior

Employees build a **big-picture** understanding of business and transfer the learning back to the real-world job. They will be better equipped to:

- interpret operating reports and financial reports
- prioritize and control costs, reduce inventories and other working capital
- analyze your customers, structure sales, look for profit opportunities
- analyze your suppliers, look for profit opportunities
- analyze your competitors, seek out the competitive advantage
- use historical and competitive bench-marking to improve your bottom line
- better serve internal and external customers
- understand **how** and **why** their everyday decisions and actions impact other areas of the company

### Standard Models

**Basic Business Literacy:** Manufacturing, Service, Retail Sales, Utilities

**Finance For Everyone:** Manufacturing, Service, Retail Sales, Utilities

**Advanced Business Strategy:** Manufacturing, Utilities

**Custom Models:** The **i/o** simulations are fully customizable to include specific business dynamics. We have developed models for Gas Distribution, Metal Refining, Crude Oil Pipeline, Non-Profit Power Generation, Credit Services, and more.

**Finance for Everyone** is available in 8 hour, 12 hour and 16 hour formats. If a shorter program format is desired the **Basic Business Literacy** program is offered.

The **Finance for Everyone** program includes:

- 2 – 3 hours of facilitator-led simulation. This group experience provides the rules for the simulation, a general introduction to the **process of business** - financial statements, business terminology, fundamental business dynamics, and sets the framework of needing to manage separately for cash and profit.
- 3 – 6 operating cycles in which team-based companies develop and implement a business strategy which incorporates real-world dynamics: production capacity, customers, prices, financing, and more. Each cycle includes the following activities:
  - Maintaining the 'books' of the operating company (income statement, balance sheet)
  - Examining market drivers: supply and demand, niche marketing, quality.
  - Ongoing strategic analysis, updating the strategic plan in response to changes in the industry and in the marketplace
  - Measurement and analysis of results, ongoing development of performance measurements
  - Competitor awareness, setting prices in a competitive market
  - Formal and informal budgets/targets
  - Monitoring cash flow
- One-half hour (or more) discussion of business metrics including the **i/o Triangle** and **Ratio Analysis**
- One-half hour (or more) of tie-back discussion relating simulation experience to your company's concerns and goals. This segment may also include the presentation of ratios and metrics specific to your organization.

Longer programs include additional financial planning and analysis tools - Break-Even Analysis, Income Statement Analysis, Unit Cost Analysis, additional metrics and ratios (EVA, ROCE, etc.)

For information about **i/o** programs, custom models, and trainer certification contact:

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[www.income-outcome.com](http://www.income-outcome.com)