



Module 9:

Financial Management Advisory

C-AE24 Strategic Business Analysis

For BSA & BSAIS Students — this is where technical skills meet the boardroom. Today's CFO isn't just a number-cruncher; they are a **strategic navigator**. We move from reporting the past to engineering the future.

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The Roadmap to Advisory Mastery

Two powerhouse segments reflecting the real-world lifecycle of financial decision-making.

Part 1: Operational Excellence

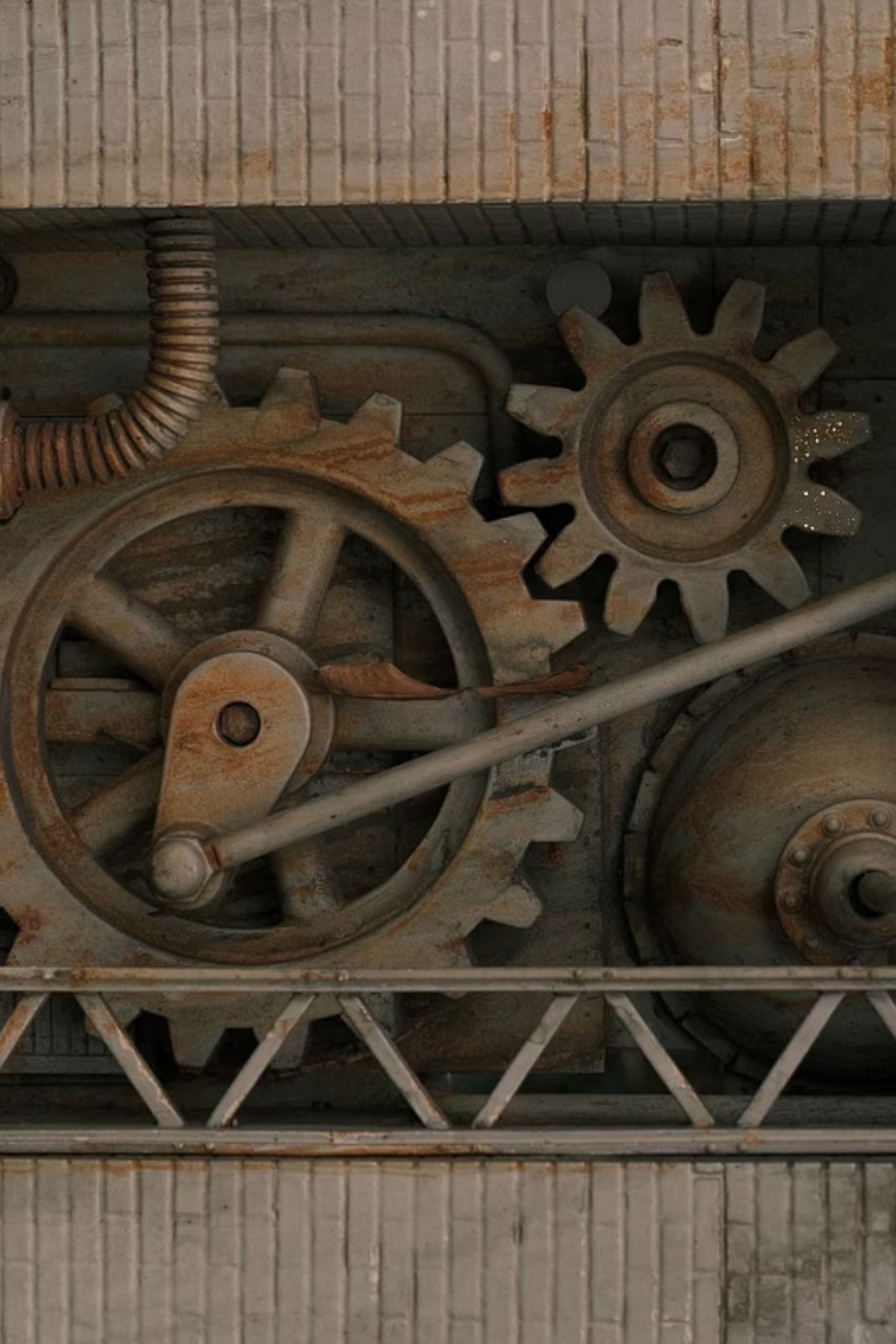
Working Capital Management — the day-to-day heartbeat of every business. **Cash is King, but Velocity is the Kingmaker.**

Part 2: Boardroom Strategy

Debt vs. equity, financing growth, and dividend policy. The big calls that define a company's future.



A lean operational engine in Part 1 unlocks more strategic power in Part 2.



Part 1: The Operational Engine

Finding and Freeing Trapped Capital

Working capital is the **oil in the engine**. A company can show millions in profit yet face insolvency — because cash is **trapped** in slow inventory or unpaid invoices. Your job as an advisor: find it and release it.

Learning Outcomes: Part 1

Your Operational Checklist



Operational Diagnosis

Find and free trapped cash by analyzing the **Cash Conversion Cycle** — tell a CEO exactly where their money is hiding.



Policy Optimization

Implement best practices: dynamic discounting, **JIT inventory buffers**, and supply chain financing.



System Automation

Design automated workflows and **live dashboards** to track liquidity indicators in real-time.



CASE STUDY

The Cash Crunch

The Scaling Crisis of Nexus Manufacturing

+40%

Sales Growth

90

Days in CCC

Nexus is profitable and growing — yet on the verge of bankruptcy. Cash is trapped, inventory is broken, and vendors are threatening to stop deliveries. **Can 15 days of DSO be the difference between a bonus and a mass layoff?**



Part 2: Boardroom Strategy

Financing Growth & Navigating Capital Structure

If Part 1 kept the engine running, Part 2 decides **where the car is going**. We move from the warehouse to the boardroom — evaluating debt vs. equity, WACC, and the market signals every capital decision sends.

Cost of Capital

WACC optimization

Risk & Control

Leverage trade-offs

Market Signals

Dividend & debt signaling

Learning Outcomes: Part 2

Your Strategic Checklist



Structural Optimization

Calculate and manipulate **WACC** — choose the right debt/equity mix to fund expansion while keeping risk manageable.



Covenant Monitoring

Build enterprise risk systems that **automatically monitor bank covenants**, preventing technical default scenarios.



Distribution Strategy

Structure dividend and buyback strategies using the **Residual Dividend** framework — reinvest vs. payout decisions.

Discussion Teaser: The Chess Match

Deconstructing the WACC Optimization Puzzle

Debt Advantages

- Tax shield benefits lower effective cost
- Preserves equity ownership
- Boosts returns via leverage

Debt Dangers

- Financial distress costs destroy value
- Covenant restrictions limit flexibility
- Bankruptcy risk before default occurs

Key question: If debt is cheaper, why isn't every firm 100% debt-funded? We explore Trade-off Theory, Pecking Order Theory, and the **signaling power** of dividends.

The Power of Collaboration

BSA Strategy Meets BSAIS Architecture

BS Accountancy

- Policy Engineering
- Ratio Optimization
- Financial Strategy

BS AIS

- Enterprise Architecture
- Automated Workflows
- Data Pipelines



📌 Together, BSA + BSAIS = the complete **CFO of the Future** — analytical, data-driven, and strategically bold.

Ready to Lead?

Stop keeping the books.

Start writing the story.

By the end of this module, you won't say "*the current ratio is 2.0.*" You'll say: "**We can unlock ₱50M by optimizing inventory reorder points — avoiding a high-interest loan and preserving our credit rating for next year's expansion.**"

That is the voice of a **Strategic Advisor**. Bring your calculators, your logic, and your strategic ambition.

OPERATIONAL EFFICIENCY

CAPITAL STRUCTURE

ADVISORY EXCELLENCE

