

Lecture:

BAE5152 – KPI-Management (Kennzahlenmanagement)

2 shw, 3 credits, English, advanced level 2

Wednesday: 15:30 – 17:00 o'clock

Additional sessions: -

Virtual room: <https://app.alfaview.com/#/join/alfaview-technik/e7b18809-9e40-48b3-9a68-4680a4f9617a/7f3b3807-4d88-430d-9e2a-50d637075ee9>

Instructor:

Name: Prof. Dr. Bettina C.K. Binder

(For more details: <https://www.hs-pforzheim.de/profile/bettinabinder/>)

Office: T1.3.28 + virtual room, Office hours: Wednesday 11:30 am – 13:00 pm

E-Mail: bettina.binder@hs-pforzheim.de (preferred mode of communication)

Overview:

The lecture provides an advanced knowledge in financial accounting, financial control, and includes treasury and cash flow management tools as well as the basics of corporate taxation and investor relations. The course is a combination of lectures, workshops, case studies and students' presentations.

Prerequisites:

Bachelor level knowledge in financial accounting and control and value based management

Learning objectives:

The subjects of a corporation's finance function are discussed with a special focus on value based management. Students will be able to analyze respective subjects and issues with a sound financial background and develop optimal solutions, also in teams with other management disciplines. Students will realize the links between strategic management and financial control.

In more detail:

The students are getting familiar with all parts and aspects of value based management, including audit procedures, and financial reporting requirements of a company. Different accounting standards (e.g. German local GAP, US GAAP, IFRS) are explained and compared.

Students are able to analyze the annual reports and other financial information of companies also in light of other available information, and hence recognize possible external chances and risks and internal strengths and weaknesses. Such analysis is trained during the course with an audio-presentation, examples, case studies and presentations from the students.

Students will recognize the links between strategic management and financial control, including finance and balance sheet policies of companies. They learn about the instruments of a financial controller helpful for profit-, cash- and value optimization. Moreover, they get to know the roles and functions of internal and external auditors and their relations to a financial controller.

Additionally, students gain an overview on corporate laws and taxation in Germany and the international environment. The importance of taxation for “after-tax-decisions” and cash flows is explained in audio-presentations.

The instruments Value based Management and Value based Controlling are discussed and explained in detail in presentations.

Students will further be able to recognize the daily importance of investor relations and its major tools. They will realize how important a company’s financial network is in order to finance growth and always secure all cash needs.

Course topics:

The course has a workshop character with audio-lectures, students presentations, case studies, discussions in class and (if available) lectures / presentations from outside experts. A fair knowledge of the students in finance, financial control and about capital markets is a prerequisite. Depending on the knowledge and the interests of the students, discussions can develop around the following course topics:

Table with course topics, details and ideas for presentations

No.	Theme	Ideas for presentations
1	The role of the Head of Controlling compared to the CFO - Controller and finance manager personality - Different tasks, philosophy	Show the differences of these 2 roles
2	Difference between Financial Management and Accounting - Different tasks - Different acting persons, different targets	Prepare an overview over the different tasks, responsibilities of the 2 philosophies
3	Characteristics of a balance sheet as main instrument in Financial Management - Explain the basic positions of a BS	Main BS positions, plausibility with P&L
4	Characteristics of a Profit & Loss (PL) statement as main instrument in Financial Management - Explain the basic positions of a P&L	Main P&L positions, plausibility with BS
5	Characteristics of a cash flow statement as main instrument in Financial Management - Explain the basic positions of a cash flow statement	Main cash flow statement positions, typical purpose
6	Different reporting types and regulations – Controlling analysis, IFRS-reporting, US-GAAP reporting - Reporting content, responsibilities	Give an overview over the 3 different reporting systems

7	Digitalized reporting - Reporting process standardized and digitalized	New tasks for the controller in a digitalized reporting process
8	Digitalized planning - Planning process standardized and digitalized	New tasks for the controller in a digitalized planning process
9	EVA-analysis – typical KPIs - Which typical KPIs should be measured in an EVA-analysis	Overview over the KPIs in an EVA-analysis
10	Return figures-analysis – typical KPIs - Which typical KPIs should be measured (e.g. ROI, etc.)	Plausibility of the Return-KPIs
11	The 2008/2009 crisis of the financial markets – was Value based Management useful to survive? - From the collapse of the U.S. housing - Spill-over-effects on the production and services sectors of the global economy	Prevention measures of Value based Management against a repetition in the future
12	The 2011 crisis of the Euro, following the Greece financial debt breakdown – can Value based Management help? - Why and how does a 3% GNP-country influence the European and global financial markets? - The Greece crisis as a miracle play for Portugal, Italy, and Spain?	The two Greece crises 2011; explain reasons and analyze and discuss the political and financial support measures taken Prevention measures of Value based Management against a repetition in the future

Contribution to program goals:

	Learning outcome	Contribution
1.1	Knowledge of relevant management principles	
1.2	Ability to apply relevant management principles	Students implement and deepen their knowledge of financial accounting and control.
1.3	Critical reflection of relevant management principles	
1.4	Capability of acting responsible	
2.1	Ability to identify problems, to delimit and classify them	
2.2	Ability to analyze problems	Students prepare a scientifically accurate presentation incorporating case studies in the form of a workshop.
2.3	Ability to develop innovative solutions to problems	
2.4	Ability to explain and present problems	Students apply and improve their communication skills in presentations, case studies and discussions on controlling relevant topics.
3.1	Research skills	
3.2	Competence in the application of relevant research methods	Students identify and analyse the impact of complex economic factors in a global context.
3.3	Ability to generate innovative results with relevant research methods	Students carry out literature research, collect and evaluate data and interpret results under consideration of financial management and controlling.
4.1	Expert knowledge in technical and economic field for integrative solution of complex tasks	
4.2	Ability to use project management methods within a specific project	
4.3	Ability to develop and implement suitable interdisciplinary and integrative alternative solutions	Students consolidate their knowledge of corporate value enhancement concepts and ethical behaviour in a changing business environment.

Teaching and learning approach:

The teaching and learning approach is based on three didactical methods:

- 1) The theoretical key knowledge and the basic concepts are taught during the lecture / presentation. The students gain methodological knowledge and receive guidance about how to implement the introduced concepts and tools. Questions and comments of the students are welcome during the lecture / presentation.
- 2) After the audio-lecture / presentation, the students should reflect and sum up the content of the audio-lecture / presentation with the aid of course materials provided. The theoretical knowledge is engrossed and converted into practice by examples, student presentations and case studies. An active participation in class is an important part of the teaching and learning approach.
- 3) The students should be able after visiting the course to solve transfer questions and explain the learned objectives with other examples on basis of companies of other branches.

For this reason the students can always communicate with the instructor and get support and advice via email or during the office hours.

Exam Requirements

There is a written exam at the end of the semester of 60 min / 45 min.

The following requirements have to be completed for getting a grade:

- Activities 1 – 4 (listening to the audio-lecture, lecture participation for having case study knowledge, students presentation, oral participation) will be graded each separately, and on that basis an average grade per person will be built by the professor:
- Students are required to prepare a 20 minutes presentation (for 2 students 30 minutes) in which they give an overview of a specific topic of the course, show in-depth understanding of the topic and prepare case studies for the audience (incl. solutions)
- The presentation will be afterwards discussed in class (15 minutes).
- The presenting students must prepare handouts in form of a summary of the topic, which they distribute in class one week in advance to all other participants.
- Active general participation during lectures, and especially in brainstorming, workshops, and case studies is necessary.
- Individual roles prepared and actively performed in group(s) during workshops and case studies are defined by and agreed with the professor.
- Individual or group voluntary activities/ presentations, are required by or agreed with the professor – as far as reasonably possible.
- Maximum 2 lectures (90 minutes each) can be missed during the entire course. More absences must be agreed with the professor and be compensated for.

Grading and course certificates

1 = sehr gut	= represents exceptional work, far above average.
2 = gut	= represents good work, above average.
3 = befriedigend	= represents average work.
4 = ausreichend	= represents below average work with considerable shortcomings.
5 = nicht ausreichend	= is just exceptional work in the wrong direction or with unacceptable shortcomings.

Course certificates or other acknowledgements for attendance of the course can only be granted to students who actively participated in the discussions (30% of the grade) and made a sufficiently graded presentation (20% of the grade) and had success in the exam (50% of the grade).

Course materials:

- **Annual reports** of leading international companies (e.g. SAP, Bosch, Daimler).
- **Atrill, P., McLaney E. (2014)**, Accounting and Finance for Non-Specialists, 9th ed., Harlow: Pearson.
- **Buchholz R. (2016)**, Grundzüge des Jahresabschlusses nach HGB und IFRS, 9. Auflage, München: Vahlen.
- **Higgins, R.C. (2015)**, Analysis for Financial Management, 11th ed., New York: Mc Graw Hill Education.
- **Holmes G., Sugden A., Gee P. (2008)**, Interpreting Company Reports and Accounts, 10th ed., Harlow 2008.
- **Horváth, P., Gleich, R., Seiter, M. (2015)**, Controlling. 13. Aufl., München: Vahlen.
- **Horváth & Partner (2015, Hrsg.)**, Das Controllingkonzept, 8. Aufl., München: Dtv.
- **Kieso, D.E., Weygandt, J.J., Warfield, T.D. (2013)**, Intermediate Accounting, 15th edition, New York: Wiley.
- **Vollmuth H.J. (2009)**, Bilanzen. richtig lesen, besser verstehen, optimal gestalten, 9. Auflage, Freiburg: Haufe.
- **Weber, J., Schäffer U. (2016)**, Einführung in das Controlling, 15. Aufl., Stuttgart: Schäffer Poeschel.
- **Weygandt, J.J., Kieso, D.E., Kimmel, P.D. (2016)**, Financial Accounting, 10th edition, New York: Wiley.
- **Weygandt, J.J., Kieso, D.E., Kimmel, P.D. (2012)**, Managerial Accounting, 6th edition, New York: Wiley.

Basic and first reading material for the chosen presentations may be found in the internet or in the library. Also the professor may be able to provide some help in finding first relevant literature.

Class handouts / power point slides can be found on the internet under <https://lms.hs-pforzheim.de/login/index.php>

My teaching philosophy

In class, we consider the important concepts, models and principles of strategic and financial management and apply them on a real enterprise situation. I will assist you to develop a self-contained strategic thinking, based on the acquired basic skills, and to evaluate the opportunities and the threats of different strategies and financial management methods. I want to support every student who is committed to take the required knowledge and to pass the course successfully.

Tentative Schedule (changes may be necessary)

No	Date	Content
(1)	17.03.2021	Introduction to KPI Management Overview Workshops Discussion of rules, requirements, syllabus, citation styles, schedule, grouping
(2)	24.03.2021	Workshop 1
(3)	31.03.2021	Workshop 2
(4)	07.04.2021	Workshop 3
(5)	14.04.2021	Workshop 4
(6)	21.04.2021	Workshop 5
(7)	28.04.2021	Workshop 6
(8)	05.05.2021	Workshop 7
(9)	12.05.2021	Workshop 8
(10)	19.05.2021	Workshop 9
(11)	02.06.2021	Workshop 10
(12)	09.06.2021	Workshop 11
(13)	16.06.2021	Workshop 12
(14)	n/a	
(15)		