

Finance Foundations for Operations

Practical Financial Discipline for Foremen and Supervisors

Non-Credit Bearing

Help operational leaders understand the financial impact of everyday decisions

Operational foremen and supervisors make daily decisions that directly impact cost, cash flow, budget accuracy, and overall financial performance. Everyday transactional mechanics—from purchase requests and store requisitions to goods receipts and monthly variance explanations—shape how money moves through the business. When frontline teams lack visibility into these processes, forecasts become unreliable, reports lose credibility, and avoidable cost leakage slips through the cracks unnoticed.

Equipping frontline supervisors and engineers with a robust financial foundation ensures operational costs are managed with absolute confidence. Participants explore vital accounting principles, the accounting equation, double-entry processes, financial terminology, and cost behaviour, alongside procurement, inventory movements, accruals, cash flow, liquidity, and practical budget management. Bridging this gap illuminates the commercial impact of daily actions without expecting engineering and field leaders to become accountants.

Connecting operational decisions directly to financial outcomes protects the bottom line before minor discrepancies escalate into material budget surprises. Through practical examples tightly linked to plant, maintenance, engineering, stores, contractors, spares, and departmental cost centres, participants learn to read reports, manage commitments, interpret variances, and build realistic forecasts. Ultimately, this program empowers technical leaders to drive highly productive strategic conversations with finance, procurement, inventory management, and executive leadership.

WHO SHOULD ATTEND

For operational and technical employees who need to manage cost, transactions, and budgets more confidently, including:

- Operational foremen and supervisors responsible for day-to-day cost control
- Engineers managing maintenance, projects, plant performance, or operational spend
- Maintenance and workshop personnel who influence spares, contractor, and stores usage
- Junior managers preparing for greater budget responsibility
- Technical staff who need to understand finance, procurement, and cost centre reporting

HOW YOU WILL BENEFIT

You will be able to:

- **Develop** a practical understanding of how daily transactions affect financial results
- **Strengthen** confidence when discussing budgets, commitments, accruals, and variances
- **Improve** purchase planning, receipting, forecasting, and month-end reporting discipline
- **Apply** basic accounting principles to operational cost movements
- **Identify** planned, committed, and actual spend, and their cash flow impact
- **Build** disciplined habits around procurement, stores, inventory, and cost centre control
- **Gain** practical tools for managing line items, variances, and forecasts

Two-day course 08:30 -16:00

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WHAT WILL BE COVERED

Accounting principles and financial language

- Understand the purpose of GAAP and why consistency, completeness, and timing matter in operational reporting
- Explore the accounting equation and how assets, liabilities, equity, income, and expenses interact
- Decode double-entry accounting so participants understand why every transaction affects more than one account
- Build confidence with common financial terms used in cost centre, procurement, stores, and budget conversations

Operational cost basics

- Identify where money goes in daily plant, maintenance, workshop, and engineering operations
- Distinguish fixed, variable, and semi-variable costs and understand how they behave across operational months
- Separate direct costs such as spares, contractor labour, consumables, and repairs from indirect overheads
- Clarify the difference between CapEx for plant upgrades and OpEx for maintenance and running costs
- Understand how poor cost classification affects reporting, approvals, forecasting, and accountability

The procurement lifecycle: from needs identification to ledger

- Follow the life cycle of a purchase order from PR to PO to GRN to invoice
- Understand why a purchase order is a legal and financial commitment, not an administrative formality
- Compare committed spend with actual expenditure and understand why both matter for budget control
- Recognise how late, missing, or unissued purchase orders break forecasts and weaken month-end accuracy
- Provide clearer descriptions, quantities, timing, and cost allocations when initiating operational spend

Timing, accruals, and receipts

- Understand the purpose of a Goods Received Note and why GRN timing affects monthly cost reports
- Apply month-end cut-off principles and recognise why holding a GRN distorts financial performance
- Explain accruals and why costs may show up before cash leaves the bank
- Recognise how timing differences affect budget conversations between operations, finance, procurement, and suppliers

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Store requisitions and inventory control

- Trace how store requisitions move cost from inventory on the balance sheet to the departmental budget
- Understand the financial effect of drawing spares, consumables, and materials from stores
- Identify the cost of non-moving, obsolete, damaged, or poorly controlled workshop stock
- Reduce cost leakage caused by emergency withdrawals, duplicate stockholding, poor planning, and weak material discipline

Cash flow, liquidity, and forecasting

- Distinguish budgeted expenditure, actual expenditure, commitments, and cash payments
- Understand why liquidity matters to the organisation even when an item is included in the approved budget
- Develop basic cash flow forecasts linked to operational activity, supplier lead times, and planned maintenance
- Build phased forecasts across 12 operational months instead of simply dividing the annual budget equally

Practical budget management

- Read a monthly cost centre report, including line items, year-to-date spend, commitments, actuals, and available budget
- Interpret favourable and unfavourable variances and identify the real operational drivers behind them
- Manage line items such as spares, contractors, consumables, tools, overtime, repairs, and maintenance services
- Update forecasts based on completed work, known commitments, outstanding receipts, and planned activity
- Explain budget movement clearly and constructively to management, finance, procurement, stores, and operational teams