

16919	448,15	89,72	448,60	-0,45
21606	1.391,94	63,55	1.398,06	-6,12
21606	2.847,15	63,48	2.856,70	-9,55
21679	4.734,40	118,40	4.736,06	-1,66
21680	3.505,95	130,21	3.515,59	-9,64
26474	1.625,68	116,14	1.625,96	-0,28
27559	7.670,74	99,64	7.672,02	-1,28
27563	10.745,90	97,70	10.747,32	-1,42
27563	97,69	97,99	97,99	-0,30
27566	246,72	123,51	247,02	2,30
80001	301,74	100,26	300,79	0,95
80001	1.911,02	100,27	1.905,17	5,85
16919	1.254,82	89,64	1.254,95	-0,13
21606	2.657,34	63,42	2.663,59	6,43
21606	2.467,53	63,45	2.474,40	-6,87
26470	19.644,69	88,90	19.645,87	-1,18
26470	17.778,00	88,90	17.780,13	-2,13
27559	5.279,86	99,63	5.280,50	-0,64
27562	124,52	126,07	126,07	-1,55
27563	4.689,12	97,70	4.689,56	-0,44
16919	268,89	89,64	268,92	-0,03
21606	63,27	63,42	63,42	-0,15
21606	253,08	63,42	253,66	-0,58
21606	3.796,20	63,39	3.803,40	-7,20

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# Teaching Finance to Non-Finance Professionals

**Business reality and simulated reality come together to help bring financial concepts down to earth.** By Gina Gotsill

Patricia Sparacio, managing director of the New York Institute of Finance, is sitting in her office on a Monday evening, waiting for her students to arrive. When her class of several hundred students is ready to start, she logs in and greets the group.

Her closest student hails from Manhattan. Others are logged in from Egypt, China, and Europe. Sparacio teaches a virtual course in business and industry analysis. Although she is working with a big group, there is adequate capacity. If the virtual classroom is very large, Sparacio uses a moderator to manage questions and answers for her.

From New York to California, trainers, consultants, and finance companies are using old and new methods to teach people about finance concepts,

products, and services. Students range from the greenest administrators to the savviest managers and executives. Courses can last for a few hours or for weeks, depending on the students' level of understanding and what they need to learn.

The most effective way to train professionals on complicated financial principles is to rely on the same methods used to train participants on any other topic—by simulating a real environment with real numbers and real decision-making opportunities.

## Forming the foundation

When designing virtual courses such as business and industry analysis, the institute pays special attention to instructor slides. The course is designed for entry-level participants, so according to Sparacio, slides, exercises, and discussions must be easy to follow and provide all the knowledge necessary to accomplish learning objectives. Instructors also use a virtual whiteboard to jot down clarifications, summaries, and calculations.

“I rely on student questions and comments via the chat function,” she says. “I cannot circulate through the room while students work on exercises, so I make a point to call on students for responses.”

During balance sheet exercises, Sparacio uses real public companies as examples, but doesn't reveal their names until the end, creating the opportunity for effective discussions on various industries and companies. During the “strengths, weaknesses, opportunities, threats” analysis, she uses companies that are widely recognized, such as Gillette and Coca Cola, so that international students will feel comfortable contributing to the exercise.

Students have time to work on exercises and receive coaching from Sparacio. The analysis is a method to look at the organization's entire operation, from new market opportunities to competitive pressures, before reviewing finances.

Other training companies are tapping into the business world's hunger for financial insight and information. The Business Literacy Institute, a Woodland Hills, California-based finance training organization recently sent out a mass email newsletter that explained the financial crisis in simple terms. The Business Literacy Institute uses these regular email newsletters as training tools that extend learning beyond the formal training the company offers.

The institute uses several methods to “keep it simple.” First, they pare each concept down to its foundation. From

an instructional design perspective, this means breaking the concept into individual elements, making sure everyone understands these elements, and then pulling them all together. According to Karen Berman, co-owner of the institute, the goal is not to dumb the concept down, but rather to build a foundation.

## Adding it up

Once students have a conceptual foundation, instructors eliminate confusion by telling students what financial professionals learned long ago: accountants tend to use multiple terms that carry the same meaning.

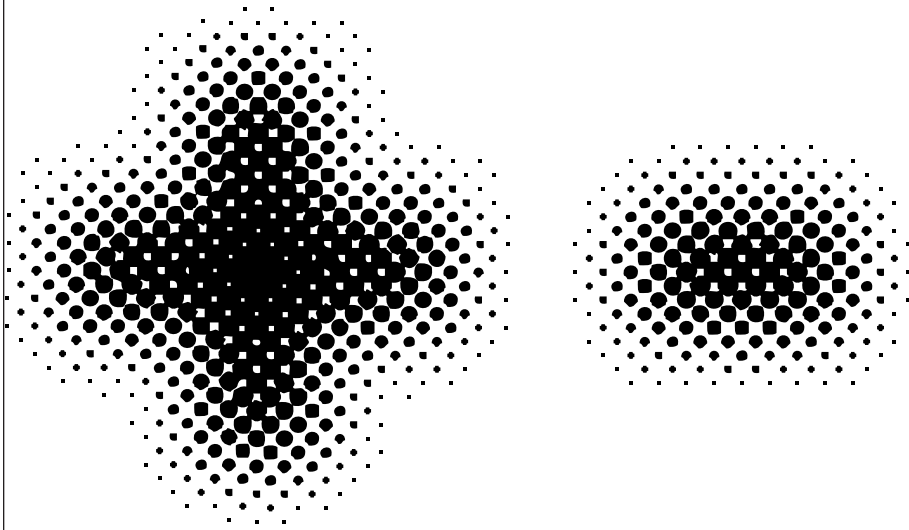
“For example, profit, earnings, and income can mean the same thing,” Berman says. “And income statement, P&L, statement of operations, and statement of earnings all mean the same thing. To respond to the confusion around these terms, we review all the different terms in our classes so that people can speak the language. Then, when we teach, we are consistent with our own language.”

Another way the institute keeps finance simple is by piloting courses and using the feedback they receive to revise future courses based on the audience's needs, Berman says.

Students include executives, salespeople, and attorneys. Trainers design each course using their client's own financial data, giving students real-world examples to use as learning tools. This method helps ensure that students will integrate the training into what they do every day.

Students apply concepts learned in an initial segment to guide them through other concepts, Berman says. For example, a typical budget uses the same math and logic as an income statement. Once students have learned about income statements, they can use that knowledge to study their budgets. However, budget data can still be confusing because the report usually includes column after column of numbers. Taking the time to explain each line item and column, along with

**The most effective way to train professionals on complicated financial principles is by simulating a real environment with real numbers and real decision-making opportunities.**



**“People can feel so overwhelmed by the numbers,” Berman says. “We tell people that finance is about adding and subtracting. When accountants want to get complicated, they multiply and divide.”**

understanding how your company calculates variances, is the key.

“In reviewing their own budgets, the rubber meets the road when students can use a budget to determine why the variance occurred, and then determine what they are going to do about it,” Berman says. “Practicing variance analysis is a key to ensuring students learn this process. Working with their own numbers makes the exercise real, and they can immediately begin to practice what they have learned.”

All audiences can learn from a finance class. Even someone with advanced skills who attends a basic course can gain new knowledge. In such cases, the class becomes an opportunity to apply their knowledge to the specifics of their company, Berman says.

“There are plenty of people at the manager level—people who have budget responsibilities—who, it is assumed, understand the foundational financial

concepts,” Berman states. “But when it comes down to it, many of these people really need this training. What often happens is people get promoted, but they rarely get an opportunity to sit down and learn about the finance side. People get very good at faking it.”

### **Getting down to business**

Several years ago, the Business Literacy Institute started to create Money Maps, visual learning tools that help explain financial tools and processes such as income statements.

“Money Maps are a fun, visual way to look at a financial document,” Berman says. “Rather than looking at page after page of columns, you see the big picture, all in one spot, and you see where you, as an individual, fit in. We hear a lot of ‘ahas’ from students when we work with them.”

Simulating environments and immersing students in concepts are additional ways trainers can teach

financial material. Sybil Gurney, director of IT corporate services at Robert Half International, recalls the training she received at a University of Virginia summer session during the late 1990s.

The goal of the training was to teach the group how to run a retail bank. The curriculum included how to market a new financial product, how to analyze a bank, and how to read a financial statement. During one session, Gurney and the other students “ran a bank” in a simulated computer environment complete with winners and losers. That’s when things got interesting, Gurney says.

“Each team selected its own CEO and loan and deposit officers, and every day, we would evaluate our bank and make decisions,” Gurney says. “We would ask each other, ‘What will happen if we increase our interest rate?’ and, ‘What are our competitors doing?’ The winner was the team with the highest stock price at the end of the session.”

The simulated component of the training culminated with each team making a presentation about their bank. Gurney’s team won the contest because her teammate repriced their loans from day one, she says. The training taught Gurney more than just numbers. She gained a greater understanding of how decisions are made and how balance sheets work. She also learned about interaction and teamwork.

“We had our numbers, and we would run them through the simulator,” Gurney says. “One person would want one thing and another person would want something else. We had to learn how to work together.”

Another way to make finance concepts relevant to learners is to use the products and services they will support as the basis for training. During the late 1990s, a large discount brokerage introduced an array of new programs and features and needed to train its call center staff to ensure that their responses and trade inputs were accurate and followed all processes.

The company called in a consulting firm that developed a blended learning

solution that started with instructor-led fundamentals training at a variety of locations. This included several modules on accounting and finance principles as they related to back-office functions.

The firm introduced trainees to the new system and guided them through exercises. The introduction was followed by practice sessions that included a training database and workbook with instructor support available by phone. After extensive practice, trainees were certified through testing on the new system. Certified staff received a password to go live with the new applications, job aids, and phone support.

The wide array of support available to learners helped them adapt to the new system and internalize the accounting and finance principles more quickly than they would have in a traditional instructor environment.

### Decoding with success

Whether a student is enrolled in a virtual live course, an instructor-led course, or an intense, simulated environment, students learning about finance benefit from interaction and support. They also benefit when the concepts are designed to be as relevant as possible to the learner.

“People can feel so overwhelmed by the numbers,” Berman says. “We tell people that finance is about adding and subtracting. When accountants want to get complicated, they multiply and divide.”

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