



Module 2 - Understanding financial statements

Your roadmap to responsible budgeting/financial action to support your entrepreneurial decisions

Decision-making steps

- 1 Define your financial goals**
 Set the desired sales volume, gross margin and net profit for your initiative.

- 2 Analyse your current P&L**
 Verify the distance between the desired and the current P&L

- 3 Define strategies to apply to P&L**
 Introduce financial drivers to align both desired and current P&L

- 4 Create functional financial KPIs**
 Establish functional level financial KPIs that allow you to maintain aligned the processes management with your financial goals.



Empowered actions checklist

- List the desired value for the P&L lines (sales, margin, etc.)
- List the potential strategies to improve your actual P&L results.
- Choose the strategies, to apply and define its implementation.
- List the functional level KPIs that you are going to use to control implementation.
- Interview your team to ensure they understand the connection between KPIs and financial results.



Based on this roadmap, what action will I take this week?

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