

# Facilitator's Guide

## **SMALL & MEDIUM BUSINESS AND ENTREPRENEURS**

Everything you need to know and do to present your session effectively and improve the financial literacy skills of Small and Medium Business owners/managers and Entrepreneurs in Canada!



**STEP ONE**

# Before the Session...Getting Prepared

The secret to being a great facilitator is preparation. Follow these steps to ensure you feel ready to lead your session.

Learn all you can about the target audience and their interests, current realities, and sensitivities in order to tailor your messages. For example – inquire about gender, age, occupation, and stage in the family life cycle. Are they new immigrants, seniors, or students? Think about what aspects of your presentation will matter most to the audience.

Find out in advance about the session requirements. Ask your host/contact if there is a projection screen, flipcharts, markers, masking tape. Will a laptop be provided or should you bring your own? Is there an IT technician available if needed? What is the room and seating plan like? Will pens or pencils be provided? Will the host make copies of the presentation and/or handouts for participants?

**Review the appropriate session overview based on the session you will be presenting:**

- **Small & Medium Business**

Understanding Financial Statements.....	p.13
Advanced Financial Statements .....	p.14
Financial Ratios and Why They Matter to Your Business .....	p.15
The Money Side of Business.....	p.16
Growth and Expansion: How to Best Grow Your Business.....	p.17
Getting Money: What Lenders and Investors Want .....	p.18
A Healthy Balance Sheet and Why It Matters.....	p.19
Maximizing Your Business.....	p.20

- **Entrepreneurs**

The Top Five Common Mistakes Startups Make.....	p.21
Financial Survival for Entrepreneurs.....	p.22
Your Money...Your Numbers.....	p.23

Familiarize yourself with the PPT slides, speaking notes, learning materials, and handouts until you feel confident. Plan to spend at least 2 hours preparing and practicing.

Personalize the speaker notes so that they sound comfortable for you. Please note: For consistency's sake, please stick to the key messages of the session but feel free to share a personal anecdote or case study to illustrate a point.

Practice delivering the session. Take time to do a speak-out-loud rehearsal and think about points to emphasize and ensure proper timing. (Formal presentation should run no longer than 45 minutes to allow time for Q&As.)

Register your session with CPA Canada. This is necessary to receive CPD credits for the session.

**See the following page for a sample of a customizable session invitation.**

## Session Invitation Template



### Invitation to host a financial literacy education session

The Chartered Professional Accountants of Canada (CPA Canada) is pleased to introduce its Financial Literacy Program – a community-based program that provides financial literacy education sessions to help Canadians to improve their financial decision-making skills.

Each financial literacy education session is free and is provided as a public service by local Chartered Professional Accountants to those who want to improve their finances and, over time, to achieve their life goals.

CPA Canada's eight 60-min sessions are designed to educate the small and medium business owner and/or manager on a series of key business financial literacy topics, from the basics of financial statements through the tools of effective financial management.

**The sessions cover:**

- Understanding Financial Statements
- Advanced Financial Statements
- Financial Ratios and Why They Matter to Your Business
- The Money Side of Business
- Growth and Expansion: How Best to Grow Your Business
- Getting Money: What Lenders and Investors Want
- A Healthy Balance Sheet and Why it matters
- Maximize Your Business

**We will provide:**

- CPA volunteers to lead the session
- A prepared presentation
- A sample letter of invitation

Your role is to provide a location, date and time and help with distributing invitations and encouraging participation. I will be in touch shortly to gauge your interest. Should you wish to book immediately, I can be reached at [email and/or telephone number].

Regards,

## STEP TWO

# On the Day of the Session... Arrive Early

**An early arrival at the session location allows you to get organized and oriented before the participants arrive.**

- Introduce yourself to the program co-ordinator
- Check the room and ensure that all equipment, supplies, and refreshments are onsite
- Locate the washrooms and exits
- Test your laptop and projector
- Adjust the lighting and/or temperature if necessary
- Arrange the seating/room layout for optimal interaction and visibility
- Prepare the flipchart with a welcome message, the title of the session, and your name

### Checklist:

- ☐ Presentation on a USB stick
- ☐ Laptop (unless provided on site)
- ☐ Projector (unless provided on site)
- ☐ Copies of presentation as handouts with room for notes for each participant (unless provided on site)
- ☐ Flip chart and markers (if required)
- ☐ Copies of evaluation forms (unless provided on site)
- ☐ Business cards

### Remember!

**As session leader you have four key responsibilities:**

1. To share your knowledge in a way that is easy to understand
2. To be positive and energized
3. To keep on topic
4. To provide opportunities for participants to ask questions

**STEP THREE**

# During the Session...Engage the Audience



**Much of the success of the session will depend on the enthusiasm and energy you bring to the program.**

- Start and end on time, and keep the pace of the session lively.
- Greet participants at the door with a smile.
- Introduce yourself and briefly share some of your experience to build credibility.
- Distribute the hand-outs at the outset.
- Present, don't read the material.
- Make eye contact and ask questions to interact with participants.
- Be open to questions and comments throughout the presentation.
- Leave time at the end for additional questions and answers.
- Thank participants for attending, ask them to complete the evaluation forms, and collect the evaluations.
- Connect with the program coordinator and express your appreciation.
- Return evaluations to CPA Canada –

*Financial Literacy Program*

*Chartered Professional Accountants of Canada*

*277 Wellington St. West, Toronto ON, M5V 3H2*

 <b>CAUTION! Do Not...</b>	 <b>INSTEAD! Do...</b>
Do not use professional jargon or assume everyone understands financial basics.	Do use plain language and check for understanding. Call the organization ahead of time to get a better understanding of the audience and any sensitivities.
Do not offer specific personalized advice.	Do suggest that individuals speak to their own financial advisor/CPA for advice.
Do not get sidelined by questions that are off topic.	Do 'park' these questions. Capture them on a flipchart and return to them only if time permits.
Do not get bogged down in complex or technical explanations.	Do 'read' your audience for pacing clues and use generic easy-to-follow examples.
Do not lose track of timing	Do skip or shorten discussions if needed, but still attempt to summarize key messages.

## STEP FOUR

# After the Session...Share Your Feedback

**Optimize the opportunities for learning and sharing immediately following the session.**

1. **Review your evaluations to gain personal insights on how to enhance your future sessions**
  - Constructive feedback will help you develop your presentation skills. Look for the positives and build on those. Consider the negatives and plan for improvement.
  - Make notes immediately following the session so that you can recall the changes you want to make the next time you present.
2. **Share your experience with CPA Canada**
  - Register your event and earn professional development points.
  - Scan, email to [financialliteracy@cpacanada.ca](mailto:financialliteracy@cpacanada.ca) or mail the completed participant evaluations to *Financial Literacy Program, Chartered Professional Accountants of Canada, 277 Wellington St. West, Toronto ON M5V 3H2*.
3. **Talk to other CPAs and share the benefits you gained from participating in this program and encourage their involvement.**
  - Remember that you are part of a national team and that your experience will help a fellow CPA become more effective as an advocate for financial literacy in their community.

**See the following page for a sample of a participant evaluation.**



## Session Evaluation Form



### Financial Literacy

#### Small & Medium Business Session Evaluation Form

Date:  Presenter:

Session Topic:

Host Organization:

My overall rating of this session is:

☐ Poor ☐ Neither ☐ Good ☐ Very Good ☐ Excellent

The presenter's knowledge of the subject was:

☐ Poor ☐ Neither ☐ Good ☐ Very Good ☐ Excellent

The presenter's presentation style was:

☐ Poor ☐ Neither ☐ Good ☐ Very Good ☐ Excellent

Relevance of the material presented was:

☐ Poor ☐ Neither ☐ Good ☐ Very Good ☐ Excellent

The most valuable idea you learned and will use is:

What improvements could be made for this session?

Does this motivate you to learn more and continue to make changes to improve your financial life?

☐ Yes ☐ No

Would you attend another session on financial education provided by CPA Canada?

☐ Yes ☐ No

If you answered Yes, what other financial sessions would you be interested in attending?

- |   |  |
|---|--|
| <input type="checkbox"/> Understanding Financial Statements | <input type="checkbox"/> Financial Ratios and Why They Matter to Your Business |
| <input type="checkbox"/> Advanced Financial Statements      | <input type="checkbox"/> Getting Money: What Lenders and Investors Want        |
| <input type="checkbox"/> The Money Side of Business         | <input type="checkbox"/> Growth and Expansion: How to Best Grow Your Business  |
| <input type="checkbox"/> Maximizing Your Business           | <input type="checkbox"/> Healthy Balance Sheet and Why It Matters              |

# Volunteer Top Tips

## General Tips

- Keep a lively pace and be positive
- Talk to your audience – don't read!
- Make eye contact and interact with your audience (questions, stories etc.)
- Stay on time, stay on topic and be easy to understand

## Tips for Dealing with Difficult People

- It's not always about you!
  - Stay calm – remember you are the leader so your behaviour will help others stay calm.
  - Move – moving away from the place where you were standing when someone was rude or hurtful to you will put the moment behind you.
  - Don't look back – acknowledge the individual and his/her comments briefly but don't argue or re-engage. Instead, focus on the other participants and move forward with the presentation.
- No arguments/criticism
  - The fastest way to turn a bad moment into a bad day is to respond in anger or sarcasm. Arguments and criticism of your difficult person only diminishes you in the eyes of your audience.
- Individually discuss preferred behaviour
  - Most difficult people give up when their behaviour does not bring a lot of attention. Find a way to meet the difficult person individually (for example, learn their name and don't be afraid to pleasantly tell them if their comments or questions are making it difficult for others to learn and enjoy the session).
  - Offer to meet with the individual after the session (they seldom do – it's not as much fun without an audience).

# Small & Medium Business – Incorporated Presentation Activities

## Why use activities?

- It creates a change of pace for learners and the facilitator
- It sparks a connection and helps everyone get comfortable
- It's fun
- It's a practical way of learning
- It allows for personalization and customization
- It increases learning – just listening is NOT learning

Each session will suggest an activity (found in the presentation speaking notes). These activities are great for engagement, increased learning and connecting with your audience.

## Activities

- **Paired Oral Review**

Paired Verbal Fluency” or PVF, helps listeners to review what you’ve offered using little time. Because participants review it, they personalize the learning and are much more likely to recall it when they need it.

**Step 1** – Ask attendees to choose a partner.

**Step 2** – Tell attendees to stay standing – they’ll have much more energy and accomplish more if they aren’t seated. Besides, they’ve been sitting for a while; this will give them a break.

**Step 3** – Ask attendees to decide who goes first (for example, the person who is tallest, the person who has the fanciest footwear, the person who has been in business longest. You can make it up). Stress no notes here as they should review what is in their head.

**Step 4** – Partner A gets 60 seconds, uninterrupted, to review everything they can recall from the session.

**Step 5** – Partner B then gets 60 seconds, uninterrupted, to review what they recall but is asked not to repeat what Partner A reviewed.

**Step 6** – Partner A now has 30 seconds to add to what was said in either of the previous minutes but is to do this by indicating who said it, for example *“when I talked about eye contact I should have added... When you mentioned posture, I also thought about...”*

**Step 7** – Partner B gets the same opportunity for 30 seconds.

**Tip:** Your job is to explain the quick review and keep time tight. As the facilitator you can comment on some points you heard, correct misperceptions you overheard or even call on a participant or two to tell the group about their most important learning. While you could do this exercise in written form, oral review is quicker and usually a lot more fun.

- **Idea Generation**

Idea Generation is fun way of engaging your audience and encouraging them to connect.

**Step 1** – Tell attendees to find a partner or two.

**Step 2** – Generate a fixed number of answers on a given topic/subject. In this case 5 or 6 is enough to get them past the easy answers but not too long as to let it degenerate into storytelling.

**Tip:** While they do the exercise, wander around the room noting how they are doing, encouraging and making it clear you expect them to offer their answers.

**Step 3** – Debrief by taking answers at random or ask someone from each table to give one of their answers. Ask other groups to give themselves a checkmark beside that answer to avoid repetition.

**Tip:** Tell the participants to call out their first choice, and something that has not been said. Ask the participants to bang the desk loudly if someone repeats an answer. The first time there is repetition, lead the banging and notice how it only happens about one more time. The goal here is to keep the session moving and on-time.

- **Treasure Hunts**

Treasure Hunts are like that children’s book – “Where’s Waldo?” You ask your audience to find specific items on a slide or handout. You might provide a slide/handout.

**Step 1** – Have your handouts ready for distribution.

**Tip:** printing them on colored paper makes it easy to ensure everyone is on the same page, for example, *“the blue handout provides you with the balance sheet for XYZ Corp.”*

**Step 2** – Tell the participants about the activity and why you are using it. For example, *“it is essential that you are able to read Profit and Loss statements and pick out the essential elements so we’re going to have a bit of a treasure hunt. With a partner, you’ll find four items. When you have your four answers, please stand up and remain standing – or help someone nearby who is struggling.”*

**Step 3** – Partner them

- Asking participants to find a partner seated near them is the quickest.
- Asking participants to find a partner seated somewhere else in the room increases attention to the task, facilitates movement – that break they need from sitting still, and increases connection with others attending your seminar.

**Step 4** – Provide a series of questions to which they are to find answers – put these on your handout so they can refer to them as they hunt. In this case the learners are asked to find four items: (don’t read these)

- Total assets
- Total owner’s equity
- Current assets
- Current liabilities

**Step 5** – To end this activity ask everyone to sit. Call on someone from the first team standing and have them deliver the answers.

- Having a prize such as gold wrapped candies is a good idea but you’ll probably want to have enough on hand for everyone – just give them to the star team and make them responsible for distribution.

- **Compare and Contrast**

Compare and Contrast activities let your audience compare what they know with something similar but less familiar

**Step 1** – Set up your activity and tell them the value of the exercise. You can say, *“because budgets can be such a boring topic, I thought we’d start the process with a budget that you’d enjoy. Then we’ll see how similar your invented budget is to the one you use in business.”*

**Step 2** – Distribute the handout.

**Step 4** – Invite your audience to think about their favourite vacation – maybe it is a cruise, perhaps a safari, possibly a staycation – and then think of the budget they’d need to create to make this vacation a reality. There is a budget worksheet in the materials for this seminar. You can say, *“I’ll give you 3 minutes to jot down your ideas.”*

**Tip:** move through the room to ensure participants are on course with the task.

**Step 4** – After a few minutes, ask them to set aside their fantasy budgets.

- In the seminar notes, you'll be given a list of questions you can use to guide the comparison.
- You'll refer back to the comparison when you speak about the next slide, Budget Development.
- In this case you don't need a specific end to the activity as it simply serves as an example within the seminar.

- **Voting**

Voting is the quickest exercise of all - you offer a couple of choices and ask them to indicate which one they prefer.

**Step 1** – Usually it is best to say how you want your responses, for example, “just call out your answer” or “with a show of hands”

**Step 2** – Debrief. If the answer is controversial, explain the reason for the “preferred answer” or the reasons both answers are correct. For example, *“well, they're both important. A profitable business might fail for lack of cash. (perhaps tell a story here) You can't pay your bills without some cash so it isn't sufficient to have profits.”* Be open to other interpretations and discussion from your learners.

**Tip:** Avoid labeling their answers as Right or Wrong. You can say, *“I agree with those of you who chose...”* or *“not everyone will agree with us that...”* Adult learners seldom see things as absolute.

- **Quizzes**

You can design quizzes yourself – or even easier, you can ask a member of the audience to quiz the group

**Step 1** – Ask an early arrival to undertake the task of conducting a three question quiz at the end of the session.

**Step 2** – Once they've agreed to do it, give them the handout with specific instructions. Ideally questions are quite easy for audience members to call out a word or a few words by way of answers.

**Tip:** you can have prizes on hand to give to those who call out a correct answer or you can just lead the applause.

# Session Overviews

Specific information you need to know about each session.

## Small & Medium Business

### Understanding Financial Statements

This is a basic session explaining the terms and concepts of financial statements.

**Outline:**

- How's the business doing?
- Did we make money this year?
- What does my P&L tell me?
- Why do I need a balance sheet?
- Where is my cash coming from?
- Where is my cash going to?
- Why isn't my cash equal to my profit?

**Learning Objectives:**

- To be able to review and understand their financial statements
- To be able to ask informed questions of their financial professionals

**Learning Materials:**

- *Compare and Contrast* worksheet
- Glossary of terms
- Implementation checklist

## Advanced Financial Statements

This is an advanced session explaining the more advanced and complex concepts of financial statements, including: accruals, amortization, accelerated depreciation, accrued payables, work in process, non-operating income, goodwill, earnings per share and cash and accrual accounting.

### Outline:

- How are cash and accrual accounting different?
- Why is my balance sheet so complicated?
- What is depreciation?
- Why are prepaid expenses assets?
- How do I account for intangible assets?
- What are retained earnings?
- How are earnings per share determined?
- What is non-operating income?

### Learning Objectives:

- To be able to review and interpret more complex financial statements
- To understand the terminology so they can ask informed questions of their financial professionals

### Learning Materials:

- Glossary of terms
- Implementation checklist



## Financial Ratios and Why They Matter to Your Business

This is a basic session explaining the calculation and interpretation of financial ratios.

### Outline:

- How profitable is my business?
- How do my profits compare to the industry?
- What's the trend in my profits?
- How quickly are we growing?
- Can we pay the bills?
- Can we pay the bank?
- Am I getting a return on my investment?

### Learning Objectives:

- To be able to calculate the key financial ratios for their business and understand the meaning of the calculations
- To be able to interpret the results to better manage their business

### Learning Materials:

- *Examining Profitability* worksheet
- *Examining Growth Rates* worksheet
- Glossary of terms
- Implementation checklist

## The Money Side of Business

This is an advanced session explaining the basic tools and techniques of financial management for a business owner, including budget creation and monitoring, cash management, product/division/customer analysis, planning/forecasting, and trend analysis.

### Outline:

- What's financial management?
- What tools can help operate my business?
- How do I determine if a product is profitable?
- What's my most profitable product?
- Who are my most profitable customers?
- Why do I need a budget?
- How do I create and use a budget?
- What reports do I need?
- How do I tell where my business is heading?

### Learning Objectives:

- To be able to use financial management tools to evaluate their business and make informed financial decisions

### Learning Materials:

- *Vacation Budget* worksheet
- Glossary of terms
- Implementation checklist

## Growth and Expansion: How Best to Grow Your Business

This is a session explaining the financial implications of growth of a business, tools and techniques to analyze and plan for growth, and the best times and best reasons to grow a business.

### Outline:

- What are the best reasons to grow a business?
- When is the best time to grow a business?
- How do we plan for growth and expansion?
- What are the financial implications of growth?
- Will growing my business increase my profits?
- How much cash will we need to expand?
- What happens if we get unexpected growth?

### Learning Objectives:

- To be able to determine when business expansion makes sense
- To understand how to project growth and expansion and to know how to react when unexpected growth occurs

### Learning Materials:

- Glossary of terms
- Implementation checklist

## Getting Money: What Lenders and Investors Want

This session explains to the business owner the financial and non-financial information a bank or investor uses to evaluate a loan/investment request, and explains the steps necessary to prepare a business for presentation to a lender and/or investors.

### Outline:

- Why will I need additional financing and capital?
- What are the typical sources for financing?
- What are the advantages and disadvantages?
- How are lenders and investors different?
- Why do I need a business plan and how do I create one?
- What are leverage ratios and how should I use them?
- How do leverage ratios vary between business types?
- How do lenders look at my business?

### Learning Objectives:

- To understand how a bank or investor will evaluate their business and the steps necessary for the owner to get their financial statements and business plans in order for presentation to lenders and investors.

### Learning Materials:

- *Typical sources of financing and capital* worksheet
- Glossary of terms
- Implementation checklist

## A Healthy Balance Sheet and Why it matters

This session defines the concept of a healthy balance sheet and explain to the business owner how to create a balance sheet that will appear healthy to an investor, buyer or lender.

### Outline:

- What does having a healthy balance sheet mean?
- How do others look at my balance sheet?
- What are the measures of balance sheet health?
- What does an investor look at?
- What does the bank look at?
- How can I “cure” an unhealthy balance sheet?

### Learning Objectives:

- To understand the key ratios that are used to measure a healthy balance sheet
- To be able to explain the actions necessary to fix any unhealthy parts of their balance sheet

### Learning Materials:

- *Basic Balance sheet*
- *Compare and Contrast* worksheet
- Glossary of terms
- Implementation checklist

## Maximize Your Business

This session explains the key concepts of cash management, working capital and operational efficiency.

### Outline:

- Sales are great, why don't we have any cash?
- Do we have enough cash to pay expenses?
- How much cash do we need for expansion?
- Can I free up some cash from the business?
- How can I get customers to pay on time?
- Are we managing cash efficiently?

### Learning Objectives:

- To be able to review and change their cash management practices so less cash is required to operate the business and the cash needs of the business can be projected and analyzed.

### Learning Materials:

- Glossary of terms
- Implementation checklist

## Entrepreneurs

### The Top 5 Common Mistakes Startups Make

Audience: Entrepreneurs within the first 3 years of operation

**Outline:**

- Introduction
- Types of business structures
- The business plan
- What's your structure?
- Staffing: You can't do everything
- Cash flow and financing
- Taxes – even when operating at a loss, are you ready for the big time?

**Learning Objectives:**

- To be able to identify the value of a developing a business plan
- To be able to identify business structure
- To get a better understanding of monitoring cash flow
- To be able to make informed decisions regarding taxes

**Learning Materials:**

- Group activity: *Our Business Idea*

## Financial Survival for Entrepreneurs

**Audience:** Entrepreneurs beyond the first 3 years of operation

**Outline:**

- Managing growth and expansion
- Key numbers to understand and monitor
- Doing the math: the ratios that make or break you
- Case study: Scarves from the North
- Financing: the big league
- Tax

**Learning Objectives:**

- To be able to understand the management of growth and expansion
- To be able to identify the key numbers to understand and monitor
- To learn tactics of seeking out financing
- To learn effective tax strategies

**Learning Materials:**

- *Scarves of the North* (case study)
- *The Matching Game* (activity)



## Your Money...Your Numbers

**Audience:** Women entrepreneurs

**Outline:**

- What it means to be a woman entrepreneur
- What is critical to success and the impact
- Financial Statements
  - What does my P&L tell me?
  - Why do I need a balance sheet?
  - Where is my cash coming from and going to?
- Financial Ratios
  - How profitable is my business?
  - What's the trend in my profits?
  - Can we pay the bills? Can we pay the bank?
- Maximizing your business
  - Do we have enough cash to pay expenses?
  - How much cash do we need for expansion?
  - How do I measure and monitor operational efficiency?

**Learning objectives:**

- To understand what is critical to their success and the impact of that
- To review and understand their financial statements
- To calculate the key financial ratios for their business and understand the meaning of the calculations
- To interpret the results to better manage their business
- To review and change their cash management practices so less cash is required

**Learning objectives:**

- Activities
  - Self reflection
  - Financial statements
  - Minding your own business – My financial statements
  - Financial Analysis
  - Minding your own business – Working capital
  - Compare & Contrast
- Working capital & efficiency
- Strategies to improve your working capital