

# FØNTRA simulation

*“a game that takes numbers out of finance so that you can understand the logic”*



# FONTRA: what is it?



Finance, however complicated it may appear, builds on a few logical principles. In reality, we can learn to look beyond numbers to understand a few simple rules. Discover how financial statements are brought to life through a simple model of an organization!

## Key Concepts



**RAW MATERIALS**



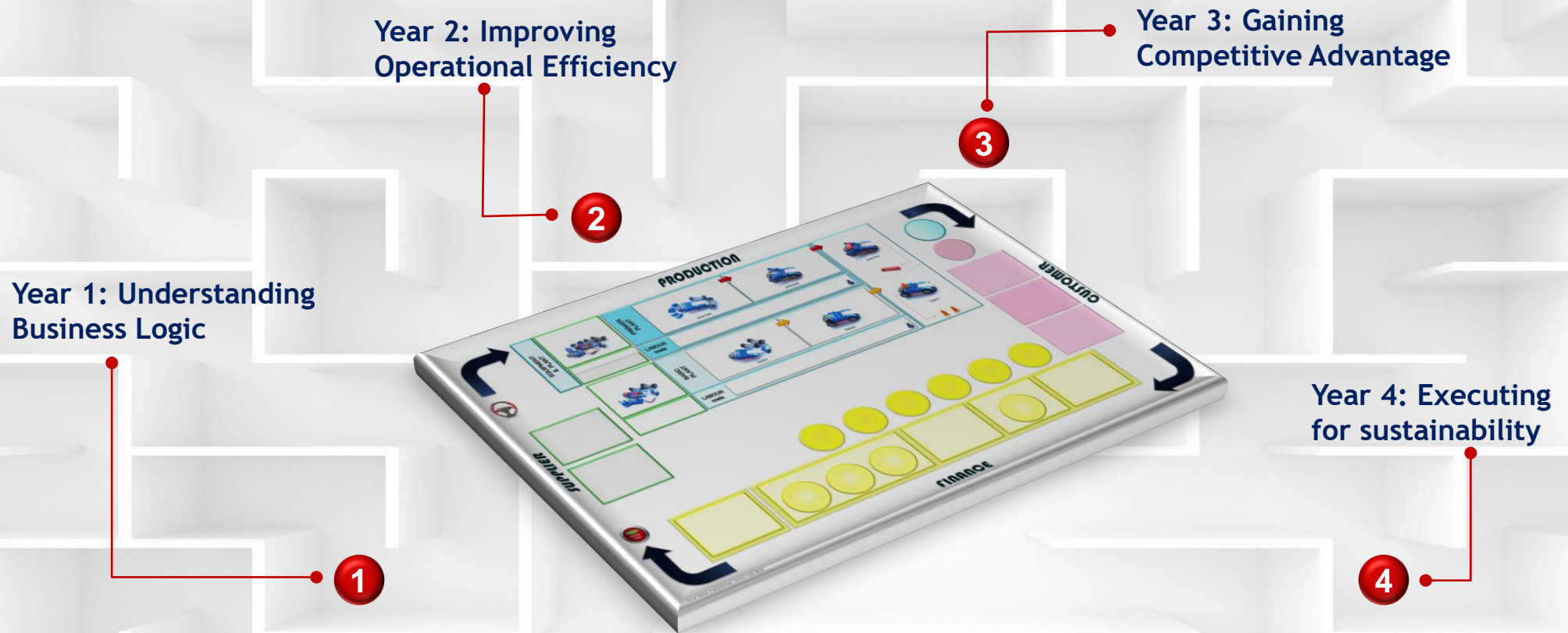
**LABOUR**



**FINISHED GOODS**

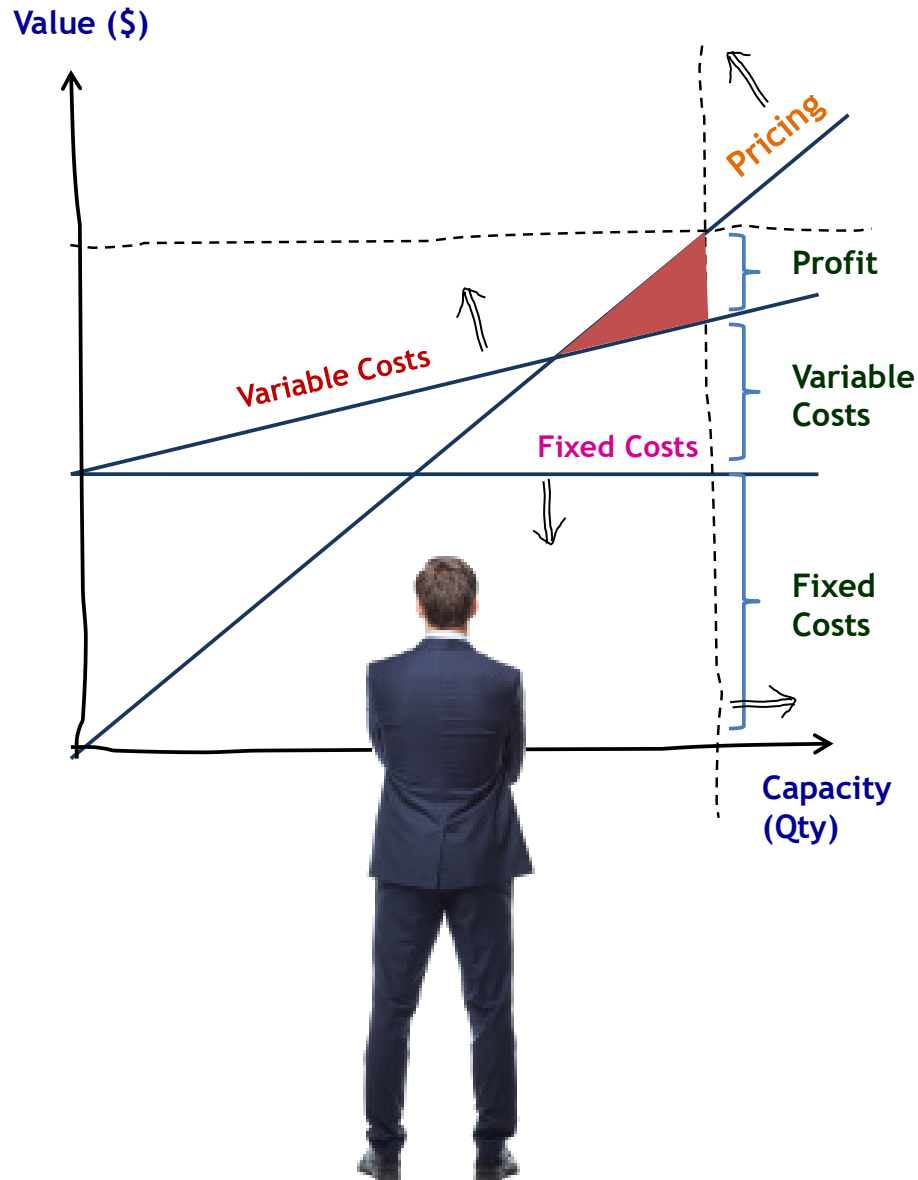
- ✓ Strategy is only as good as its execution.
- ✓ Leveraging on financial reports to identify growth & risks.
- ✓ Choosing the right financial strategies to drive tangible results.
- ✓ Reviewing key business & financial indicators to prioritize business decisions.
- ✓ Increasing operational efficiency to create quick wins.

# FONTRA: how does it work?



“FØNTRA - Taking Numbers out of Finance” is a 2-day board-based business simulation. Groups of 4-6 participants will compete to deliver shareholders’ expectations over 4 financial years. Set in a highly-constrained environment, participants navigate across purchasing, production, sales, marketing and finance to deliver Return on Assets (ROA), Return on Equity (ROE) and Profit After Tax (PAT). They gain hands-on experience to see how small decisions can create a huge collective impact on the future of a business.

# FONTRA: what does it involve?



This simulation requires both commercial and non-commercial people to **break functional silos, speak the same language and create different insights** in meeting increasing demands from shareholders & customers.

- 1 STRATEGIZE (challenges → strategies)**  
Evaluate Statement of Income & Retained Profits and Statement of Financial Position of their company to identify growth challenges and choose the right financial strategies.
- 2 IMPLEMENT (strategies → initiatives)**  
Translate strategies into a few objectives by negotiating & taking specific decisions across all functions.
- 3 REVIEW (initiatives → results)**  
Analyze financial indicators to determine the short-term & long-term impact of their initiatives on company performance.

# taking num**3**ers out of finance

| Year                | Year 1<br>UNDERSTANDING<br>BUSINESS LOGIC   | Year 2<br>IMPROVING OPERATIONAL<br>EFFICIENCY  | Year 3<br>GAINING COMPETITIVE<br>ADVANTAGE  | Year 4<br>EXECUTING FOR<br>SUSTAINABILITY   |
|---------------------|---|--|---|---|
| Conditions          | Business as usual with standard processes.  | Operational Costs increases significantly while shareholders expect higher profits.  | Customers are getting demanding in terms of quality & speed while competition stiffens.   | New opportunities arise. Seize them with confidence & holistic team effort.   |
| Key Challenges      | <p>Each team of participants inherits a company with average performance.</p> <p>Participants will get familiar with the rules, different functional roles, circuit of capital &amp; variables affecting the bottom line.</p>                   | <p>All teams will experience costs &amp; sales constraints. Participants must make choices to deliver quick wins to their shareholders.</p> <p>They learn to examine how small actions can produce a <b>collective impact</b> on the business.</p>   | <p>Each team will be given a top-down <b>financial strategy</b> which needs to be executed.</p> <p>They must choose a <b>strategic objective</b> and its relevant <b>initiatives</b> to deliver expected results. They will compete for new customers.</p>  | <p>In this year, the number of potential customers increases.</p> <p>Each team will need to <b>plan &amp; execute up to two Financial Strategies</b> to improve their performance. They will continue to bid for new customers.</p>                   |
| Learning Objectives | <ol style="list-style-type: none"> <li>1. Understand basic finance terminologies.</li> <li>2. Extract useful information from P&amp;L and Balance Sheet.</li> <li>3. Understand basis of business decisions at top management level.</li> </ol> | <ol style="list-style-type: none"> <li>1. Distinguish initiatives to increase operational efficiency: <ul style="list-style-type: none"> <li>• Reduce inventory</li> <li>• Speed up collection</li> <li>• Increase operation efficiency</li> <li>• Pay off debts</li> </ul> </li> <li>2. Understand 5 financial indicators to assess performance: Contribution Margin, Operating Profit Margin, ROA, ROE, Debt/Equity ratio</li> </ol> | <ol style="list-style-type: none"> <li>1. Understand the 4 financial strategies: <ul style="list-style-type: none"> <li>• Increase selling price</li> <li>• Increase capacity sold</li> <li>• Reduce fixed costs</li> <li>• Minimize variable costs</li> </ul> </li> <li>2. Differentiate the 7 Strategic Objectives</li> <li>3. Execute the right initiatives to support the objectives</li> </ol> | <ol style="list-style-type: none"> <li>1. Diagnose company's sustainability.</li> <li>2. Determine the Company's Financial Strategies.</li> <li>3. Choose the appropriate Strategic Objectives.</li> <li>4. Execute the right initiatives.</li> </ol> |
| Learning Outcome    | Able to <b>analyze the company's financial well-being</b> .   | Able to <b>determine the quick wins</b> needed to improve operational efficiency.  | Able to <b>utilize the right initiatives</b> to fulfil the company's financial strategies.  | Able to <b>analyze, plan &amp; execute</b> a business plan to sustain company's performance.  |

*bringing life to business*

## **Hann Consulting (Asia) Sdn Bhd**

**Lot 237, 2<sup>nd</sup> Floor, The Curve, Mutiara Damansara  
47800 Petaling Jaya, Selangor, Malaysia**

**Tel: +603-7710 9266**

**Fax: +603-7710 5266**

**Email: [contact@hannasia.com](mailto:contact@hannasia.com)**

**Web: [www.hannasia.com](http://www.hannasia.com)**