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COURSE BROCHURE

Advanced Financial Acumen and Management Strategy Training Course

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Registered in the United Kingdom and Saudi Arabia

Advanced Financial Acumen and Management Strategy Training Course

Financial Acumen and Management Strategy is a 2-week training course for asset managers, department heads and senior engineers moving into management, built around an asset financial steering pack that links field decisions to cash, margin and capital. Oil and gas operators now expect technical leaders to defend budgets, rank investments and explain variances in the language of the boardroom. Jupiter Prime Training delivers this Financial Acumen and Management Strategy course for oil and gas leaders.

Why Financial Acumen and Management Strategy Matters Now

Volatile hydrocarbon prices, tighter shareholder scrutiny of capital discipline and the shift of portfolios towards lower-carbon assets are reshaping how operating companies judge their leaders. Engineers promoted into management are asked to own budgets, approve spending and argue for projects against competing assets. An organisation whose managers read financial statements and project economics fluently allocates capital to the barrels that pay back; one whose managers cannot drifts into overruns and stranded spending. The course rests on discounted cash flow valuation, the balanced scorecard and the SPE Petroleum Resources Management System PRMS for linking reserves to value.

Who Gains Most from Financial Acumen and Management Strategy

- Leaders accountable for the operating budget and lifting cost of a producing field or plant
- Heads of engineering functions who sponsor capital projects and defend them at approval gates
- Senior engineers taking charge of cost centres, contractors and maintenance spending
- Planning leads who build the annual business plan and long-range forecasts for an asset
- Commercial and technical managers who negotiate partner budgets under joint operating agreements

Asset leadership teams gain most when the asset manager, the engineering head and the planning lead attend together and agree one set of financial measures.

Financial Acumen and Management Strategy Capabilities

Participants leave able to turn wells, plants and contracts into cash flows, margins and returns that finance and executives accept.

- Interpret an income statement, balance sheet and cash flow statement for an asset — budget reviews with finance
- Calculate net present value, internal rate of return and payback for a project — capital approval gates
- Weigh sanction options under price, cost and schedule uncertainty — portfolio ranking by executives
- Design a cost control and variance reporting routine — monthly performance meetings
- Align operational key performance indicators with a balanced scorecard — strategy reviews with the board
- Communicate a financial case in plain terms — partners, sponsors and senior leadership

Key Financial Acumen and Management Strategy Terms

- Net Present Value — the sum of a project's future cash flows discounted to today, used to decide whether it creates value.
- Lifting Cost — the operating cost of producing one barrel of oil equivalent, excluding capital recovery and taxes.
- Capital Expenditure — spending on wells, facilities and equipment that creates an asset used over several years.
- Working Capital — current assets minus current liabilities, showing the cash tied up in daily operations.
- Breakeven Price — the hydrocarbon price at which a project's net present value equals zero.
- Variance Analysis — the comparison of actual cost or output with budget to explain and correct gaps.

Financial Acumen and Management Strategy Day by Day

Day 1: The Oil and Gas Value Chain in Financial Terms

- Upstream, Midstream and Downstream Margins — Where An Asset Earns Its Return
- Fiscal Regimes and Production Sharing Contracts — Government Take Versus Company Share
- Reserves and Resources Under PRMS — Booking Barrels That Support Asset Value
- Price Cycles and Cost Inflation — Planning Assumptions for the Business Plan
- Stakeholder Map of Finance, Operations and Partners — Who Approves What

Day 2: Reading Financial Statements

- Income Statement Structure — Revenue, Operating Cost and Depreciation of Assets
- Balance Sheet for Capital-Heavy Operations — Assets, Liabilities and Equity Funding
- Cash Flow Statement — Operating Versus Investing Cash Movements
- Depreciation, Depletion and Amortisation — Unit-of-Production Charges on Fields
- Financial Ratios for Operators — Margin, Gearing and Return on Capital Employed

Day 3: Costing Operations

- Fixed and Variable Cost Behaviour — Production Rate and Unit Cost Decisions
- Lifting Cost Build-Up — Benchmarking Fields and Plants Against Peers
- Activity-Based Costing for Maintenance — Allocating Shared Support Services
- Contractor Rate Structures — Day Rates, Lump Sums and Reimbursable Work
- Cost Centre Accountability — Ownership of Spending by Function

Day 4: Project Economics

- Discounted Cash Flow Modelling — Valuing Wells, Workovers and Facilities
- Net Present Value and Internal Rate of Return — Accept or Reject Signals
- Payback, Profitability Index and Breakeven Price — Comparing Unequal Projects
- Cost of Capital and Hurdle Rates — Setting the Bar for Investment
- Incremental Economics of Infill Drilling — Value of the Next Barrel

Day 5: Risk and Uncertainty in Investment

- Sensitivity and Spider Charts — Which Assumption Drives Project Value
- Scenario Planning for Price and Demand — Robust Choices Across Futures
- Monte Carlo Simulation Basics — Ranges of Outcome for Sanction
- Expected Monetary Value and Decision Trees — Appraise or Develop Choices
- Real Options Thinking — Value of Phasing, Deferral and Expansion

Day 6: Capital Budgeting and Portfolio Choices

- Stage-Gate Approval Process — Front-End Loading and Sanction Readiness
- Capital Rationing and Ranking Methods — Funding Under a Fixed Envelope
- Portfolio Balance Across Assets — Growth, Sustaining and Lower-Carbon Spending
- Joint Venture Budget Approval — Partner Votes and Authorisation for Expenditure
- Post-Investment Review — Learning From Sanctioned Project Outcomes

Day 7: Budgeting and Cost Control

- Annual Operating Budget Build — Zero-Based Versus Incremental Methods
- Rolling Forecasts — Updating Spending Outlooks as Conditions Change
- Variance Analysis — Price, Volume and Efficiency Explanations
- Earned Value Management on Projects — Cost and Schedule Performance Indices
- Cost Reduction Levers — Contract Renegotiation, Standardisation and Deferral Risks

Day 8: Strategy and Performance Management

- Strategic Planning Cycle for an Asset — Vision, Targets and Initiatives
- Balanced Scorecard Design — Financial, Customer, Process and People Measures
- Key Performance Indicator Trees — Linking Uptime and Cost to Return
- Benchmarking and Competitive Position — Cost Curve Placement of Assets
- Management Dashboards — Performance Conversations With Field Teams

Day 9: Leading Financial Conversations

- Building the Investment Case Narrative — Executive Committee Expectations
- Presenting Numbers to Non-Technical Audiences — Clarity Over Detail
- Negotiating Budgets With Partners and Contractors — Trade-Offs and Concessions
- Financial Controls and Delegation of Authority — Approval Limits for Managers
- Working Capital Discipline — Inventory, Payables and Spare Parts Holdings

Day 10: Practising the Asset Financial Steering Pack

- Asset Statement Review — Applying Ratio Analysis to a Case Field
- Sanction Case Rebuild — Applying Discounted Cash Flow and Risk Ranges
- Budget Challenge Session — Applying Variance and Rolling Forecast Methods
- Scorecard Alignment — Applying Indicator Trees to Asset Strategy
- Asset Financial Steering Pack — Completing the Pack for Leadership Review

Applying Financial Acumen and Management Strategy After the Course

- Run a variance review of the last quarter's operating budget for the home asset, separating price, volume and efficiency effects and agreeing corrective actions with cost centre owners.
- Rebuild the economics of one pending project with discounted cash flow and sensitivity ranges, then present the sanction case to finance before the next approval gate.

Financial Acumen and Management Strategy Questions FAQ

What is Financial Acumen and Management Strategy in oil and gas and why does it matter now?

It is the ability to read financial statements, judge project economics and steer an asset's strategy with financial measures. It matters now because volatile prices and capital discipline require technical leaders to defend every budget and investment in financial terms.

Which roles gain most from Financial Acumen and Management Strategy training?

Asset managers, heads of engineering, planning leads and senior engineers who now own budgets gain most. You benefit if you approve spending, sponsor projects or report performance to executives and partners without a formal finance background.

How does a Financial Acumen and Management Strategy course differ from a general petroleum economics course?

It joins economics to management practice. A petroleum economics course centres on valuation models, while this one also covers financial statements, budgeting, cost control, scorecards and how you lead financial conversations with executives, partners and field teams.

What do you bring back from Financial Acumen and Management Strategy training?

You bring back a financial steering pack for your own asset. It combines statement analysis, a rebuilt sanction case, a budget variance routine and a scorecard that links operational indicators to return on capital.

Financial Acumen and Management Strategy: The Way Forward

The asset financial steering pack first informs the next budget cycle, when leaders must decide which spending to protect and which to defer. Asset managers, planning leads and finance partners use it together in monthly performance reviews. After its first use, revisit the hurdle rates and scenario ranges, since price and cost assumptions shift faster than the asset plan itself.