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COURSE BROCHURE

# Supplier Financial Statement Analysis and Stability Scoring Training Course

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Dar es Salaam

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Registered in the United Kingdom and Saudi Arabia

# Supplier Financial Statement Analysis and Stability Scoring Training Course

**Ref:** 3035_115177 **Date:** 16 – 20 August 2027 **Location:** Dar es Salaam **Fees:** 5300 GBP

Supplier Financial Statement Analysis and Stability Scoring is a 1-week training course for buyers, category managers and supplier risk analysts, who leave with a supplier financial stability scorecard ready for tender evaluation and contract monitoring. Rising borrowing costs, tighter credit and volatile input prices mean a supplier that looked sound at award can fail mid-contract. Jupiter Prime Training delivers this course on supplier financial statement analysis.

## Why Supplier Financial Statement Analysis Matters Now

Higher interest costs and shorter credit terms strain the cash position of many mid-sized suppliers. Input price swings in energy, metals and freight squeeze margins faster than contracts can be repriced. Finance directors and audit committees now ask procurement to show evidence that critical suppliers were tested before award and watched afterwards. Buyers who read accounts well spot weakness early and set sensible payment and security terms; buyers who do not face sudden insolvencies, stalled projects and emergency re-sourcing at a premium.

## Who Gains Most from Supplier Financial Statement Analysis

- Buyers responsible for checking bidder accounts during prequalification and tender evaluation
- Category managers who decide how much spend and dependency to place with one supplier
- Supplier risk analysts who monitor critical suppliers between contract reviews
- Contract managers who agree payment terms, advance payments and performance security

The largest gain comes when buyers and finance business partners from the same organisation attend together and agree one scoring method.

## Supplier Financial Statement Analysis Capabilities

Participants turn ratios and trends into a stability judgement a tender panel can defend.

- Calculate liquidity, gearing, profitability and cash conversion ratios from published accounts — the tender evaluation panel
- Assess trends across three reporting periods to separate one-off losses from structural decline — the category manager
- Weigh customer dependency and the buyer's share of supplier turnover before award — the sourcing decision
- Test supplier exposure to input price, interest and exchange movements — contract pricing and indexation
- Specify payment terms, bonds and monitoring triggers matched to the financial score — the contract manager
- Communicate early warning signals and recommended actions to budget holders — senior management

## Key Supplier Financial Statement Analysis Terms

- Current ratio — current assets divided by current liabilities, showing whether short-term debts can be met from short-term resources.
- Gearing — the share of a company's funding that comes from borrowing rather than shareholders' equity.
- Cash conversion cycle — the days between paying for inputs and collecting cash from customers.
- Turnover dependency — the percentage of a supplier's sales that comes from one buyer, signalling mutual reliance.
- Going concern note — the auditor's view on whether the company can keep trading.
- Performance security — a bond, retention or parent undertaking the buyer holds to recover losses if the supplier fails.

## Supplier Financial Statement Analysis Day by Day

## Day 1: Why Supplier Finances Shape Supply Risk

- Supplier Failure Case Reviews — Tracing Financial Warning Signs Missed At Award
- Spend And Criticality Segmentation — Choosing Which Suppliers Need Financial Checks
- Sources Of Financial Information — Using Filed Accounts, Credit Reports And Bidder Submissions
- Structure Of The Income Statement — Reading Revenue, Costs And Operating Profit
- Structure Of The Balance Sheet — Reading Assets, Liabilities And Equity

## Day 2: Ratios and Trends

- Liquidity Ratios — Judging Ability To Pay Short-Term Debts
- Gearing And Interest Cover — Judging Reliance On Borrowed Money
- Margin And Return Ratios — Judging Pricing Headroom And Profit Quality
- Cash Flow Statement Reading — Separating Accounting Profit From Real Cash
- Three-Period Trend Analysis — Spotting Decline Before It Becomes Default

## Day 3: Economic Exposure and Dependency

- Turnover Dependency Check — Setting Safe Limits On Share Of Supplier Sales
- Input Cost And Price Exposure — Testing Margins Against Commodity Swings
- Interest And Exchange Sensitivity — Assessing Effects On Debt And Imported Inputs
- Group Structure And Parent Support — Deciding When To Request Parent Company Support
- Market Position And Customer Concentration — Weighing Competitive Strength And Revenue Spread

## Day 4: Scoring, Terms and Monitoring

- Weighted Financial Scoring Matrix — Converting Ratios Into Tender Evaluation Marks
- Pass, Fail And Mitigate Thresholds — Setting Rules For Financially Weak Bidders
- Payment Terms And Advance Payment Controls — Matching Cash Exposure To Score
- Bonds, Retentions And Parent Undertakings — Choosing Security For High-Risk Awards
- Early Warning Indicators — Defining Triggers For Mid-Contract Review

## Day 5: Practising the Supplier Financial Stability Scorecard

- Bidder Accounts Case — Applying Ratio And Trend Analysis To Three Bidders
- Dependency And Exposure Review — Testing Case Bidders Against Price And Interest Scenarios
- Scoring Panel Exercise — Defending Marks And Mitigation Terms To Peers
- Distressed Supplier Response Plan — Sequencing Actions When Warning Indicators Fire
- Supplier Financial Stability Scorecard — Assembling Scores, Terms And Triggers For Sign-Off

## Applying Supplier Financial Statement Analysis After the Course

- Score your ten most critical suppliers with the weighted matrix and flag any with falling liquidity or rising gearing.
- Add financial pass, fail and mitigate thresholds to the next tender evaluation guide with the finance business partner.

## Supplier Financial Statement Analysis Questions FAQ

### What is supplier financial statement analysis, and why does it matter now?

Supplier financial statement analysis is reading a supplier's accounts to judge whether it can deliver and survive the contract. It matters now because higher borrowing costs and volatile input prices are pushing more suppliers into cash difficulty.

### Which roles gain most from supplier financial statement analysis training?

Buyers, category managers, supplier risk analysts and contract managers gain most. You benefit if you prequalify bidders or watch critical suppliers in construction, facilities services or manufacturing.

## How does supplier financial statement analysis differ from general supplier risk or accounting courses?

A supplier financial statement analysis course focuses on reading accounts for buying decisions. General supplier risk courses cover operational, ethical and geographic risks, while accounting courses teach how statements are prepared rather than how a buyer scores them.

## What do you bring back from supplier financial statement analysis training?

You bring back a supplier financial stability scorecard. It turns ratios and dependency checks into tender marks, contract terms and warning triggers.

## Supplier Financial Statement Analysis: The Way Forward

The supplier financial stability scorecard first informs the pass, fail or mitigate decision on bidders in the next major tender. Buyers, tender panels and contract managers use it, with finance partners checking the ratios. After its first use, revisit the weightings and thresholds against how scored suppliers actually performed.