



Contents

Preface	9
1 Strategic financial management	13
Managerial megatrends	13
Elements of control	16
Financial management distinguished from accounting	21
Clarifying the objective	24
Understanding cash flow	30
Lessons from the 'accounting for changing price levels' experience	34
2 A control framework	37
The traditional accounting model	37
The triangular relationship	40
The strategic hierarchy	44
Reactions	47
3 Pricing	51
The mathematics of financial management	51
Maximizing contribution	57
Inertia	59
Monitoring	61

4	Volume inducing outlays	63
	Generic strategies	63
	Brands on the balance sheet	65
	A tale of two strategies	67
	Evaluation of investment	68
	Forecast outcome and benchmarking	74
5	Volume anticipative outlays	77
	Symptoms and pressures	77
	From tactics to strategy	80
	Incrementalism	82
	Optimization	88
	Forecast outcome	92
6	Volume sustaining outlays	95
	Financial management of quality	95
	The long and short of it	97
	The customer dimension	99
	Management's dark continent	100
	Evaluations	102
7	Regenerative outlays	107
	The minimalist option	107
	Strategic budgeting	111
	The other intangibles	113
8	Managing uncertainty	119
	A conspiracy of silence	119
	Aggregation	125
	The eternal triangle	127
	Finance through the looking glass	129

9	Going forward	131
	Proactivity	131
	Financial management	132
	The world is going soft	133
	Broader horizons	135
	Index	138