

# PRE-SEEN ANALYSIS

May 2021 – Aug 2021

Trayyner

## Introduction

Trayyner is an unquoted company that offers executive training courses. The company is based in Capital City in Northland, but it offers its courses at several international locations.

It is an unquoted company. We must discuss the benefits and limitations of being an unquoted company.

### Advantages:

- a) Less stringent reporting requirements
- b) Less government and shareholder scrutiny

### Disadvantages:

- a) Difficulties in raising capital
- b) Increase liability is possible
- c) Difficult to know valuation of the company

F2 Syllabus.

We see that it is a “global” company so Foreign exchange risks will be something we need to take into account.

Northland is a developed country that has a high standard of living. The country has an excellent higher education system, with relatively high proportions of its population holding undergraduate and postgraduate degrees.

This tells us that  
“Demand Conditions”:  
Porters Diamond  
are strong.

### From this we learn:

Northland is a highly developed economy which means people have the interest and the disposable income to spend.

Northland's **currency is the N\$.**

Northlandian company law requires companies to prepare their financial statements in **accordance with International Financial Reporting Standards (IFRS).**

**F2 Syllabus. Use our notes ONLY to revise**

You are a **financial manager at Trayyner's Head Office.**

**Your role as a finance Manager includes:**

- Medium term focus
- Risk management
- Long term financing
- Advanced financial reporting
- Advising top management
- Considering all stakeholders when making important decisions

**P2 Syllabus.**

Your primary responsibilities are associated with **management accounting** and you report to **Dzodzi Tsikata, the Senior Financial Manager,** who reports directly to the **Finance Director.**

**Scenarios to keep in mind:**

Future listing possibility. If this happens your IAS 33 (EPS) and topics of corporate governance become more relevant.

## Executive Training Industry

**Executive training companies provide short courses**, typically lasting for 3 to 5 working days. They provide course participants, more commonly known as **“delegates”**, with the **opportunity to update their existing skills** or to **develop skills and knowledge** that they require in order to be more effective in the workplace.



Executive training courses take a variety of different forms and they are provided by a **range of different organisations**.

As we read in the industry analysis: This market is fragmented and has many regional and international players

Hence, competition analysis and having good industry background/experience is going to be key for this industry.

We thus know that **barriers to entry** being very low in this industry. **Threat of substitutes and rivalry amongst competitors** will also be a feature of this market.

E2 Syllabus:

Porters Five Forces

Many colleges and universities offer executive training courses, some of which are led by prominent academics. There are also many private sector training companies.

Having prominent executive mentors could be seen as a competitive advantage in this market.

Course fees are generally paid by delegates' employers and so it is usually possible to charge a significant amount for course participation.

Senior managers and directors are often entrusted with key decisions and so enhancing their competence through relevant training can be a highly cost-effective investment.

These are key points you can market on.

Training is also potentially good for morale. Training courses provide delegates with an opportunity to step back from the pressures of running the business, without requiring them to make use of their annual leave entitlements.

They also reassure delegates that they are valued by their employers because they take their needs for personal development seriously.

Having directors and senior managers participate in ongoing executive training also sets a good example for more junior employees in organisations that encourage their workforces to engage in lifelong learning.

## **Training courses take two main forms:**

### **Public courses**

Public courses are **open courses that are advertised publicly** and can be taken by **anyone whose employer is prepared to pay the course fee.** The course outline is published in advance and so delegates can decide whether it suits their needs.

The fact that the outline is developed by the **training company's experts** suggests that it covers material that should be of value, perhaps because the course facilitator regards it as current or because it is frequently misunderstood.

**Having superior trainers and creating clear public course outlines can be seen as a competitive advantage in this industry.**

Delegates enjoy the **opportunity to interact with their fellow participants,** who will come from **different employers and may have very different backgrounds.**

**Networking is also a plus point of this industry**

All delegates have an interest in the course subject matter and so it may be possible to **share insights and seek advice** about the **practical issues arising from the course content.**

Class sizes are usually restricted to a maximum of, say, **20–25 delegates.** That makes it easier for **individuals to engage with the course content.**

### **Bespoke courses**

Bespoke courses are designed in consultation with clients, with a view to covering material that is **relevant to the client organisation's needs and the needs of the delegates.**

**Developing organizational relationships can be seen as a key competitive advantage for this industry.**

The course might cover a particular topic area from the **perspective of the client's industry**, or it may be designed to assist a **particular group with their specific needs**. For example, if a company has recently appointed new directors then it might develop a **training course to help them understand their responsibilities**.

**Bespoke courses often give delegates an opportunity to relax and interact** as a management team, without the immediate pressures of being in the work environment.

**Class sizes for bespoke courses are determined by the client**, but are generally small. In principle, it would be possible to offer training to an **individual delegate if that was what the client wished**.

Executive training courses take two main forms, either **developing new skills** for delegates or **updating delegates' existing skills**.

The early careers of company directors and senior managers typically start in a **functional or professional area**. For example, in engineering or finance.

Generally, careers progress through various stages of seniority, with managers taking on more **supervisory responsibilities** and moving into a position that requires the **ability to contribute to the management of the organisation's strategy**.

**For example:**

A geologist might work her way through the ranks of an oil company before being appointed to the Board of Directors. As a newly appointed director, she would almost certainly find it useful to receive some training on aspects of her new responsibilities in order to augment the knowledge that she gathered earlier in her career.

Training companies frequently offer courses covering generic skills required by senior managers and directors, **such as:**

- Budgeting and financial management
- Corporate governance
- Leadership.

Training companies also provide courses that **update or extend skills** and knowledge in ways that are appropriate to the **professional backgrounds of senior managers and directors.**

For example, the following courses might be offered for HR professionals:

- Recent developments in employment law
- Recruitment using social media
- Artificial intelligence in selection.

**All of these are new areas that are coming up due to modern technology.**

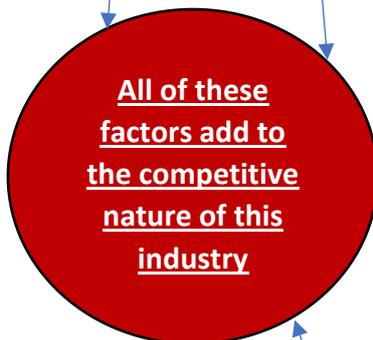
These courses are often designed to meet the **needs of professional bodies for continuing professional development.**

**For example:**  
The Northland Institute of Personnel and Development requires its members to complete an annual return that confirms they have taken appropriate steps to remain current. While that requirement can be satisfied in several ways, members can demonstrate compliance by participating in formal training.

There is considerable **competition in this industry.**

New training companies **require little initial investment.**

Most large hotels rent out meeting rooms that are fully equipped with all of the necessary audio-visual equipment required for presentations.



Trainers are often employed as **contractors for the duration of their courses.**

Trainers are expected to use their **own laptop and presentation software.**



The low set-up costs mean that there is a **steady flow of newly established training companies**. The resulting competition also means that there is a **very high failure rate, with many newly established companies struggling to generate sufficient revenue to remain viable**.

There are relatively **few well-established training companies**. These companies generally **rely heavily on repeat business from corporate clients** who often work closely with training providers to **develop relevant training courses for their senior management teams**.

**As mentioned, Developing organizational/corporate relationships can be seen as a key competitive advantage for this industry.**

## Trayyner

Trayyner was founded in the 1990s by the Nasir family.

We have already been in the market for about 25/30 Years.

Which means we may have garnered some goodwill or some resistance ability that we have been able to thrive and grow during this period.

Asif and his sister Miriam were the original directors and they built up the business together.

Our Competitive Advantage as these directors will have detailed knowledge about the business and their experience will be invaluable.

Asif and Miriam are on Trayyner's Board: Asif as Executive Chair and Miriam as Chief Executive.

Good that we have different people holding the positions of CEO and Chairman.

Brings in the corporate governance perspective which we will speak about when we move to the organizational structure.

Trayyner's Head Office is in Northland's Capital City. It offers a wide variety of courses that are generally 3–5 working days in duration, with its longest courses lasting 10 working days.

Short turn-around time means capability to make quicker turnarounds.

Product mix

Offering a wide variety of courses and making sure that our courses meet the latest trends needs to be seen as a key consideration.

**Trayner is based in an office building that it owns and uses** as a base for 60 staff.

**Staff are split between:**

- administration and accounting
- global marketing
- course management.

There are also **three overseas sales offices**, each of which is **incorporated as a 100% subsidiary in its host country.**

**Subsidiary accounting and F2 syllabus come into the picture here.**

**Our asset portfolio so far includes:**

- One office building in Northland
- 3 overseas sales offices.

***This means, consideration about Revaluations, depreciations must be kept in mind.***

**Are we looking at further expansion?**

**There are fast growing markets in this industry. Are we looking at those countries?**

These employ a total of **24 staff whose job is to market courses to potential delegates from the host countries.**

**Head Office staff are split into three main departments:**

- Administration and accounting
- Global marketing
- Course management – each training course has a designated course manager, who liaises with delegates before they travel and who will be present at the venue to supervise the course and deal with any problems or concerns that arise.

**Clear indication about specialised departments tells us that there is a functional structure in place but we will be taking this up when to move onto the organizational structure discussion.**

**This is going to be a highly price sensitive market, depending on repeat customers since all the competitors are offering the same services to the same customer group.**

**Focus here has to be on developing the brand and efficient services to maintain high margins.**

### **Marketing activities**

**Competitive advantage**

Trayyner has an **extensive client base** that is drawn mainly from regions that had **developing economies** until relatively recently, but that have **transitioned to maturity.**

**This showcases the need to open up new markets into developing nations which have huge growth potential for in this industry.**

Countries in those regions frequently have **large numbers of professional people** who occupy senior roles within **indigenous and parastatal (government-owned) organisations.**

Those managers are typically **graduates and have significant business experience.**

They share the **same needs as managers from more developed countries** to receive training that challenges them by exposing them to new ideas.

**Trayyner takes two main approaches to marketing its courses:**

- Course managers are **active in developing and maintaining relationships with delegates and their employers.** There is always a course manager present during any given course and that gives them an opportunity to **promote future bookings** in a low-key manner, through chatting at breaks and seeking feedback about delegates' needs.

**Course manager skills and competencies are going to be key for us.**

- Course managers constantly seek useful intelligence, such as asking each course delegate for the **contact details of the person who selects and books courses for their organisation.**

**We will be storing all this client detail/information. Are we using it?**

**Data analytics and big data are key opportunities for this industry.**

- Course managers maintain regular **email contact with past delegates and their training managers, recommending upcoming scheduled courses or asking whether a bespoke course might be of interest.**
- The three overseas sales offices are each located in a **different foreign country (Southland, Eastland and Westland).** Each host country is home to many of the **companies who have booked courses in the past.**

**We develop a market and then set up our subsidiary to consolidate on that market.**

- The local sales teams work to **develop contacts with employers who might book executive training courses.** They also assist the course managers at Head Office by maintaining contact with local training managers who have previously booked Trayyner's courses.

**Relationship management will also be a key consideration for this market.**

This **local presence helps maintain bookings** from these three countries. ‘

The overseas sales offices **ensure continuity of contact with important clients** and also **reduce the pressure on the course managers at Head Office,** particularly when they are overseas and busy supervising courses.

Trayyner is, however, **happy to accept clients from any country.** **Course managers maintain regular contact with clients and potential clients** from many different countries and **new clients are sometimes recruited through Trayyner's website.**

**Website management is key for any modern business and adds to your competitive advantage.**

**This brings consideration of E2 topics:**

**-App management, Data management, Big Data, Data Analysis**

## **Supplementary Reading:**

### **Big Data Opportunity**

Businesses have arguably never had as much data at their disposal as they do now.

Purchases, customer behaviour and transactions amount to an enormous influx of information pouring in every second.

If properly harnessed, this vast amount of information — rightly called big data — can be instrumental in a business's planning and decision making.

If the purpose of corporate training is to prepare employees for the real world's challenges, then I believe it's in the business's best interests that such training is built on as much data from the real world as possible.

With proper customization, you can extract the data in the platforms your employees use for learning (for example, in table format), then cleanse and analyse it.

Other sources of data that may be of use include customer-relationship-management (CRM) platform, enterprise-resource planning (ERP) system, collaboration tools, project management and time-tracking tools, and so on, as well as questionnaires and surveys.

### **The Connection Between Big Data And E-Learning**

In sales and marketing, customer databases are the primary source of information businesses have to learn from.

When you combine this data with your transactional data, that information reveals what customers want through their actions.

As a result, you can use that data to train your employees so that they address customer needs in the most relevant way. When you analyse those large sets of information, you can use the derived insights to optimize your sales and

marketing teams' training, remove unnecessary parts, and focus on acquiring critical skills and knowledge.

## **How To Gather And Use Data For E-Learning**

Your in-house team of data analysts can gather and prepare the data necessary for corporate training by following one of the common data mining methodologies.

### **Course Content Optimization:**

The number-one question is what your training should focus on. The enormous amounts of information clients generate in their purchases and communication indicate, among other things, which business strategies are more or less effective.

When you carefully scrutinize your data, it can also reveal resource-wasting steps in your processes and illuminate opportunities for re-training in both cost-effective and environmentally friendly approaches.

### **Course Assessment:**

The large sets of data we gather from employees following our existing training program, such as scores, time spent on various tasks, commentary and feedback can provide a clearer picture of how they perform on specific stages and what those stages' peculiarities are. This way, you can discover:

- Which course modules are the most sought-after?
- Which ones are being set aside more often?
- What consequences each of them may have?

### **Adaptive Learning:**

At the centre of the entire learning approach is your employee, an individual with particular strengths and weaknesses.

Some clients learn better from short videos, some require repetition and some need a visual aid. You can cater to the most common learning style demands if you identify them by analysing usage data or employee feedback.

### **Personalizing online training:**

Personalizing your corporate training courses will help you increase participation and engage your employees. Customizing your courses for every trainee will lead to much better learning and development outcomes, and help you significantly improve business performance.

You can determine what topics to tackle, what skills they want to hone, and what types of content and learning will most benefit their performance.

### **Identifying skill gaps:**

Fortunately, big data can be of great help.

It can provide you with a clear insight into the strengths and weaknesses of your learners. Real-time tracking and data analytics feature within this piece of software can help you see what areas your students may be having trouble with. That way, you can provide expert assistance at the right time during the training. Then, you can further personalize their learning based on their progress.

### **Constantly improving online training programs:**

Big data isn't beneficial for merely helping your trainees and employees overcome their challenges and enhance their skills. It can also help you improve your training programs, which will further empower your workforce.

You can see what topics they may find confusing, which topics are difficult to learn, what content formats are ineffective, which modules take too much time to complete, and what modules are the most effective for each learner.

Furthermore, you can use big data to predict future learning and development trends. You can analyze your corporate training courses to see how they will impact your business performance and overall success. You can analyze them to see which training methods will bring you the highest ROI.

For our Full Pre-seen analysis and access to our FULL material please write to us on [help@finntutors.com](mailto:help@finntutors.com) or reach our lead tutor on +44 7470674384 and we will give you the information on signing up with us!