GREEN LEVEL: Research & Analyze

AMERICAN EXPRESS

FINOVATION

GREEN LEVEL LEARNER WORKBOOK, v1

GREEN LEVEL: Research & Analyze

Conduct the relevant research to assess merchants' financial position, industry trends, environmental influences, competitive positioning and risk exposure.

COMPETENCIES ADDRESSED

FINANCIAL ACCOUNTING

FINANCIAL TRENDS & ANALYSIS

FINANCIAL RISK ASSESSMENT

01 **SECTION 1:**
GETTING STARTED

02 **SECTION 2:**
BUILD & DOCUMENT
YOUR LEARNING PLAN

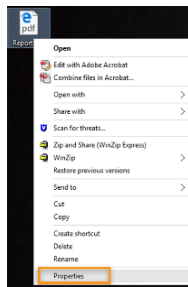**03** **SECTION 3:**
CONTINUE YOUR LEARNING
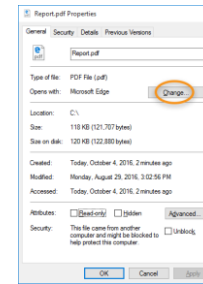
Getting Started

SET UP REQUIREMENTS

In order to used this document, you will have to have ADOBE as your default application for opening PDF files. Provided below are step by step instructions.

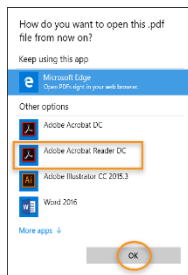WARNING: if you do no have the proper set up, your work will NOT be saved in this workbook.
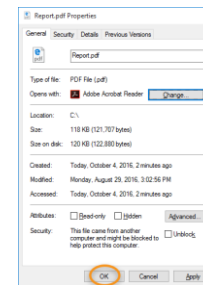
Step 1: Right-click the thumbnail of a PDF file, and then click Properties.

Step 2: In the file's Properties dialog box, click Change.

Step 3: Choose Adobe Acrobat Reader or Adobe Acrobat, and then click OK.

Step 4: In the Properties dialog box, click OK.

If you require additional support, click here.

SECTION 1: GET STARTED

1 **WHAT IS THE FINOVATION FINANCIALS CURRICULUM?**

Describe the 3 stages of the Finovation financials curriculum and how it addresses your learning needs.

2 **YOUR RECOMMENDED FINOVATION LEARNING JOURNEY**

Recommended steps for structuring your end-to-end custom financials learning experience.

3 **CUSTOMIZE YOUR LEARNING EXPERIENCE**

Guidance on how to leverage your self diagnostic results, access relevant learning and document your learning journey.

What is the **FIN**OVATION Financials Curriculum?

Finovation is a progressive, competency-based financials curriculum. All learning is structured around the requisite knowledge, skills and behaviors for CLM and MBD success.

GREEN LEVEL
KNOW YOUR NUMBERS!
This level is foundational financial knowledge. It ensures you can find and analyze your merchant's financial metrics and information.

YOU ARE HERE

Research & Analyze
Conduct the relevant research to assess merchants' financial position, industry trends, environmental influences, competitive positioning and risk exposure.

Knowledge — Financial Accounting

Skills
- Financial Statement Analysis
- Cashflow Management
- Working Capital Management
- Financial Ratio Analysis
- Financial Peer Set Analysis

Knowledge — Financial Trends & Analysis

Skills
- Business Models
- Payments & Financing Solutions
- Financials Intelligence & Analytics
- Stakeholder Management

Knowledge — Financial Risk Assessment

Skills
- Adhere To Internal Risk Management Process
- Recognize Risk Findings

PENDING REVIEW

NEXT LEVEL »»

GOLD LEVEL
USE YOUR NUMBERS!
This level builds upon foundational financial knowledge. It ensures you can use your merchant's financials to identify and create value that substantiates the cost.

Quantify Amex Value & Cost
Calculate and quantify Amex value and determine overall cost to merchant.

Knowledge — Pricing & Cost Assessment

Skills
- Calculate Discount Fees with Hi-ROC
- Calculate overall Hi-ROC savings
- Estimated Blended Rate
- Product Based Pricing (PBP)
- Supply Chain Financing Fee Structure
- Invoice Discounting- Static Discounting
- Dynamic Discounting

Knowledge — Quantify Amex Value

Skills
- Calculate Incremental Value
- Calculate Operational Efficiencies
- AXP Net Cost of Acceptance & Benefits (Breakeven Analysis)

NEXT LEVEL »»

PLATINUM LEVEL
COMMUNICATE YOUR NUMBERS!
By knowing your merchant's financial metrics and how to use them to identify opportunity, this level ensures you can communicate value with a credible and engaging approach.

Win Financial Conversations
Deliver tailored merchant value proposition, anticipate merchant concerns and win merchant confidence.

Knowledge — Position Amex Value

Skills
- Value Positioning
- Develop a Profitability Narrative
- Value Story Collateral

Knowledge — Conduct Financial Conversations

Skills
- Challenger Sales Model
- Objection Handling
- Negotiations

COMING SOON

Your Finovation Learning Journey: Recommended Steps

STRUCTURING YOUR LEARNING

Having a clear plan, is a key to a successful learning experience. Provided below are recommended steps to help you structure your learning.

STEP 1

Take Self Diagnostic

Complete the Self Diagnostic surveys to determine your level of comfort against the financial core competencies and identify opportunities for development.

STEP 2

Build Custom Learning Plan

Leverage your Self-Diagnostic results and browse the **Finovation** site. Target training that is most relevant to you. Use this workbook to document your plan.

STEP 3

Participate in Finovation Kick Off

Meet with your leader to discuss your self-diagnostic results, developmental goals, training you intend to take, and support you might need.

STEP 4

Execute Custom Learning Plan

Use any feedback from your kick-off meeting with your leader to refine your plan then start your learning journey!

STEP 5

Participate in Midpoint Check-In

Meet with your leader to discuss your progress thus far, key learnings and additional support that might be needed.

STEP 6

Participate in Finovation Wrap Up

Meet with your leader to share your key learning takeaways and potential next steps in continuing your learning journey.

Customize Your Learning Experience

USING YOUR FINOVATION TOOLS

As you execute the recommended steps, leverage your self-diagnostic results to identify development opportunities, access relevant learning, and use your workbook to document your learning journey.

During STEP 1:
Use Self-Diagnostic Results

Self-Diagnostic

Taking the Self-Diagnostic surveys enables you to self assess and determine what specific knowledge, skills and behaviors you want to develop or improve.

[Launch Diagnostic]

During STEP 2:
View Training on The Square

Browse Finovation Square Page

Once you know what knowledge, skills and behaviors you want to improve, go to The Square and target learning that is relevant and meaningful for YOU!

[View Available Learning By Competency]

Throughout all steps...
Utilize Your Finovation Learner Workbook

Your LEARNER WORKBOOK enables you to craft a comprehensive learning plan:

- Leverage self-diagnostics results to define goals for performance improvement
- Browse available training and document what you intend to take and timing for completion
- Document what support you might need through your learning journey
- Leverage your workbook in your Finovation Kick Off discussion with your leader and any subsequent discussions.
- Note and track your progress and key learnings.

SECTION 2:

BUILD & DOCUMENT YOUR LEARNING PLAN

1 SELECT CORE COMPETENCIES

Select the core competencies you would like to focus your learning on.

2 IDENTIFY RELEVANT TRAINING & DOUCMENT PLAN

1. Review Skill(s) and select Associated Behaviors you would like to focus on.

2. Browse for relevant training

3. Use this workbook to document your developmental goals, selected training, timing for completion and support you may need. Use can this in progress discussions with your leader.

FINANCIAL
ACCOUNTING

FINANCIAL TRENDS
& ANALYSIS

FINANCIAL RISK
ASSESSMENT

WHAT KNOWLEDGE WOULD YOU LIKE TO IMPROVE?

SELECT YOUR CORE COMPETENCIES

1. Review the below core competencies and select what most interests you
2. Click "VIEW SKILLS" to determine the appropriate training for you.

FINANCIAL ACCOUNTING

Analyze financials and ask appropriate probing questions to assess merchants' financial performance and opportunity for card acceptance.

VIEW SKILLS

FINANCIAL TRENDS & ANALYSIS

Connect business models, payments and financing solutions, financials intelligence, competitor analytics, sector conditions, industry and market trends to engage key / financial merchant stakeholders.

VIEW SKILLS

FINANCIAL RISK ASSESSMENT

Leverage internal partners to assess and action merchant risk.

VIEW SKILLS

GREEN LEVEL: FINANCIAL ACCOUNTING

What Financial Accounting skills do you want to focus on?

Click on the associated skills and activities you would like to focus your learning on. Document developmental goals, selected training and support you may need.

FINANCIAL ACCOUNTING

Conduct the relevant research to assess merchants' financial position, industry trends, environmental influences, competitive positioning and risk exposure.

ASSOCIATED SKILLS

Click the associated skills to begin mapping out you learning plan:

- Analyze Financial Statements
- Evaluate Cash Flow Management
- Assess Working Capital Management
- Perform Financial Ratio Analysis
- Perform a Financial Peer Set Analysis

SKILL

Analyze Financial Statements and or ask relevant probing questions to determine a merchant's financial position and overall health.

SKILL

Evaluate Cash Flow Management practices to determine merchant's ability to fund their business and identify opportunity for card acceptance.

ASSOCIATED BEHAVIORS

○ Locate and navigate financial statements (i.e., Income Statement, Balance Sheet, Cashflow statements).

○ Examine financials and ask the relevant questions to determine a merchant's profitability over an accounting period. Income (Income Statement/P&L Statement)

○ Examine financials and ask the relevant questions to uncover a merchant's assets and liabilities (debt) for a given point in time. (Balance Sheet)

○ Examine financials and ask the relevant questions to determine how much cash entered and left a merchant's business over a particular time period.(Cashflow Statement).

ASSOCIATED BEHAVIORS

○ Analyze a merchant's operations, investing and financing practices to uncover sources of funding.

○ Determine how card acceptance fits into a merchant's strategy for managing and maintaining positive cash flow.

Browse available learning for your selected behaviors on the Finovation Site

Browse available learning for your selected behaviors on the Finovation Site

Review the below Financial Accounting skills. Select the associated behaviors that you wish to improve then browse for available learning for those behaviors.

SKILL

Assess Working Capital Management practices for maintaining a solid balance between growth, profitability and liquidity to determine net cost of card acceptance.

SKILL

Perform Financial Ratio Analysis to measure a merchant's liquidity, profitability, solvency and efficiency.

ASSOCIATED BEHAVIORS

○ Describe a merchant's working capital structure, including the vehicles they use to fund their business.

○ Examine the time it takes to convert investment in inventory and other resource inputs into cash to determine if there is a funding gap.

○ Utilize key performance ratios to determine profitability and the number of days cash remains tied up within the operations of the business.

○ Identify the average rate (i.e., WACC or COF) a merchant expects to pay to finance its assets to dimension net cost of acceptance.

ASSOCIATED BEHAVIORS

○ Measure a merchant's ability to convert its assets to cash and pay off its obligations (liquidity).

○ Measure a merchant's ability to pay off long-term obligations (solvency).

○ Measure a merchant's ability to earn a profit relative to its sales revenue, operating costs, balance sheet assets, and shareholders' equity (profitability).

○ Measure a merchant's efficiency in using its assets to manufacture products, make sales and collect the cash (efficiency).

Browse available learning for your selected behaviors on the Finovation Site

Browse available learning for your selected behaviors on the Finovation Site

Review the below Financial Accounting skills. Select the associated behaviors that you wish to improve then browse for available learning for those behaviors.

SKILL

Perform a Financial Peer Set Analysis to compare businesses of similar size in the same industry.

ASSOCIATED BEHAVIORS

○ Compile key financial metrics for public companies that most closely resemble your merchants.

Browse available learning for your selected behaviors on the Finovation Site

Financial Accounting Learning Plan

Completing Your Learning Plan

Now that you have selected the skills and associated behaviors you want to focus on and browsed available training on The Square, take a moment to document your learning plan.

1. **What do you wish to improve in your current performance with your merchants and what does success look like?**

2. **What skills, associated behaviors and training do you intend to focus on?**   **Estimated time for completion?**

3. **What support might you need from your leader, your peers, the training team, etc.**

After You Complete This Learning...

Reflecting on Your Learning
Take a few moments to reflect on your learning experience by answering the below questions.

**What are your
Financial Accounting Learning Takeaways?**

**How do you plan to implement
this learning into your day-to-day activities?**

What Financial Trends & Analysis skills do you want to focus on?

Click on the associated skills and activities you would like to focus your learning on. Document developmental goals, selected training and support you may need.

FINANCIAL TRENDS & ANALYSIS

Connect business models, payments and financing solutions, financials intelligence, competitor analytics, sector conditions, industry and market trends to engage key / financial merchant stakeholders.

ASSOCIATED SKILLS

Click the associated skills to begin mapping out you learning plan:

- Explain Business Models
- Research Payments & Financing Solutions
- Gather Relevant Financials Intelligence
- Manage Key / Financial Stakeholders

SKILL

Explain Business Models including how merchants' create, deliver and capture value.

SKILL

Research Payments & Financing Solutions, including new & trending service offerings available to merchants & compatible with the Amex value pillars.

ASSOCIATED BEHAVIORS

◯ Explain various merchants' business strategies, including how cash flows through and uses of working capital, to anticipate how Amex may add value in a way that captures their attention.

◯ Describe the reasons why merchants' customers (or potential customers) buy and then prioritize and quantify those reasons to consider how Amex may help strengthen merchant-customer relationships.

◯ Identify merchants' financial goals and objectives to think through how Amex may help merchants achieve them (e.g., closing a funding gap).

◯ Determine the critical drivers of merchants' cost system (e.g., customer payment process) to consider how Amex may help improve merchants' efficiency and management of those costs.

Browse available learning for your selected behaviors on the Finovation Site

ASSOCIATED BEHAVIORS

◯ Consider new and trending payments solutions or technologies aligned with the Amex value pillars.

◯ Consider new and trending financing solutions or driving strategies aligned with the Amex value pillars.

◯ Identify new and trending service offerings that are competitive options aligned with the Amex value pillars.

Browse available learning for your selected behaviors on the Finovation Site

Review the below Financial Trends & Analysis skills. Select the associated behaviors that you wish to improve then browse for available learning for those behaviors.

SKILL

Gather Relevant Financials Intelligence & Analytics on merchants' competitors, sector conditions, and industry and market trends.

SKILL

Manage Key / Financial Stakeholders using a structured approach that grabs merchants' attention and establishes financials credibility.

ASSOCIATED BEHAVIORS

○ Research merchants' competitors to uncover valuable financials insights to merchants.

○ Identify intelligence on sector (e.g., finance) conditions that may provide financials insights to merchants.

○ Illustrate industry (e.g., banking & insurance) trends that may provide financials insights to merchants.

○ Explain market trends (e.g., intelligence on merchants' customers) that may provide financials insights to merchants.

ASSOCIATED BEHAVIORS

○ Create a structured approach to engage key / financials stakeholders that anticipates their differing priorities.

○ Identify potential financials insights or information, from your financial trends and analysis research, that may establish credibility with key / financial stakeholders.

○ Ask appropriate questions to gather or validate necessary financials information from key / financial stakeholders.

Browse available learning for your selected behaviors on the Finovation Site

Browse available learning for your selected behaviors on the Finovation Site

Financial Trends & Analysis Learning Plan

Completing Your Learning Plan

Now that you have selected the skills and associated behaviors you want to focus on and browsed available training on The Square, take a moment to document your learning plan.

1. **What do you wish to improve in your current performance with your merchants and what does success look like?**

2. **What skills, associated behaviors and training do you intend to focus on?**   **Estimated time for completion?**

3. **What support might you need from your leader, your peers, the training team, etc.**

After You Complete This Learning...

Reflecting on Your Learning
Take a few moments to reflect on your learning experience by answering the below questions.

**What are your
Financial Trends & Analysis Learning Takeaways?**

**How do you plan to implement
this learning into your day-to-day activities?**

GREEN LEVEL: FINANCIAL RISK ASSESSMENT

What Financial Risk Assessment skills do you want to focus on?

Click on the associated skills and activities you would like to focus your learning on. Document developmental goals, selected training and support you may need.

FINANCIAL RISK ASSESSMENT

Leverage internal partners to assess and action merchant risk.

ASSOCIATED SKILLS

Click the associated skills to begin mapping out you learning plan:

- Adhere to Internal Risk Management Process
- Recognize Risk Findings and Impact

Review the below Financial Trends & Analysis skills. Select the associated behaviors that you wish to improve then browse for available learning for those behaviors.

SKILL

Adhere to Internal Risk Management Process and requirements.

SKILL

Recognize Risk findings and impact if a merchant defaults.

ASSOCIATED BEHAVIORS

○ Follow the internal risk assessment process for verifying a merchant.

○ Leverage appropriate tools and internal partners for sizing risk.

Browse available learning for your selected behaviors on the Finovation Site

ASSOCIATED BEHAVIORS

○ Review internal risk management findings and action appropriately.

○ Recognize adverse impact if a merchant defaults.

Browse available learning for your selected behaviors on the Finovation Site

Financial Risk Assessment Learning Plan

Completing Your Learning Plan

Now that you have selected the skills and associated behaviors you want to focus on and browsed available training on The Square, take a moment to document your learning plan.

1. **What do you wish to improve in your current performance with your merchants and what does success look like?**

2. **What skills, associated behaviors and training do you intend to focus on?**   **Estimated time for completion?**

3. **What support might you need from your leader, your peers, the training team, etc.**

After You Complete This Learning...

Reflecting on Your Learning

Take a few moments to reflect on your learning experience by answering the below questions.

**What are your
Financial Risk Assessment Learning Takeaways?**

**How do you plan to implement
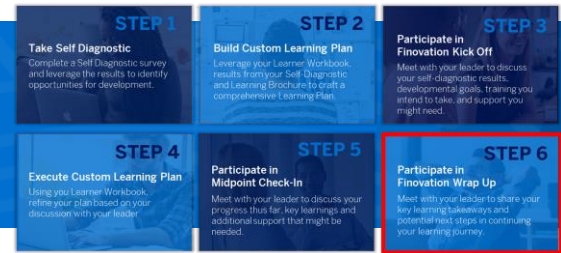this learning into your day-to-day activities?**

SECTION 3:
CONTINUE YOUR LEARNING

1 FINOVATION WRAP UP & NEXT STEPS

Meet with your leader to share your key learning takeaways and potential next steps in continuing your learning journey.

Key Learning Takeaways & Next Steps

STEP 1
Take Self Diagnostic
Complete a Self Diagnostic survey and leverage the results to identify opportunities for development.

STEP 2
Build Custom Learning Plan
Leverage your Learner Workbook, results from your Self-Diagnostic and Learning Brochure to craft a comprehensive Learning Plan.

STEP 3
Participate in Finovation Kick Off
Meet with your leader to discuss your self-diagnostic results, developmental goals, training you intend to take, and support you might need.

STEP 4
Execute Custom Learning Plan
Using you Learner Workbook, refine your plan based on your discussion with your leader.

STEP 5
Participate in Midpoint Check-In
Meet with your leader to discuss your progress thus far, key learnings and additional support that might be needed.

STEP 6
Participate in Finovation Wrap Up
Meet with your leader to share your key learning takeaways and potential next steps in continuing your learning journey.

FINOVATION WRAP UP & NEXT STEPS

Meet with your leader to share your key learning takeaways and how you intend to implement in your merchant relationships. Consider including your learning journey.

What were your key learnings?	How do you plan to implement in your merchant relationships?	What remaining gaps in knowledge do you need additional support on?

INDIVIDUAL DEVELOPMENT PLAN

To ensure continuous development, include any additional opportunities for development in your individual development plan. This can be leveraged in future performance discussions with your leader.

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Thank you for participating in the GMNS Financials Curriculum

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