



THUNDERBIRD
SCHOOL OF GLOBAL MANAGEMENT

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**Best Practice in
FOREIGN EXCHANGE RISK MANAGEMENT**
A Two-day Practical Workshop

The Workshop Objective:

The bank and the bank's corporate client managers will understand how risks are identified, quantified in terms of their impact on earnings, monitored and evaluated within corporations. This program is best suited for treasury, finance, marketing and supply management executives. Program participants will become better equipped to:

- See how the latest technology can make foreign exchange exposure and risk management more efficient and improve confidence,
- Identify and quantify the foreign exchange exposure and the bank's corporate clients vulnerability to an increasing volume of activity and increasing volatility of exchange rates,
- Understand and learn best practice procedures to monitor and manage these risks and their impact on profits,
- Relate these risks to the company's capital and financial viability.

The operational and strategic management of global financial and foreign exchange risk exposure begins with information about those exposures and currency pairs. The information must be both internally generated and externally generated. The timeliness and the quality of this information are critical for the appropriate senior management decisions.

Complete global risk management requires identifying and managing to corporate strategies. This includes pricing strategies and currency of invoice for sales and purchases. Also addressed are financing strategies including currency of financing, domestic currency vs. currency of buyer or seller, and or third country currency or escrow accounts for foreign exchange control management. Foreign exchange strategies require a complete foreign exchange management system and policies that incorporates corporate risk preferences and hedging guidelines and strategies.

We educate global leaders who create sustainable prosperity worldwide.



Session 1: Introduction to Foreign Exchange, Currency Markets, and Exchange Rate Systems

Objectives: Participants will learn about the structural change underway in currency markets, the causes of the increase in currency volatility, and the shift by countries toward a floating exchange rate system.

Session 2: The Needs of the Corporate Treasurer and Controller

Objectives: Survey of treasurers and controllers reveals that foreign exchange exposure management is a flawed process with many complicated challenges and concerns. Exposure data collection is imperfect and complicated by operational risk and compliance risk. Participants will learn how to identify complete exposure, on a timely basis, how to have confidence in foreign exchange risk management decisions, and be in control.

Session 3: Financial Markets and Macroeconomic Policies

Objectives: Participants will understand what it means to have a best practice benchmark, how to use technology to identify exposure, and see a best practice Fireapps system in operation.

Session 4: Identifying Foreign Exchange Exposure

Objectives: Participants will understand the three key concepts for global ROI and gain more in depth knowledge of foreign exchange risk management for a holistic corporate perspective.

Session 5: Case Studies and Examples

Objectives: Understand how to apply and use what has been learned in real world corporate examples. Vanguard Security Corporation: International Transaction Dilemma

Session 6: Evaluating Macroeconomic Policy and Its Impact on Exchange Rates

Objectives: Understand the relationship between interest rates and exchange rates, inflation and exchange rates, economic growth and exchange rates, and the balance of payments and exchange rates.

Session 7: Forecasting Exchange Rates and a Road Map for Corporate

Objectives: Understanding how the Board and Senior Management use the performance risk management metric to prepare for and avoid crisis.

Session 8: Case Studies and Examples

Objectives: Understand how to apply and use what has been learned in real world corporate examples. ADC Telecommunications and Country Risk Analysis and Managing Crises: Tower Associates.

Completion of this workshop will earn the participant two credits toward the BAFT / Thunderbird *Certified International Banking Professional* designation.