AMBITION

Investment Management Department: From Creation to Excellence

HZ20233286

Yang AnQi, Zhang QianQian, He JingYi, Xu ChenHui, Li ShuYi

Investment Management Department

Succi Yang
Director

Noah Li
Senior member

Andy Xu
Senior member

Eliza Zhang
Junior member

Lucy He
Junior member

PCI 2024 IMD Seminar

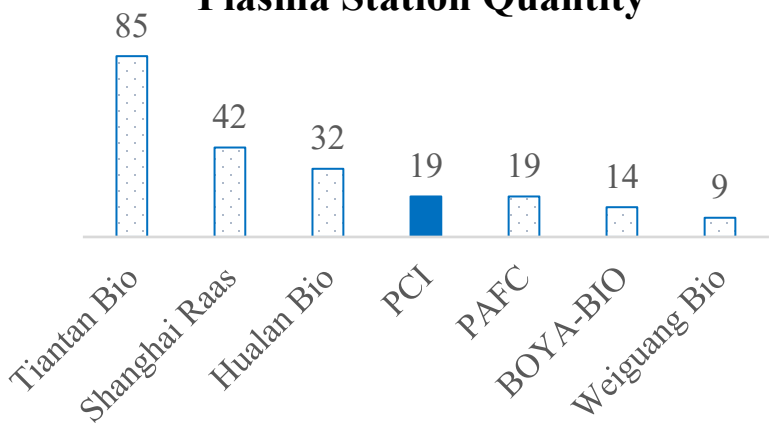
Conference Agenda

- Overview
- Issue 1 Project Financial Control
- Issue 2 Working capabilities
- Summary

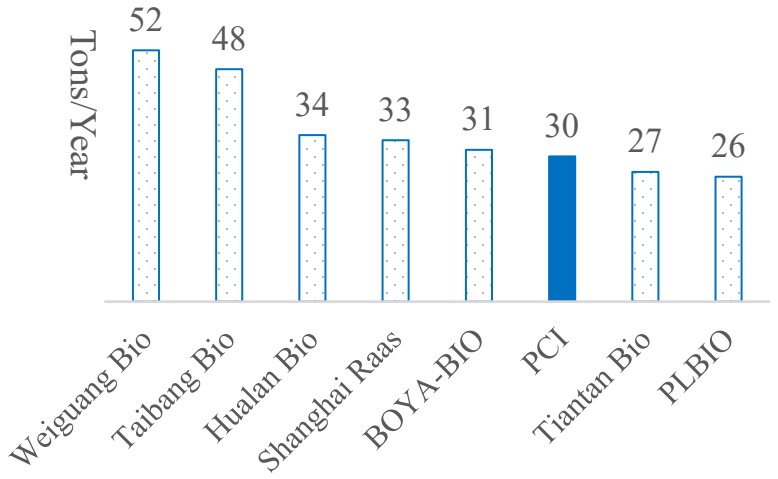
Company Overview

Supply

Plasma Station Quantity



Plasma Collection Volume per Station



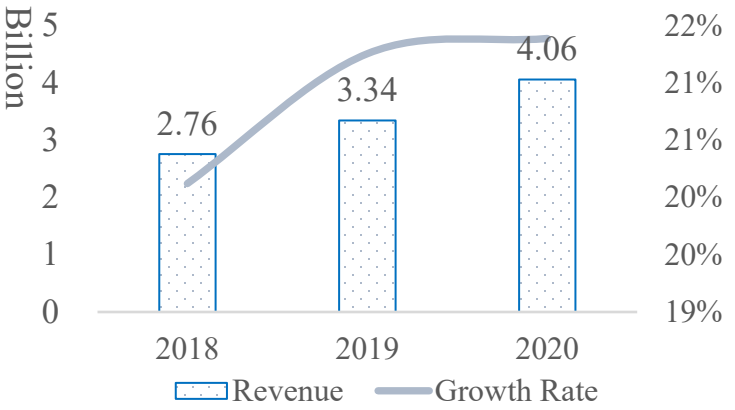
Operations

Specialized	Sophisticated
Distinctive	Innovative

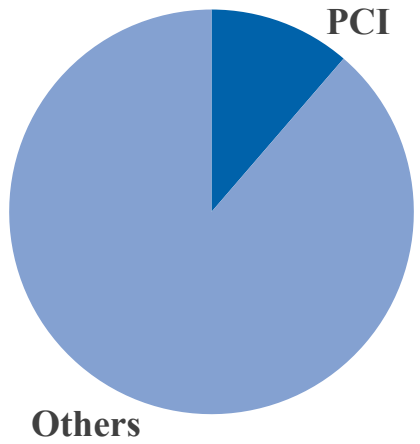
	Blood Product Types
CSL	>20
Tiantan Bio	14
Shanghai Raas	12
Hualan Bio	11
PCI	**9**

Marketing & Sales

Revenue



Market Share



Sources: Case material, Annual Report of the companies, Wind.

Technological Revolution Background

AI

Big Data

Cloud Computing

Intelligence Era

IoT

ChatGPT

Mobile Internet

Industrial Upgrading

Company	Technology Investment Projects
Tiantan Bio	Yongan high density integrated digital factory project
Hualan Bio	Xinxiang pharmaceutical R&D and intelligent production base project
Taibang Bio	Taian biotechnology park project
Boya Bio	Fuzhou smart factory project
Weiguang Bio	Shenzhen smart factory project

PCI

Many smart technology investment projects are about to launch!

Summary of Pre-investment Experience

Necessity

- External Necessity
- Internal Necessity

Quantitative Feasibility

- Financial evaluation model
- Dynamic indicators

NPV > 0 IRR > 14% DPP < 5

Qualitative Feasibility

- Strategy map
- Causal chain analysis

Comprehensive Evaluation

How to control risks after investment?

Case of Failure in Project Management

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Meizu Automotive Chip Project

High cost stress + Low output

→ Project failure

Electric Vehicle Project

Poor risk control

- Market risk
- Supply risk
- Quality risk

→ Out of expectation

HST-001 Project

Lack of capital risk control

- Huge R&D costs
- Lack of financing
- Ineffective R&D

→ Bankruptcy

It is not enough to do a good job before investment !

Issue 1
Project Financial Control

Identify project lifecycle financial control key points.

Points:

1. Set up investment management department.
2. Construct project lifecycle management system.
3. Identify project financial control key points.

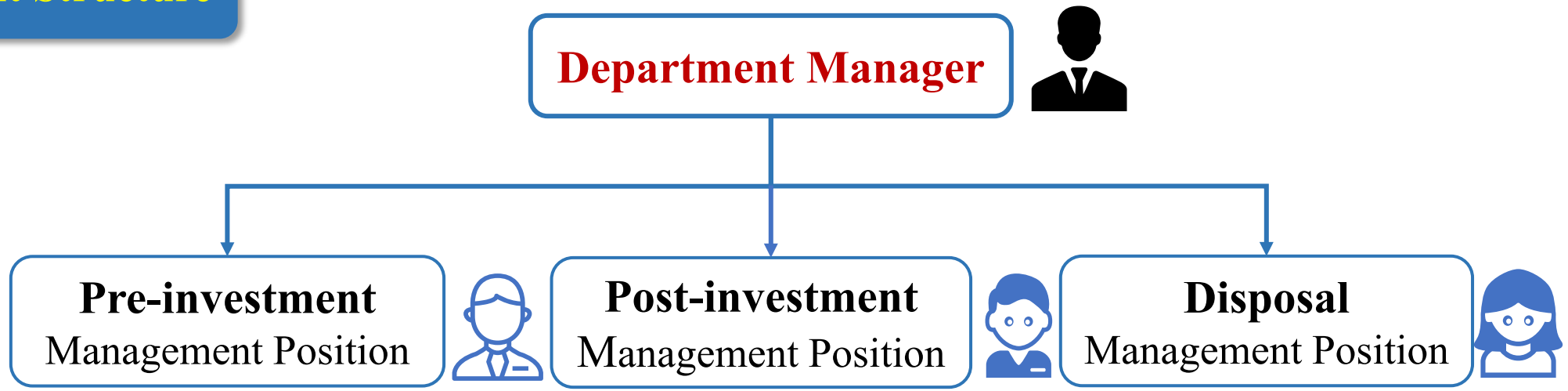
Project life cycle management system

Project life cycle management system

Framework

Project start-up → Project Plan → Project implement → Project Monitor → Project Closing

Department Structure



Benchmarking - *Huawei's IPD(Integrated Product Development)*

HUAWEI

IPD(Project lifecycle management)

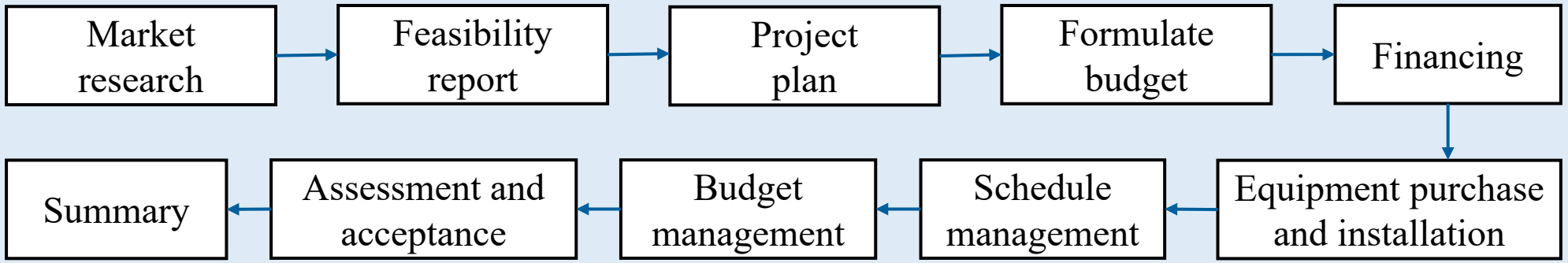
	Concept & Plan	Development & Verification	Release & Iteration
IPD Process			
Project Management System	Market analysis; Scheme	Detailed; Prototype; Validation	Project delivery; Post-delivery management
Financial Management System	➢ Fina… analysis ➢ Project budgeting ➢ Coordination with the overall budget	➢ …nagement ➢ Global capital allocation ➢ Target costing	➢ Financial evaluation ➢ Experience summary

Establish a life cycle management process!

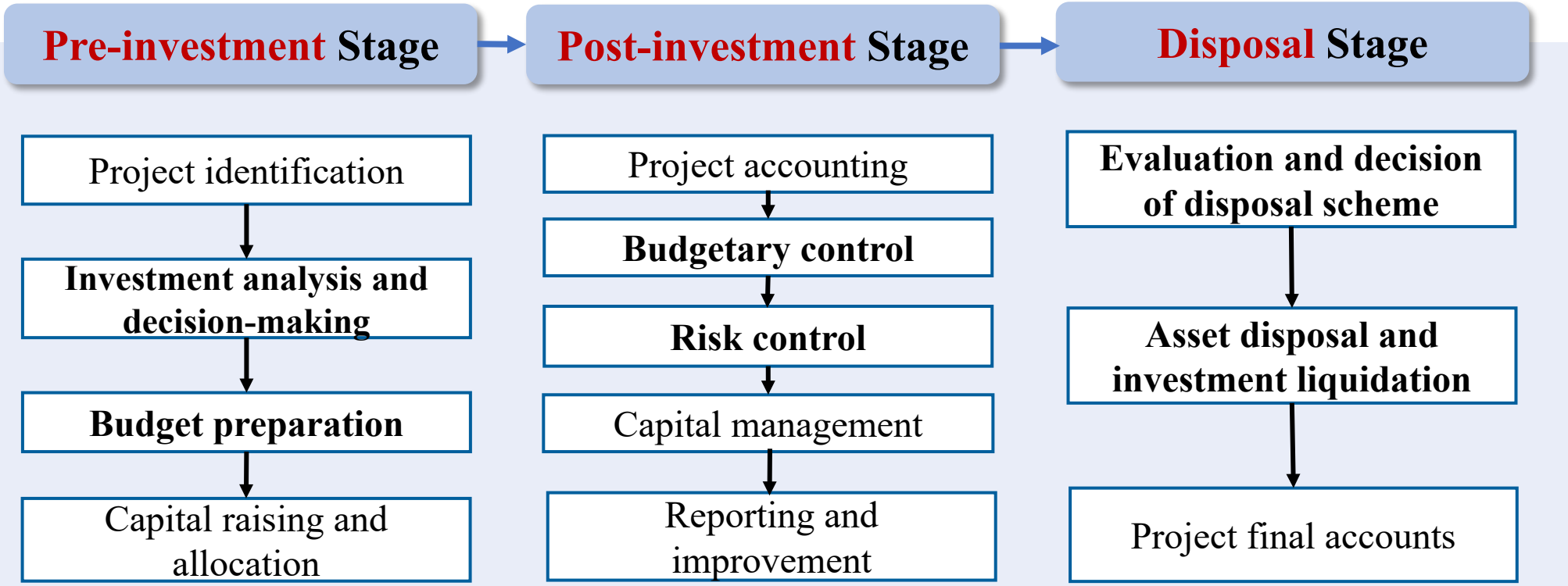
Previous	Inefficient R&D	Cannot meet customer needs	High cost	Low synergy
Present	**Efficient R&D**	**Effectively meet customer needs**	**Cost saving**	**High synergy**

Specific process of life cycle management

Project Lifecycle Management Process



Financial Control Process



Pre-investment Stage Control - *Setting of financial control key points*

Investment analysis and decision-making

- Necessity analysis
- Feasibility analysis
- Preliminary risk assessment

Budgeting

- Resource planning
- Amount estimation
- Budget formulation
- Review and approve

Pre-investment analysis of PCI

Characteristics of blood products industry

- **Strict policies and regulations supervision**
- Fierce industry competition

Operating characteristics of PCI

- R&D and production require a lot of capital investment
- The requirements for equipment and raw materials are higher

Pre-investment Stage Control- *Investment analysis and decision-making*

Objectives

- Determine the feasibility of the investment project
- Create maximum return on investment
- Control investment risk

Potential risks

- Data prediction is not accurate.
- Suppose the conditions change.
- The potential costs and benefits are hard to measure.
- The balance between quantitative and qualitative factors is difficult.

Resources and support needs

- Data analysis tool
- Professional support
- Business department cooperation
- Construction of corresponding process mechanism

Pre-investment Stage Control- *Investment analysis and decision-making*

Management and control measures

Necessity analysis

Internal Necessity

- Consistent with the company's strategy and objectives

External Necessity

- **In line with industry trends and company development**

Feasibility analysis

Feasibility Assessment

- Strategic feasibility
- Financial feasibility
- Uncertainty analysis
- Comprehensive decision

Preliminary risk assessment

Identification and assessment

- Determination of risk factors
- Assess key risk

Make countermeasures

- **Risk management strategy formulation**

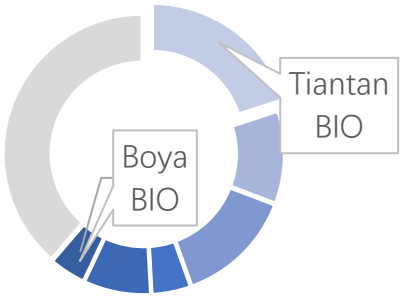
Pre-investment Stage Control- *Investment analysis and decision-making*

Excellent enterprise case

华润博雅生物 CR BOYA-BIO

Smart factory project evaluation

Necessity analysis ✓ → **Feasibility analysis** ✓ → **Risk control** ✓

Industry trend	Market demand ↑	Strategy feasibility	Integration strategy	Risk assessment	Sensitive analysis
Market scale	Over 40 billion	Financial feasibility	NPV=1.08billion IRR=17.11% DPP=13.92	Risk response	Risk management plan
Market share					

Post-investment Stage Control - *Setting of financial control key points*

Risk Control

- Risk identification
- Risk assessment
- Risk response and control
- Risk monitoring and reporting

Budgetary Control

- Compare actual with budget
- Analyze the causes of differences
- Adjust budget appropriately

Post-investment analysis of PCI

Project operation of blood products industry

- Project compliance risks, Ensure that the project runs legally.
- Higher technical and quality risks.

Cash flow management of PCI project

- The research and development cycle of blood products is long.
- Product production needs to strictly follow GMP specifications, and **cost control is more critical.**

Post-investment Stage Control - *Risk control*

Objectives

- Ensure return on investment
- Ensure progress and quality
- Maintain corporate reputation and brand value.

Potential risks

- Rapid technological update
- Fierce market competition
- Plasma supply shortage
- Insufficient capacity utilization
- Insufficient funds liquidity

Resources and support needs

- **Audit and Risk Management Committee**
- **Advanced digital intelligence technology**
- **Comprehensive risk management system**

Post-investment Stage Control - *Risk control*

Management and control measures

Risk identification

- Identify the main risk factors
- Analyze the source of risk
- Controllable consideration
- Create a risk list

Risk assessment

- Qualitative or quantitative evaluation
- Assess risk probability and influence degree
- Determine key factors and priorities
- Analyze the relevance of different risks

Risk response & control

- Choose coping strategies
- Make risk control plans
- Establish and apply risk response mechanism

Risk monitor & report

- Establish risk monitoring indicators
- Evaluate effectiveness and identify new risks
- Report the risk status in time
- Continuously update risk database

Post-investment Stage Control - *Risk control*

Excellent enterprise case

凯茂生物 CHEMO WANBANG BIOPHARMA

Excellent overall risk management

Risk identification	Risk assessment	Risk response & control	Risk monitor & report
Hazard source closed loop	**Hazard source evaluation**	**Risk response ability**	**Risk monitoring report**
➢ Hazard identification planning ➢ Risk assessment planning ➢ Risk control planning	➢ Assess the probability and impact of risks ➢ Identify key risk factors and priorities	➢ Regularly carry out risk emergency training drills ➢ Pay attention to project operation risk and continuous management	➢ Regularly monitor the operation of the project to make clear the degree of risk control ➢ Continuous optimization of reports

Disposal Stage Control- *Setting of financial control key points*

Evaluation and decision of disposal scheme

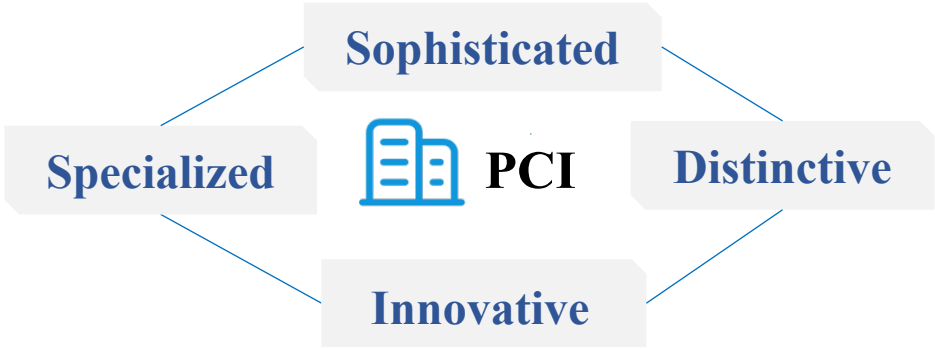
- Asset evaluation
- Formulation of disposal plan
- Plan approval

Asset Disposal and project settlement

- Asset transfer
- Asset sale
- Asset settlement

PCI's Strategic requirement

☐ Unrelated investments



Industry characteristics

☐ Strict policy regulation

☐ review of compliance

→ Asset evaluation risk

→ Tax Compliance Risk

Disposal Stage Control- *Evaluation and decision of disposal scheme*

Objectives

- Maximize the value of assets
- Reduce disposal cost
- Minimize financial risks

Potential risks

- Underrate asset value
- Violate tax law or no tax saving
- Market uncertainty

Resources and support needs

- Data analysis tool
- Market monitoring system
- External team compliance review
- legal risk prevention mechanism

Disposal Stage Control- *Evaluation and decision of disposal scheme*

Management and control measures

Assets appraisal → **Formulate a disposal plan** → **Decision scheme approval**

Asset information

- ☐ Define type and scope
- ☐ Collect financial and market information

Assets appraisal

- ☐ Select appraisal method
- ☐ Make up appraisal report

Risk assessment

- ☐ Identify risks
- ☐ Assess risk
- ☐ Cope strategy

Tax planning

- ☐ Formulate Tax planning scheme
- ☐ Ensure tax compliance

Scheme review

- ☐ Legitimacy review
- ☐ Rationality review

Disposal Stage Control- *Evaluation and decision of disposal scheme*

Excellent enterprise case

好想你 → 百草味 Be & Cheery

A successful asset disposal

Assets appraisal ✓ → **Formulate a disposal plan** ✓ → **Decision scheme approval** ✓

Maximize the value of assets

- Entrust a professional organization

中同华资产评估有限公司 China Alliance Appraisal CO.,LTD

- Make full use of information asymmetry

Minimize disposal risk

- Whole process risk control of disposal plan

CMS 招商证券 | 國浩律師事務所 GRANDALL LAW FIRM

- Formulate tax planning scheme and tax compliance

Ensure legality and rationality

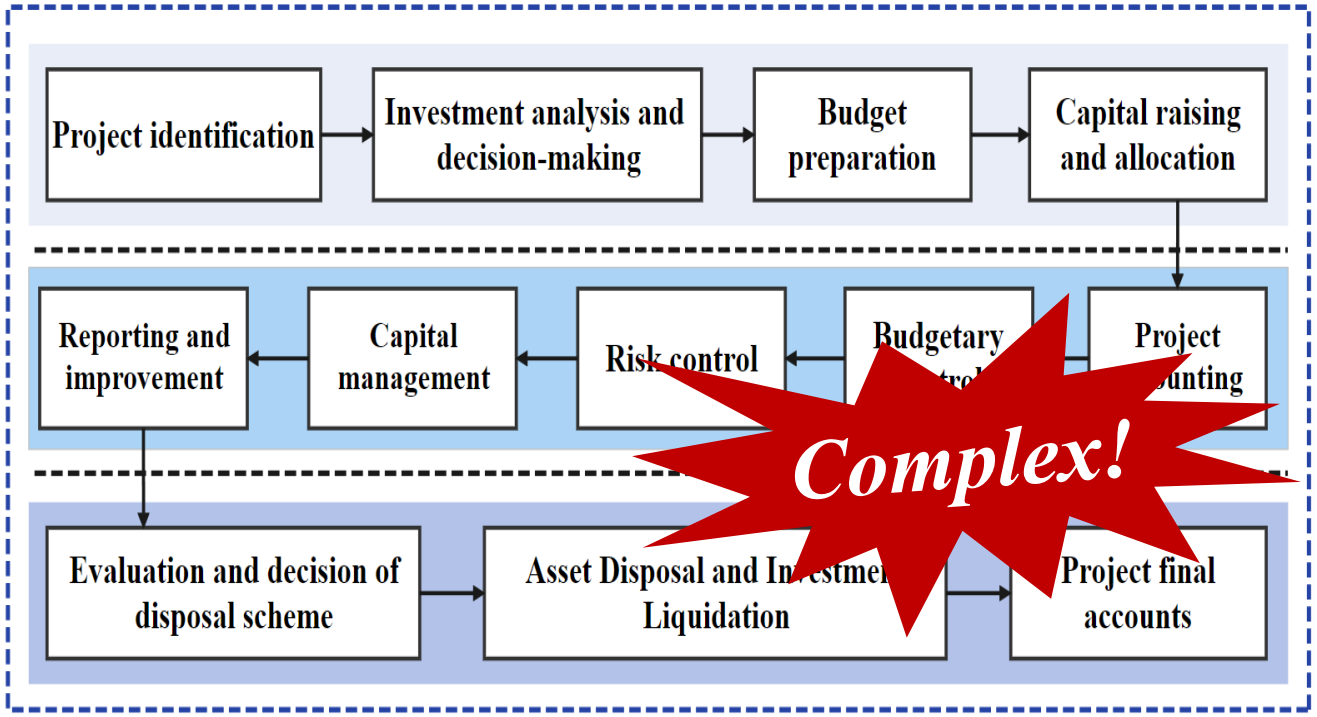
- Entrust professional institutions to assist in decision-making approval

國浩律師事務所 GRANDALL LAW FIRM

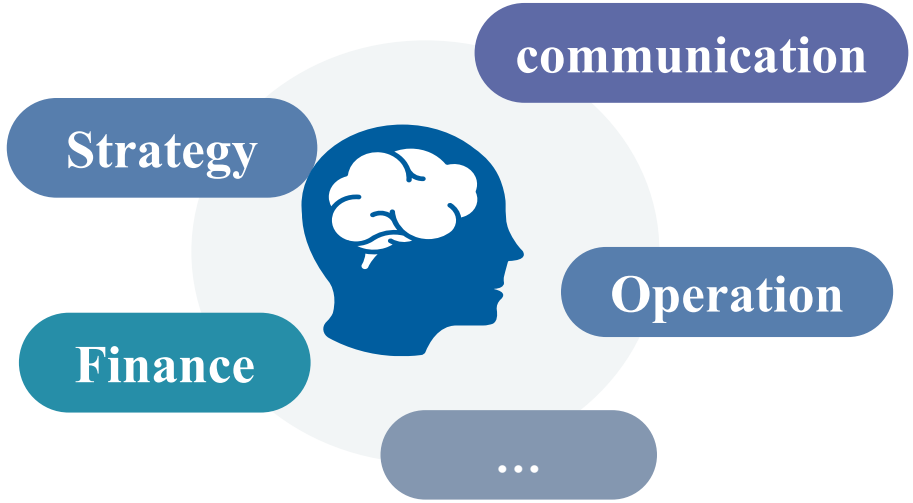
- Ensure legal risk avoidance and legal compliance

Contradictions and Conflicts - *Needs for various capabilities*

Financial control process



Needs for various capabilities



What should we do ?

Issue 2
Working capabilities

Analyze the vital management accounting capabilities and other comprehensive qualities required by employees.

Point:

1. Comprehensive capacities needed in different stages’ work.

2. Integrate business and finance.

3. Future career vision.

Capability Requirement - *Four capabilities to three key points*

Pre: Investment analysis and decision-making

Necessity analysis → Feasibility analysis ✓ → Preliminary risk assessment

Post: Risk control

Identification ✓ → Assessment ✓ → Response & Control ✓ → Monitor & Report ✓

Disposal: Program evaluation and decision making

Assets appraisal → Formulate a disposal plan ✓ → Decision scheme approval

Capital investment decision making

- Feasibility analysis processes' demand

Enterprise risk management

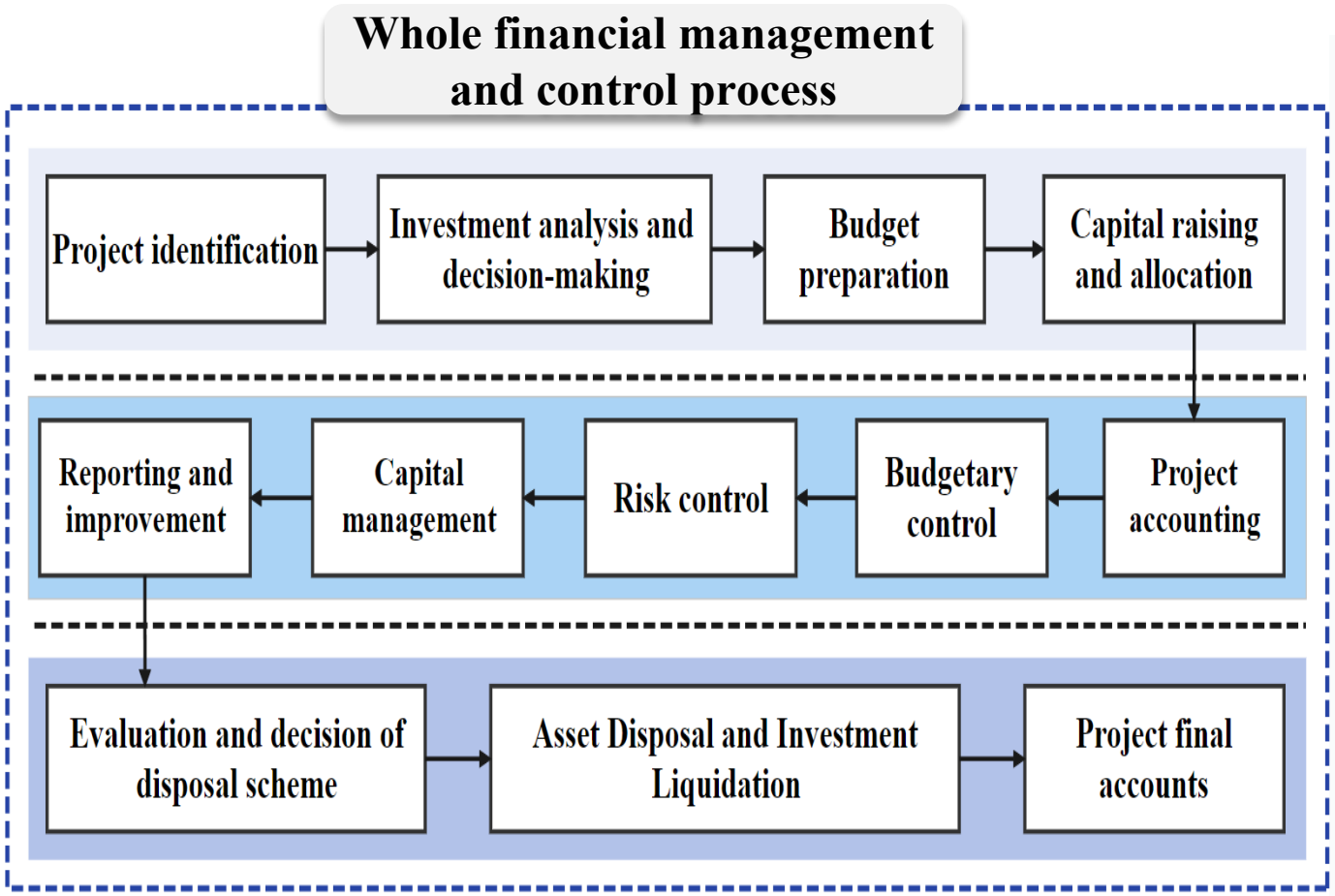
Internal control

- Controllable risks is basis for other work

Tax compliance and planning

- Tax policy changes rapidly
- Tax preference

Capability Requirement - *three universal capabilities*



Universal capabilities

Operational Knowledge

- Collaborate with business units

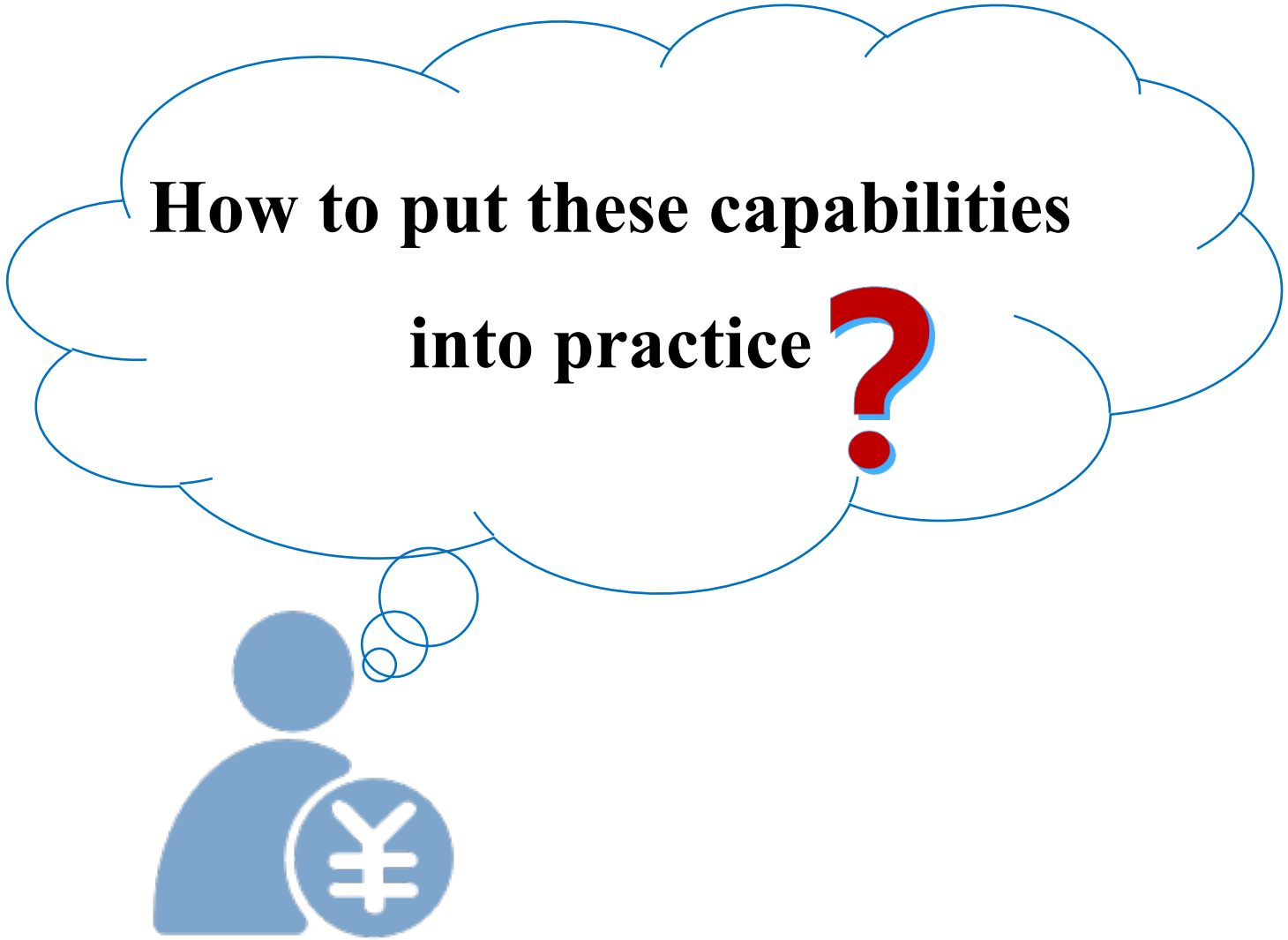
Communication skills

- Complex workflow
- Multiple reporting and communication scenarios

Data visualization

- Presentation&reporting scenarios

Capability Application

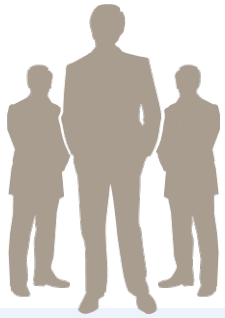


Capability Application - *Integration of business and finance*

Integration of Business and Finance - *Capital investment decision capability*

Pre-investment

Position



Pre-investment Management Position

Duty:

determine whether to invest

Capability

Capital Investment Decision

Application :

perform feasibility analysis

Process :

1. Strategic feasibility
2. Financial feasibility
3. Uncertainty analysis
4. Comprehensive decision

Capital Investment Decision Capability - *Strategic feasibility analysis*

Strategic feasibility

Identify the qualitative factors

Strategy Map

Determine the effect of each factor

Example: T1 Product Line

Strategic objective

Market share

Customer Perspective

- **Customer acquisition**
  - Peculiarity
  - quality
- **Customer satisfaction**
  - price
  - Brand equity
- **Customer retention**
  - service
  - partnerships

Internal Business Perspective

- **Innovation**
  - Opportunity identification
  - R&D investment
  - New product launch time
- **Production**
  - Cost of quality
  - Delivery time
  - Waste rate
- **Postsales service**
  - Customer complaint rate
- **Law and society**
  - Safety & Health

Learning and Growth Perspective

- **Human capital**
  - Employee training
- **Information capital**
  - Information system
- **Organizational capital**
  - Innovative culture
  - Digital corporate culture

Capital Investment Decision Capability - *Strategic feasibility analysis*

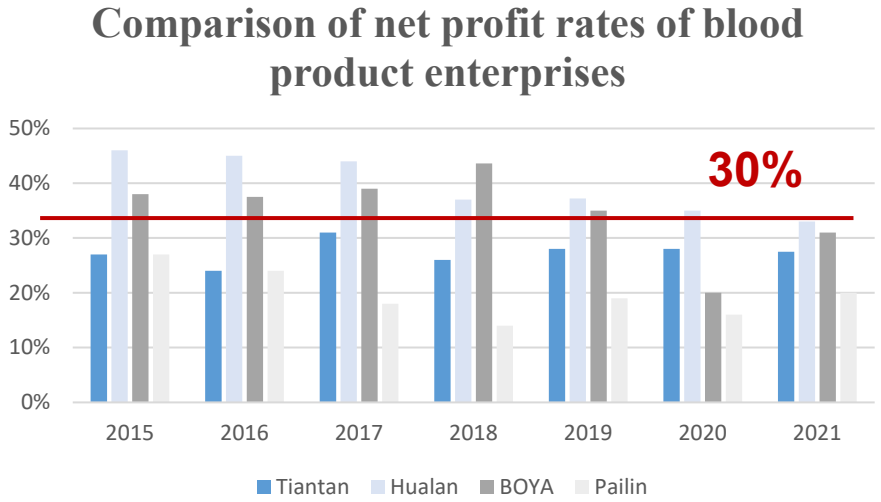
Strategic feasibility

Identify the qualitative factors

Determine the effect of each factor

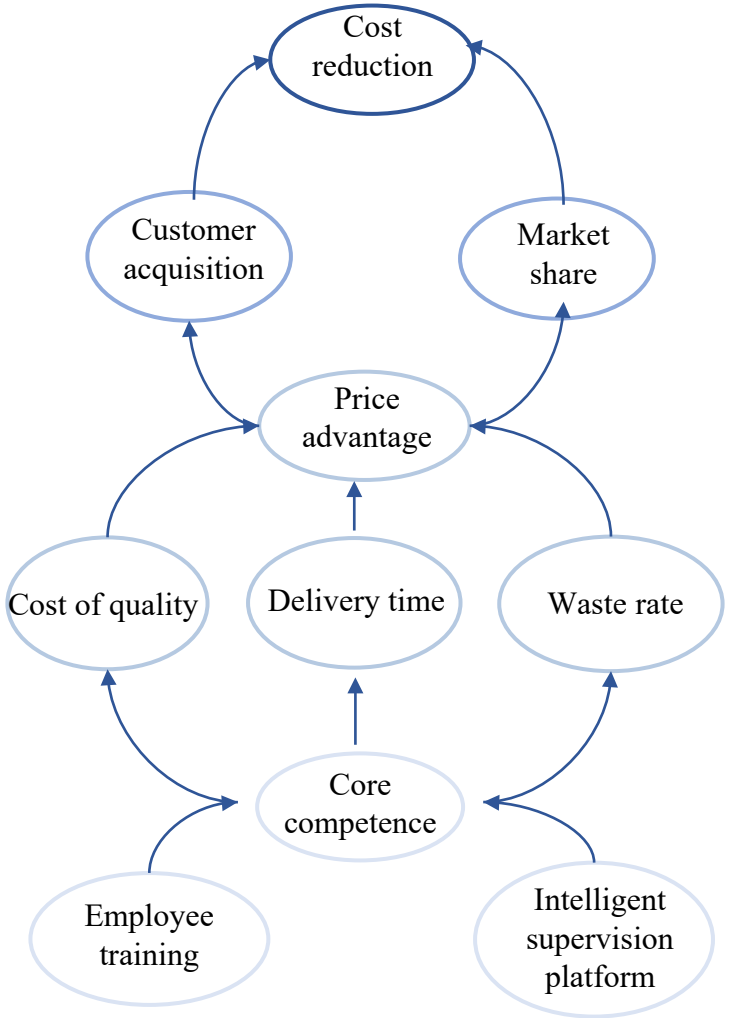
Market research;
Competitor analysis;
Causal chain analysis;
……

Example: T1 Product Line



Big gap in the profitability

Lean Production Strategy !



Capital Investment Decision Capability - *Financial feasibility analysis*

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Financial feasibility

Confirm capital expenditure

Due diligence:
Choose the best

Forecast cash flow

Market research;
Historical data;
Trend analysis;

Determine the required rate of return

Calculate economic indicators

Apply

Fundamental Data Statement

Sort	Item		Data	Instruction	Supplying department
Capital Expenditure	Equipment investment				Procurement and Supply
	Depreciation period (year)				
	Residual value rate				
	Disposal recovery				
Sales	Capacity				Production
	Capacity Utilization				Raw Material
	Product yield				Production
	[illegible]				Marketing
Costs	[illegible]na				Financial
	[illegible]bles				Procurement and Supply
	[illegible]or costs				HR Dept.
	[illegible]	Operation personnel			
	Maintenance costs	1st year			Production
		2nd year			
		3rd year			
		.....			
	Energy consumption				
Financial index	Value-added tax rate				Financial
	Urban construction and education surcharge rate				
	Enterprise income tax rate				
	Required rate of return				

Key!
(Incremental cost)

Capital Investment Decision Capability - *Financial feasibility analysis*

Financial feasibility

Confirm capital expenditure

Due diligence:
Choose the best

Forecast cash flow

Market research;
Historical data;
Trend analysis;

Determine the required rate of return

Calculate economic indicators

Apply

Projected Cash Flow Statement

year	Initial period	Operation period	Disposal period
Equipment investment			
Disposal recovery			
Tax credit on disposal recovery			
Depreciation tax credit			
Operating capital			
Investment cash flow			
Sales			
Direct costs			
Indirect costs			
Taxes and fees			
……			
Operating cash flow			
Total cash flow			

Note the calculation related to tax

For project with the same (unchanged) sales:
only forecast cash outflow

Capital Investment Decision Capability - *Financial feasibility analysis*

Financial feasibility

Confirm capital expenditure

Forecast cash flow

Determine the required rate of return

Capital asset pricing model;
Specially adjusted interest rates

Calculate economic indicators

DCF: NPV; IRR; DPP; ROI;
Annuity Cash Outflow…

Apply

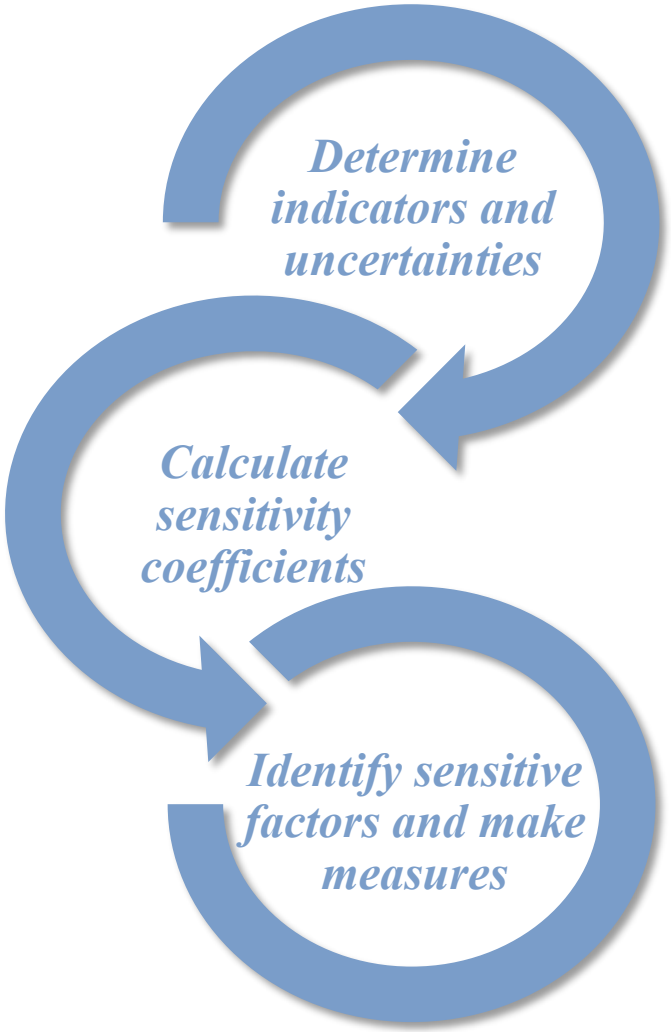
Discount rate — DCF; Indicator formula

Indicator Calculation			
year	Initial period	Operation period	Disposal period
Present value			
Cumulative present value			
Indicator			
NPV			
IRR			
DPP (Dynamic payback period)			
……			

Sort				Indicator
Less than 3 years				ROI; Static payback period
More than 3 years	Single project			NPV; IRR; DPP
	Multiple projects	Investment scale	≡	NPV; IRR; DPP
			≠	**PI; DPP**
		Service life	≡	NPV; IRR; DPP
			≠	**Annuity Net Cash Flow; Annuity Cash Outflow**
		Usage scenario	new	NPV; IRR; DPP
			replace	**NPV (Difference analysis)**

Capital Investment Decision Capability - *Uncertainty analysis*

Uncertainty analysis



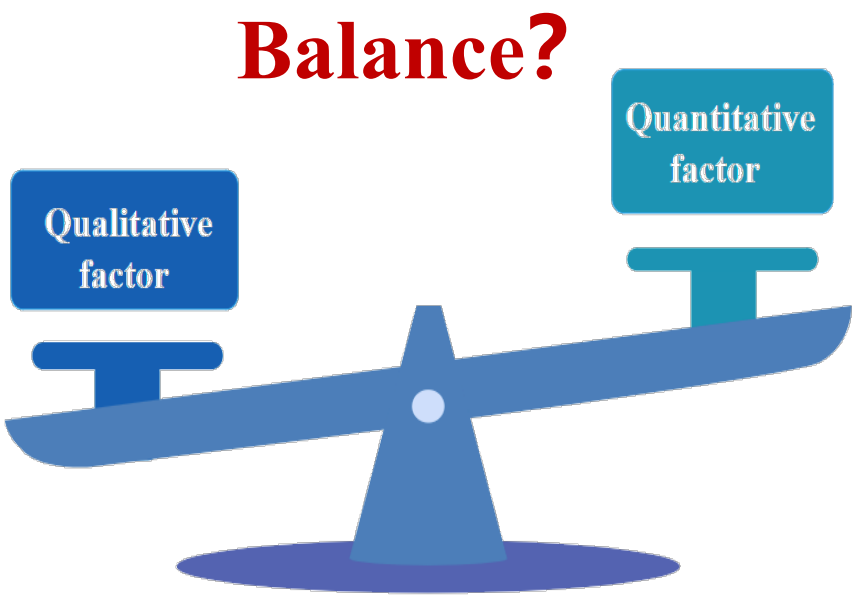
Example: T1 Product Line

Indicators: Annuity Net Cash Flow

Uncertainties: price; capacity; volume; direct costs; indirect costs; discount rate; project period …

Annuity Net Cash Flow		
Parameter	Sensitivity coefficient	
Capacity Utilization	1.41	↑ >1
Price	6.92	
Annual cost of plasma	-2.24	
Auxiliary consumables	-2.24	Absolute value ↓ >1
Energy consumption	-1.04	

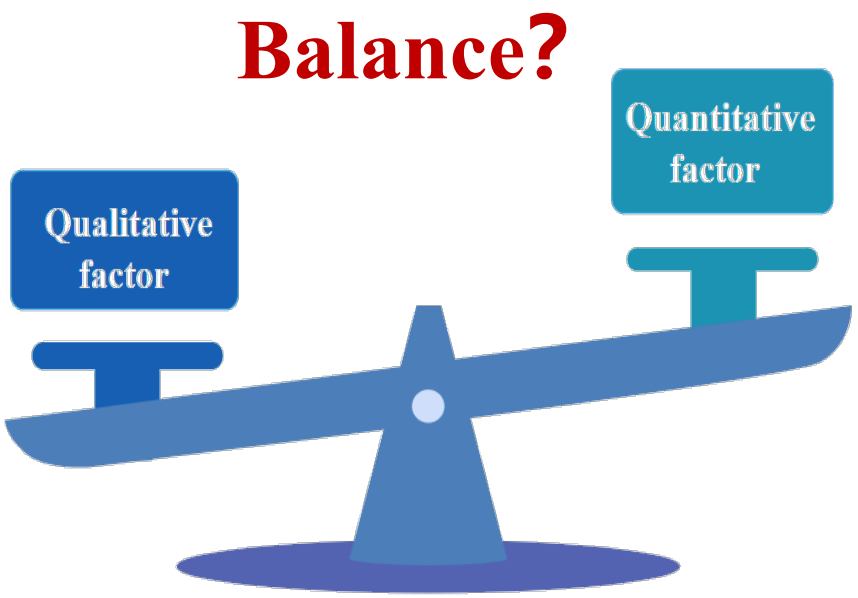
Capital Investment Decision Capability - *Comprehensive decision*



- ✓ Importance ranking
- ✓ Delphi survey
- ✓ Fuzzy analytic hierarchy process

……

Capital Investment Decision Capability - *Comprehensive decision*

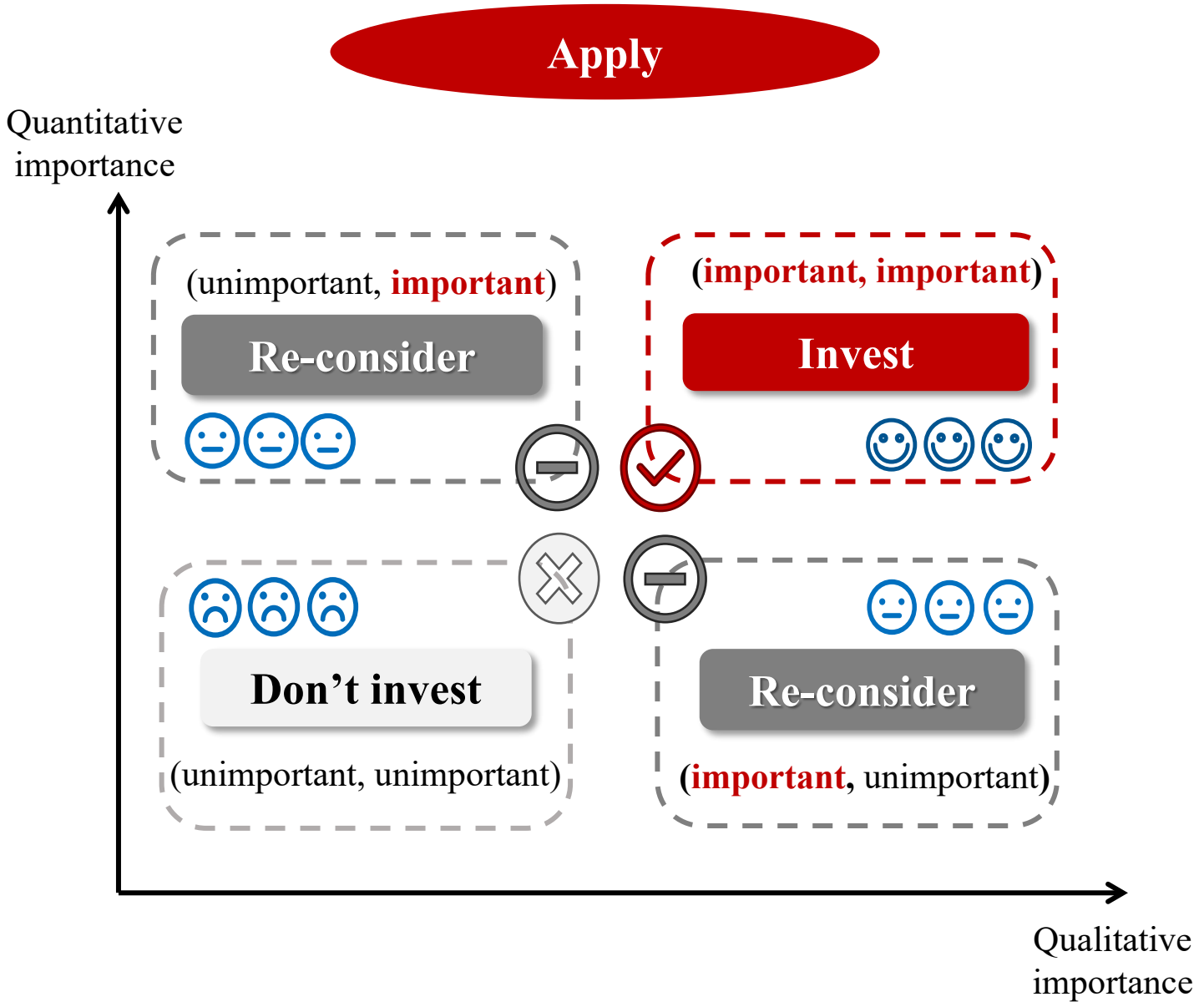


✓ **Importance ranking**

✓ Delphi survey

✓ Fuzzy analytic hierarchy process

……



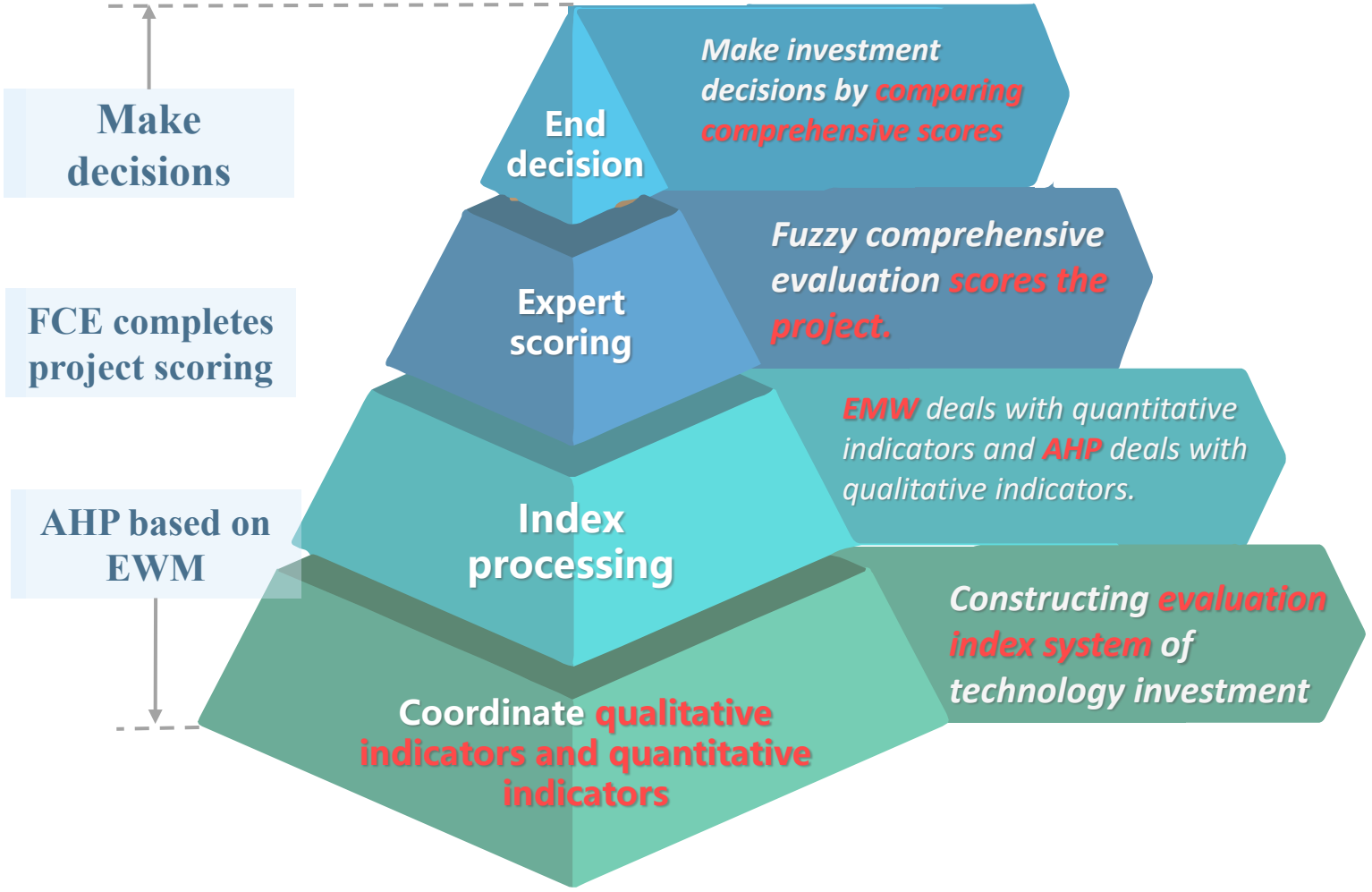
Capital Investment Decision Capability - *Comprehensive decision*

Balance?

- ✓ Importance ranking
- ✓ **Delphi survey**
- ✓ **Fuzzy analytic hierarchy process**

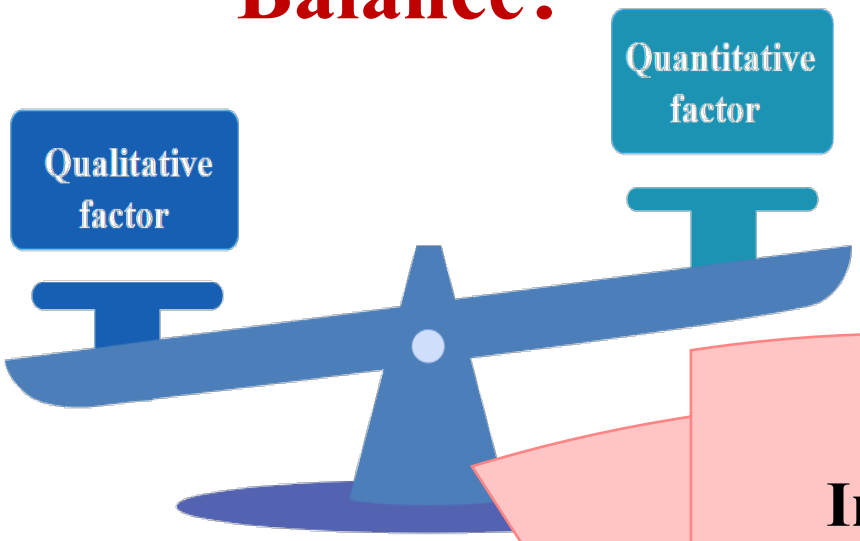
……

Apply



Capital Investment Decision Capability - *Comprehensive decision*

Balance?



Invest project-B!

- ✓ Importance ran
- ✓ **Delphi su**
- ✓ **Fuzzy analytic hierarchy process**

……

Apply

Expert: empowerment and scoring

Enterprise management **Expert in blood pharmaceutical industry**

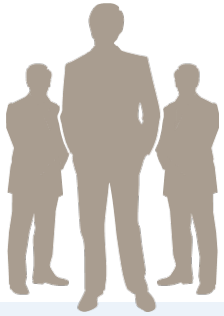
Technical team members **Investors and financial analysts** **account executive**

	eight	Secondary index	Index property	weight	Comprehensive weight	A	B
		pportunity identification	Qualitative index	12.11%	3.25%	1.95	2.60
		R&D investment		9.27%	2.49%	1.99	2.49
		……		……	……	……	……
		Market share		31.65%	7.16%	4.29	5.72
		Customer satisfaction		25.88%	5.85%	3.51	4.68
		……		……	……	……	……
Lea and growth		formation system		26.00%	5.30%	3.18	4.24
		ployee training		25.31%	5.16%	3.09	5.16
		……		……	……	……	……
Financial	30.15%	NPV	Quantitative index	25.24%	7.61%	4.57	6.09
		IRR		24.37%	7.35%	5.88	2.94
		……		……	……	……	……
Comprehensive score				*compare*		**X1** <	**X2**

Integration of Business and Finance - *Enterprise risk management capability*

Post-investment

Position



Post-investment Management position

Duty:

Identify, assess and manage risks within the organization.

Capability

Enterprise risk management

Application：

Post-investment risk management

Process：

1. Risk identification
2. Risk assessment
3. Risk Response & Control
4. Risk Monitoring & Reportin

Risk Identification - *From business processes to risk-checklist*

Risk Identification

Risk Assessment

Risk Response & Control

Risk Monitoring & Reporting

Example: ALB Project

Step1： *Business Process Analysis*

Plasma collection → Production & processing → Quality control → Warehousing & logistics → Sales & service

Step2： *Brainstorming method*

Step3： *Draw Risk-Checklist*

ALB Project Risk-Checklist

Risk point				Risk level	Control measure
Primary index		Secondary index			
Regulatory risk	A	Changes in industry regulations	A1		
		Environmental and quality control	A2		
Technical risk	B	Technical compatibility and reliability	B1		
		Technical updates and upgrades	B2		
		Technical disclosure	B3		
Market risk	C	Market demand change	C1		
		Market competition	C2		
		Raw material supply fluctuation	C3		
Management risk	D	Project management and staffing risks	D1		
		Supply chain management	D2		
		Safe production	D3		

Risk Assessment - *1. Risk matrix method*

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Risk Identificati

Risk Assessment

Risk Response & Control

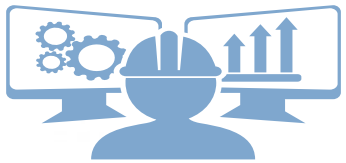
Risk Monitoring & Reporting

Too subjective?

+

Overall risk?

Risk point		Impact	Likelihood
Primary index			
[illegible]	A	Severe	Likely
[illegible]	B	Significant	Very Likely
[illegible] Risk	C	Significant	Possible
Managing risk	D	Moderate	Possible



Risk matrix:

Define the risk level

Likelihood \ Impact	Negligible	Minor	Moderate	Significant	Severe
Very Likely	Low Med	Medium	Med Hi	B High	High
Likely	Low	Low Med	Medium	Med Hi	A High
Possible	Low	Low Med	D dium	C Med Hi	Med Hi
Unlikely	Low	Low Med	Low Med	Medium	Med Hi
Very Unlikely	Low	Low	Low Med	Medium	Medium

Risk Assessment - *2.1 Grey-DEMATEL assign the weight*

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Risk Identification

Risk Assessment

Risk Response & Control

Risk Monitoring & Reporting

Step1: *Construct characteristic sequence*

Semantic variable	Score	Grey number
No effect	0	[0,0]
Very weak influence	1	[0,0.25]
Weak influence	2	[0.25,0.5]
High influence	3	[0.5,0.75]
Very high impact	4	[0.75,1]

<grey relation matrix>

$$X = \{X'_{ij}\}_{m\times n} = \begin{bmatrix} X'_{11} & X'_{12} & \cdots X'_{1n} \\ X'_{21} & X'_{22} & \cdots X'_{2n} \\ X'_{m1} & X'_{m2} & \cdots X'_{mn} \end{bmatrix}$$

Step2: *Calculate the direct influence matrix*

$$X_{ij} = \frac{X'_{ij} - X'_{i\min}}{X'_{i\max} - X'_{i\min}} \qquad \Delta_{ij} = \left| X_0 - X_{ij} \right|$$

$$\xi_{ij} = \frac{\Delta_{\min} + \rho\Delta_{\max}}{\Delta_{ij} + \rho\Delta_{\max}}$$

Step 3: *Assign the indicators weight*

$$P_{ij} = \frac{X_{ij}}{\sum_{j=1}^{n} X_{ij}} \qquad E_i = -\frac{1}{\ln n}\sum_{j=1}^{n} P_{ij} \ln P_{ij}$$

$$\boldsymbol{W_i = \frac{1 - E_i}{m - \sum E_i}}$$

ALB Project Risk point			
Primary index	**weight**	**Secondary index**	**weight**
A	0.2722	A1	0.1474
		A2	0.1248
B	0.3075	B1	0.1164
		B2	0.1377
		B3	0.0534
C	0.2377	C1	0.0812
		C2	0.0634
		C3	0.0931
D	0.1826	D1	0.0691
		D2	0.0752
		D3	0.0383

Risk Assessment - *2.2 Cloud models enable risk visualization*

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Risk Identification

Risk Assessment

Risk Response & Control

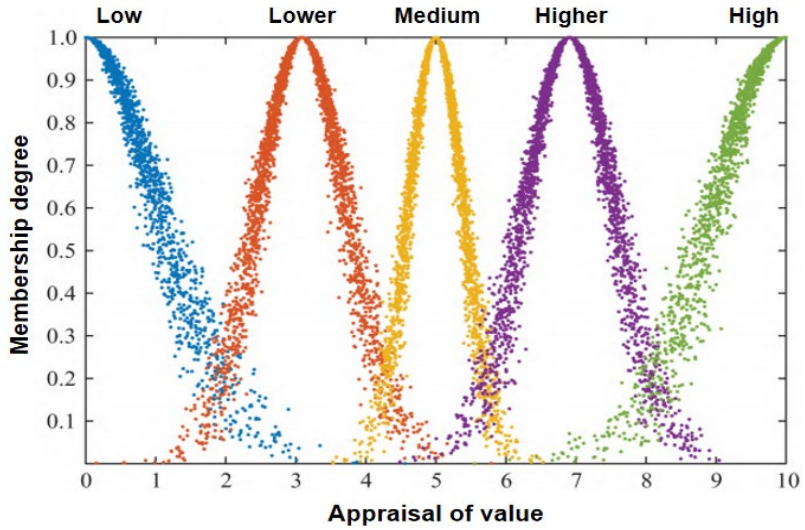
Risk Monitoring & Reporting

Step 4: Build a risk assessment cloud model

Golden section method :

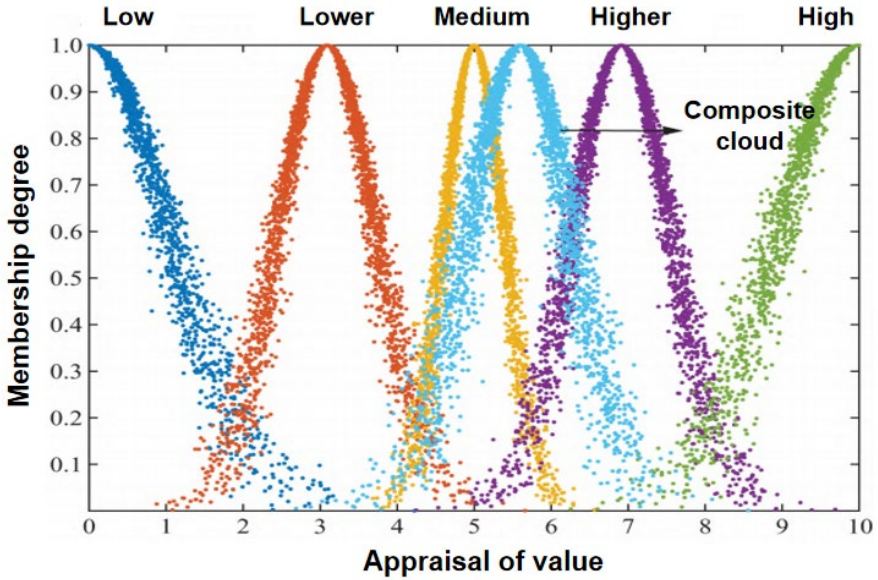
5 visual standard cloud images are generated from the valid argument domain x ∈ [xmin, xmax].

Standard Cloud Digital Features	
Safety level	**C=(Ex,En,He)**
Low risk	(0,1.03,0.13)
Lower risk	(3.09,0.64,0.08)
Medium risk	(5,0.39,0.05)
Higher risk	(6.91,0.64,0.08)
High risk	(10,1.03,0.13)



Step 5: Create the comprehensive cloud model

Primary Index Assess Cloud Digital Characteristics	
Primary index	**C=(Ex,En,He)**
A	(4.249,0.764,0.148)
B	(5.801,0.815,0.156)
C	(6.339,0.714,0.089)
D	(7.527,0.527,0.122)



Composite cloud digital features *(5. 6111, 0. 6775, 0. 112)*

Risk Response & Control - *Comprehensive risk management method*

Risk Identification

Risk Assessment

Risk Response & Control

Risk Monitoring & Reporting

How to control these risks?

Comprehensive Risk Management method

All staff | All processes | All aspects

means

Risk avoidance	Dismantle production line
Risk reduction	Pre-experiment
Risk deflection	Insurance & agreement
Risk acceptance	Charge loss to expenses
Risk reserve	Implement risk scheme

First level	Significant risks	Risk avoidance
Second level	Primary risks	Risk deflection & reduction
Third level	Second risks	Risk reserve & acceptance

Regulatory risk

Policy constraint → Withdraw investment

Risk Monitoring & Reporting - *Monte Carlo simulation*

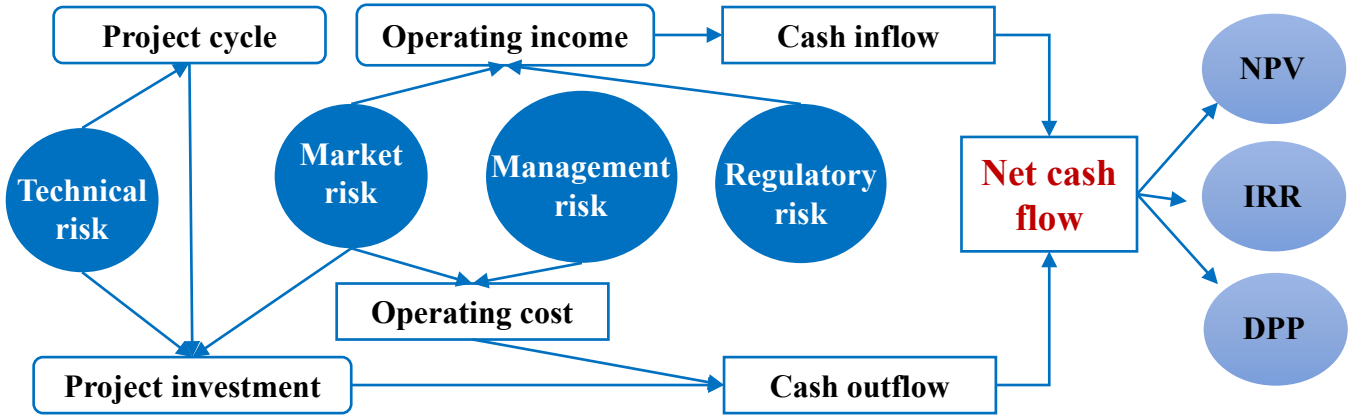
Risk Identification

Risk Assessment

Risk Response & Control

Risk Monitoring & Reporting

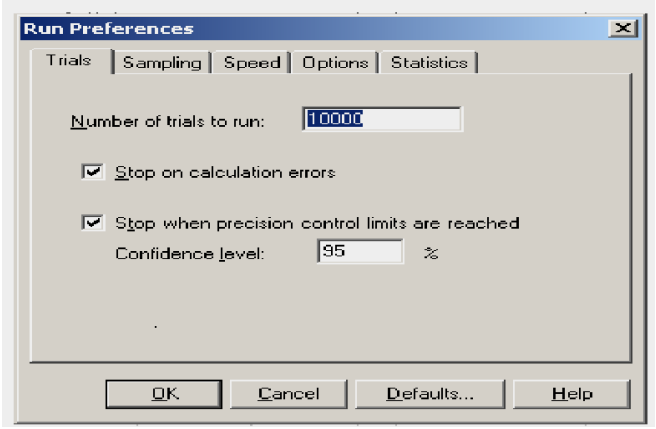
Step1：Set financial indicators and influencing factors



Impact of risk factors on financial indicators

Summary of risk variables	
Deterministic risk variable	**Uncertainty risk variable**
Discount rate	Investment cost
Project construction period and operation period	Operation and maintenance cost
Government subsidy	Product price
…	…

Step2：Index simulation



(Crystal Ball11.1.2)

Numbers of trials: 10000

Confidence Level< 95%

Step3：Set security threshold

Safety threshold	
NPV	> 0
IRR	>= 14%
DPP	< 5

Risk Monitoring & Reporting - *Monte Carlo simulation*

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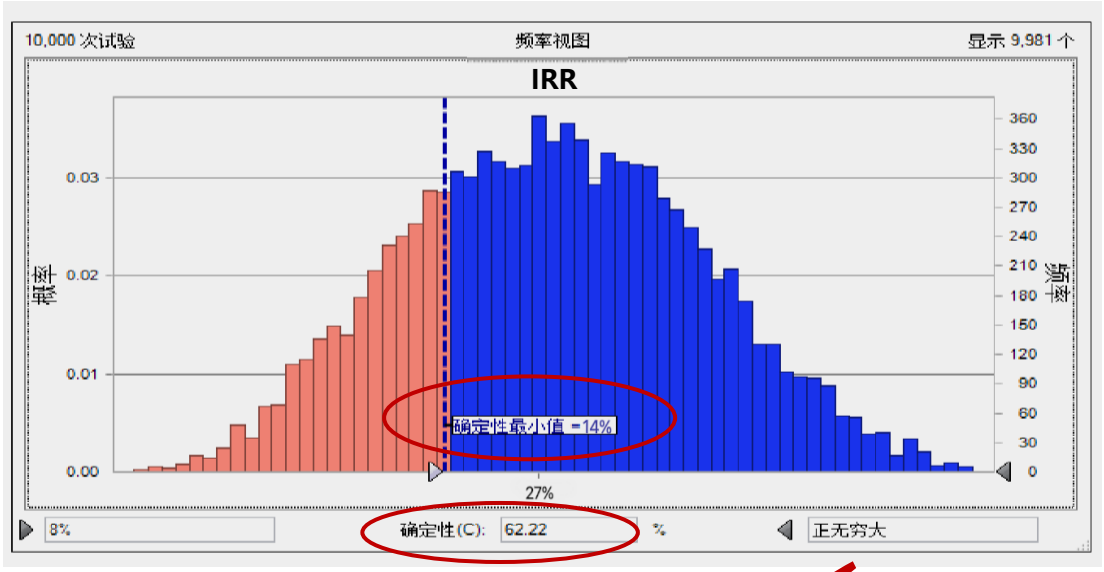
Risk Identification

Risk Assessment

Risk Response & Control

Risk Monitoring & Reporting

Step4：Evaluation



P(IRR>=14%)=62.22% **Safe**

IRR	
Number of simulations	10000
Expected value	27%
mid-value	26.2%
Standard deviation	0.14
skewness	0.13
kurtosis	2.69
Coefficient of variation	0.0043
Minimum value	2%
Maximum value	51%

- Small SD.(σ) and COV.
- Good symmetry and concentration

Step5：Monitoring and reporting

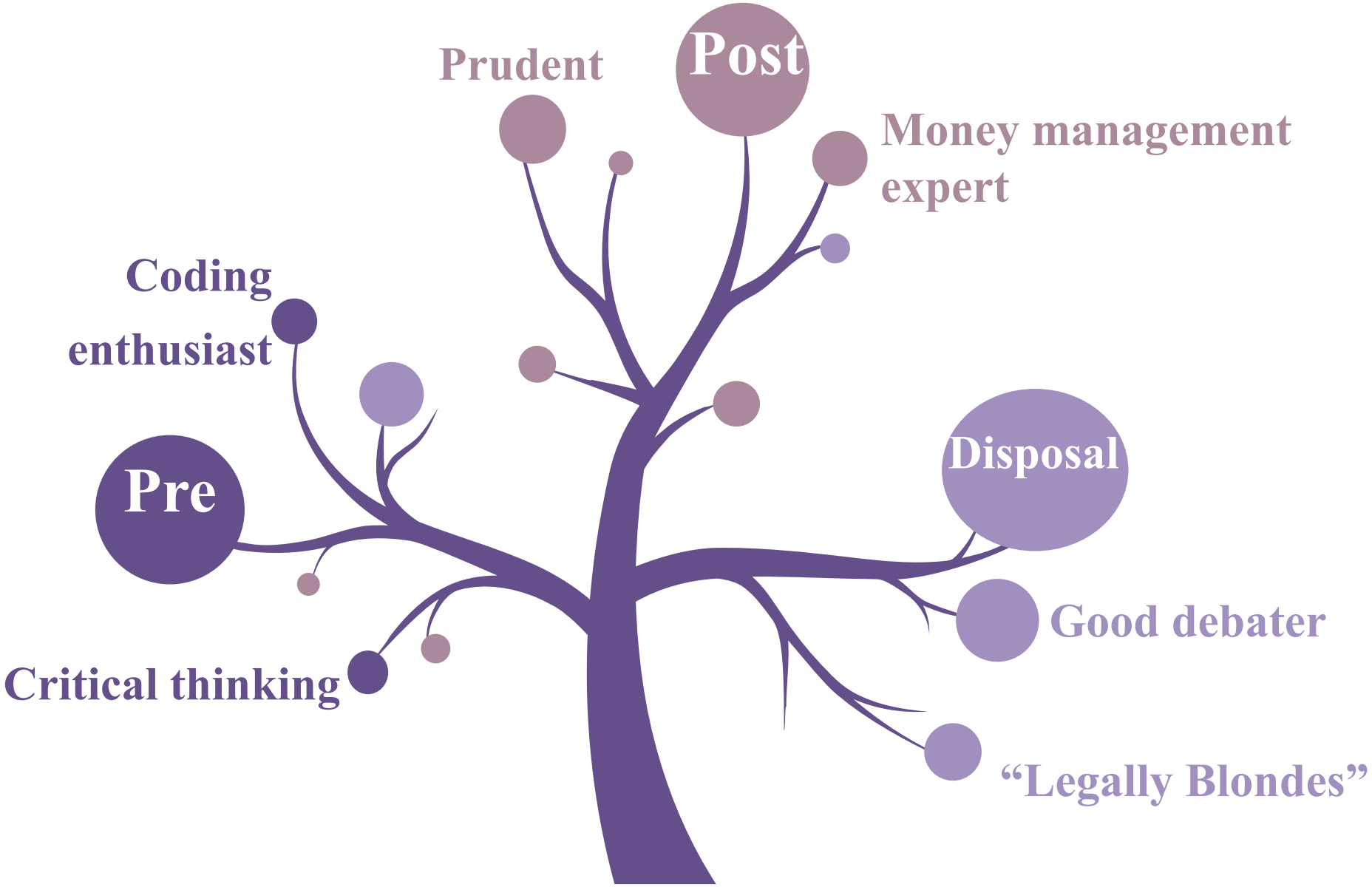
ChatGPT + RPA

Expected value		Safety threshold	Risk level
NPV	4825142	> 0	Safe
IRR	27%	>= 14%	Safe
DPP	4.7	< 5	Safe

report

Board of directors

Other Comprehensive Qualities



Employee Career Path

Financial Intelligence Era

Technical support

- Big data
- Cloud Computing
- Intelligence
- Mobile internet

Technical pattern

- Human-machine coordination

Objectives and functions

- From afterward accounting to whole process control
- From bean counters to advisor

Working content

- Human-machine symbiosis pattern
- Strategic support & business decisions

Professional Finance — CFO

Business Finance — Financial BP

Strategy Finance — Strategy VP

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Intelligent Investments in Blood, Shaping Healthcare's Tomorrow!

Summary

Case Overview
- Company overview
- Technological Revolution Background
- Summary of Pre-investment Experience
- Cases of Failure in Project Management

Issue 1: Project Financial Control
- Project life cycle management system
  - Lifecycle Management Framework
  - Investment Management Department Structure
- **Benchmark: Huawei's IPD**
- **Specific process of life cycle management**
  - **Project Management Process**
  - **Financial Control Process**
- **Pre-investment Stage Control**
  - **Investment analysis and decision-making**
    - Objectives、Potential risks、Resources and support
    - Management and control measures　Necessity analysis→Feasibility analysis→Risk assessment
    - Excellent enterprise case　Boya Bio's Smart factory project evaluation
  - **Budgeting**
- **Post-investment Stage Control**
  - **Risk Control**
    - Objectives、Potential risks、Resources and support
    - Management and control measures　Risk identification→Risk assessment→Risk response & control→Risk monitor & report
    - Excellent enterprise case　Chemo Bio's overall risk management
  - **Budgetary Control**
- **Disposal Stage Control**
  - **Evaluation and decision of disposal scheme**
    - Objectives、Potential risks、Resources and support
    - Management and control measures　Assets appraisal→Formulate a disposal plan→Decision scheme approval
    - Excellent enterprise case　Haoxiangni's successful asset disposal
  - **Asset Disposal and project settlement**

Issue 2：Working Capabilities
- Contradictions and Conflicts　Complex financial control process needs for various capabilities
- Capability Requirement
  - capabilities to three key points　Capital investment decision making、Enterprise risk management、Internal control、Tax compliance and planning
  - Universal capabilities　Operational Knowledge、Communication skills、Data visualization
- Capability Application
  - Integration of business and finance
  - **Capital investment decision capability**
    - Senario　**T1 Product Line**
    - Strategic feasibility　Strategy Map→Causal chain analysis
    - Financial feasibility　Forecast cash flow→Determine the required rate of return→Calculate economic indicators
    - Uncertainty analysis　Determine indicators and uncertainties→Calculate sensitivity coefficients→Identify sensitive factors
    - Comprehensive decision　Importance ranking→Delphi survey→Fuzzy analytic hierarchy process
  - **Enterprise risk management capability**
    - Senario　**ALB Project Line**
    - Risk identification　**Total risk management**　**Expert brainstorming**　Identify risk points
    - Risk assessment　Risk matrix　**Grey Correlation and Cloud Model**
    - Risk Response&Control　Risk level and countermeasures
    - Risk Monitioring&Reporting
      - **Monte Carlo algorithm**　**The project has less risk and high feasibility.**
      - Digital software　Continuous output report
  - other comprehensive qualities
- Future career vision