SKILL
Accelerate Your Talent with Skill

Financial Modelling for Forecasting, Budgeting & Financial Statements in Excel

Overview

The "Financial Modelling for Forecasting, Budgeting & Financial Statements in Excel" course is designed to equip finance professionals with the advanced Excel skills necessary to build robust financial models that support effective forecasting, budgeting, and financial analysis. Throughout this course, participants will learn to apply both statistical and judgmental forecasting techniques, streamline their financial modelling processes, and enhance their decision-making capabilities through dynamic scenario analysis. The course also covers essential financial concepts such as revenue and expense projections, cash flow analysis, and the use of Excel's advanced functions and tools to automate tasks and improve accuracy.

This comprehensive course will enable participants to develop high-level financial models in Excel, driving better financial planning and strategic decision-making.

Course Objectives

By the end of this course, participants will be able to:

- Apply various statistical and judgmental forecasting techniques to improve financial projections.
- Reduce turnaround time in managing forecast structures and worksheet processes.
- Implement version control for multiple forecast worksets to ensure consistency and accuracy.
- Build dynamic scenarios using Excel's form controls to analyze different financial outcomes.
- Develop comprehensive financial models that incorporate revenue, expense drivers, balance sheets, and cash flow projections.
- Utilize Excel's advanced functions and tools, such as Power Query and macros, to automate data extraction, consolidation, and task automation.
- Understand the implications of Net Present Value (NPV) and Internal Rate of Return (IRR) in financial decision-making.
- Manage multiple budget versions within a single financial model for better financial planning and analysis.

Duration

2 Days

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Course Topics

Module 1	**FINANCIAL MODELS** • Introduction & types of financial models • Program scope • Financial model structure • Budgeting & forecasting • The budgeting & forecasting process
Module 2	**BUILDING THE FINANCIAL MODEL** • Building revenue & expense drivers • Revenue & cost projection • Modelling the Income Statement & supporting cost center sheets • Building the headcount & payroll model • Projecting the balance sheet
Module 3	**FORECASTING METHODS** • Qualitative & quantitative forecasting methods • Naïve method: Simple Moving Average, Simple Weighted Moving Average, Exponential Smoothing, Correlation, Regression Analysis • Forecast Sheet function (applies to Excel 2016 & above) • Multiple Regression Analysis, Coefficient Correlation, Coefficient of Determination • CORREL, TREND, and new iterations of the FORECAST functions • Tracking forecasting accuracy as a KPI • Using Excel's Data Analysis tools - Exponential Smoothing, Moving Average, and Regression
Module 4	**PRICE SETTING FOR PRODUCTS & SERVICES** • Understanding price and demand curves • Price elasticity of demand computation methods • Decisions in price setting
Module 5	**CASHFLOW** • Working capital components, ratios & cash conversion cycle • Cash flow projection using the direct method • Free Cash Flow (FCF)

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Module 6	**FORM CONTROLS** • Essential Form Controls & overview • Incorporating Form Controls into financial models & sensitivity analysis
Module 7	**EXTRACTING AND CONSOLIDATING HISTORICAL ACCOUNTING DATA** • Using Power Query to extract & consolidate historical data • Building forecasting working templates from historical data • Building sensitivity analysis into forecast templates
Module 8	**NPV & IRR** • Time value of money & discounted cashflows • Compounding and Discounting- 'What's the difference?' • NPV vs IRR introduction • Implications of NPV vs IRR in decision-making
Module 9	**IMPORTANT EXCEL KNOWLEDGE** • Essential Excel functions in financial modeling - VLOOKUP, SUMIF, SUMIFS, COUNTIF, COUNTIFS, IFERROR, INDEX, MATCH, INDIRECT • Utilize macros to automate simple tasks
Module 10	**MANAGING MULTIPLE BUDGET VERSIONS** • Version controlling your budget forecast spreadsheets • Fitting in multiple budgets into your financial model