Business and Financial Modelling Training

Description

Intorduction

The development of effective and realistic business/financial models is a critical tool in today's value-driven organisation. As shareholders are increasingly concerned with the value of their investments, organisations are continually driven to ensure the optimum use of resources. Using Excel®, the Business & Financial Modelling process provides an effective tool with which the potential outcomes of various strategic and tactical initiatives can be projected. The ability to answer the question "What are the potential results?" is key and critical.

Here is your opportunity to sharpen your analytical abilities for more profitable decision making. This comprehensive five-day programme takes you through the modelling process from start to finish. It provides practical examples and applications of modelling for both strategic and tactical executives.

Objectives

- Understand the significance of proper formulation and interpretation of models
- Apply statistical tools such as Exponential Smoothing, Regression, and Seasonality
- Translate specific business challenges into logically structured mathematical models
- Get the most from your software investment by creating more powerful models in less time
- Learn how to use Excel® tools such as Solver, Goal Seeker, Scenario, and Spreadsheet Auditor
- Analyze time series data and develop relationships using exponential smoothing and regression analysis techniques
- Draw more realistic conclusions from the results of your models
- Be able to determine product mix to optimize profits
- Simulate the potential return on new capital investments
- Project the probability of processes running within budget
- Develop models to support product pricing and/or product continuance
- Design budget models for departments, divisions, processes, or other entities

Day One

Introduction and overview of Financial Modelling

Module 1 – Introduction and overview of Financial Modelling

- Define the Terms Model and Financial Model
- Learn the 10 steps to create good Financial Models
- The 12 steps to Improving traditional Financial Models
- Use Flowcharting Techniques to improve your model

Module 2 – Time Value Models

- Understand the Time Value of Money
- Apply Time Value Concepts to Financial Models
- Learn Why the Weighted Average Cost of Capital (WACC) Is Used in Capital Budgeting Models
- Use Net Present Value (NPV) and Internal Rate of Return (IRR) Models in Making Capital Expenditure Decisions
- Use the built-in functions for NPV, IRR, MIRR

Day Two

Financial Analysis Models

Module 3 – Financial Analysis Models

- Use Break-Even Analysis in Financial Models
- Use Scenario Analysis in Financial Models
- Use Sensitivity Analysis in Financial Models
- Compare These Approaches
- Incorporate Sensitivity Analysis and Scenario Analysis in Financial Models

Module 4 – Lease v Buy Analysis Models

- Learn the Fundamental Concepts of Leasing
- Identify the Different Types of Leasing
- Learn How to Analyze Leasing an Asset vs. Purchasing the Asset
- Use Financial Models to Make Lease vs. Buy Decisions

Day Three

Financial Ratio Analysis Models

Module 5 – Financial Ratio Analysis Models

- Identify Major Financial Ratios
- Use Financial Ratios to Measure a Firm’s Financial Performance
- Use “Peer Group” Analysis to Measure a Firm’s Financial Performance

- Use Financial Ratios Models to Analyze a Firm's Performance

Module 6 – Models for Valuation of Stock and Bonds

- Learn How to Apply Dividend Discount Techniques
- Calculate the "Intrinsic" Value of a Firm's Common Stock
- Rationalize the Difference between Intrinsic Value vs. Market Value for a Firm's Common Stock
- Learn How to Apply Bond Valuation Techniques
- Calculate the Price and Yield to Maturity (YTM) of a Bond
- Construct a Model to Evaluate Potential Bond Investments

Day Four

Comprehensive Models and Tools

Module 7 – Comprehensive Models and Tools

- Using Tools like Solver & Goal Seeker
- Developing a Financial Optimization Model
- Identify the Types of Financial Activities That Can Be Connected in a Model
- Build the Pieces of a "Connected" Model
- Link the Pieces to Form a Multiple-Part Model

Module 8 – Putting It all Together

- Understand How Models Are Created and Used
- Deal with Problems in the Development and Use of Financial Models
- Use Financial Models Effectively

Day Five

Case Studies

Case study – Should we maintain existing equipment or replace it with new? The choice is driven by increased revenues, reduced costs, or improved profits. This case demonstrates how to build a model to clearly make the best decision.

Case study – When is it better to lease assets and when is it better to buy them? This case demonstrates how to build a model to calculate the answer that delivers the lower cost between the two.

Case study – This demonstrates how to calculate the value of stock with the ability to dynamically change inputs to view the resulting outputs.

Case study – You are looking to source a supplier to provide you with a piece of machinery together with ongoing service and support. You receive three quotes, all with different prices and variable ongoing costs. Taking costs **and** time into consideration which one will you choose?