Financial Modelling in Excel

This course is designed for business professionals who need to explore the practical usage of advanced excel functions in a financial model. By creating your own user-friendly financial model, you will learn to translate business concepts into a structured format to identify weaknesses and predict future performance.

Learning Objectives

During the course, participants will create their own financial model to take away and use for future reference. You will learn how to design and create a user-friendly model which can then be used by anyone with limited knowledge of Excel.

You will learn how to:
1. Build a financial model from scratch, or modify and improve an inherited model
2. Select the most appropriate formula to achieve the desired outcome
3. Identify common errors in modelling & mitigate errors by building in error checks
4. Prevent incorrect use of your model by protecting worksheets
5. Validate data entry by setting data entry parameters
6. Develop manual scenario selection
7. Mitigate liability by providing assumptions
8. Gain an in-depth understanding of how to build a business case
9. Communicate the results of your model clearly and concisely

This course builds on students' existing knowledge of Excel tools and functions and incorporates these into a financial model.

Delivery Format

This course is available as a one-day public workshop in Sydney, Melbourne or Brisbane, in-house, or online. Covering the same content as the one-day public workshop, the online version can be taken at your own pace within the 12 week access period. Watch each instructional video, complete the quiz questions, and submit the model you have created in order to receive your certificate of course completion.

At each step during the course, participants build and practice each formula, tool and technique.

Look for workshop dates or sign up for an online course and start straight away.

This course is Part Two of the three-part Financial Modelling Series:

1. **Introduction to Financial Modelling in Excel**
2. **Financial Modelling in Excel**
3. **Advanced Financial Modelling in Excel**

Sign up for the face-to-face workshop and receive a revised edition of **'Using Excel for Business Analysis'** by Danielle Stein Fairhurst.
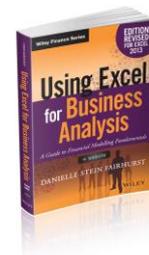
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Course Agenda

About Financial Modelling

- **What is Financial Modelling?**
  Definition of a financial model. Can all spreadsheets be called financial models?
- **Model Design**
  Designing and planning the layout of your model.
  Considering factors such as the purpose and audience of the model.
- **Skills needed for Financial Modelling**
  The technical, design, business and industry knowledge required for financial modelling
- **Best Practice in Financial Modelling**
  Overview of the six points of financial modelling best practice

Excel Tools

- **Excel Versions**
  Upgrading to Excel 2016 and technical differences between versions. Considerations when building a model for users of different versions.
- **Conditional Formatting**
  Creating an automatic variance alert. Using icon sets, colour scales and data bars to add visual interest to model outputs.
- **Hiding and Grouping**
  Keep your model tidy and easy to follow by hide unnecessary information or unused parts of the model whilst still following best practice guidelines
- **Tips to Reduce File Size**
  Ways to speed up calculations when the model file size gets out of hand
- **Dos and Don'ts for Linking Between Files**
  Ways to improve model integrity and reduce errors between linked files

Financial Modelling Techniques

- **What Makes a Good Model?**
  Attributes of a good model such as user-friendly and structural features
- **Strategies for Reducing Errors**
  Techniques to employ during the model building process to reduce the potential for formula or logic error
- **Building Error Checks**
  Creating in-built, self-balancing error checks and error alerts
- **Error Prevention**
  Identifying and correcting common errors. Avoiding error displays in formulas
- **Bullet-Proofing your Model**

Now updated for Excel 2016!

Meet your facilitator, Danielle Stein Fairhurst, financial modelling specialist and author of **'Using Excel for Business Analysis'**

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Using worksheet protection to prevent entry, and restricting data entries using data validations. Prevent misuse of your model by restricting incorrect inputs.

- **What-if Analysis with Goal Seek**
  Back-solve from a desired formula output to determine a model input using the goal seek Excel tool
- **Overview of Scenario Analysis Methods**
  Technical methods of creating scenario and sensitivity analysis in Excel

Essential Formulas

- **Cell Referencing & Named Ranges**
  Applying absolute and relative cell referencing and understanding its importance in Financial Modelling. Using named ranges for assumptions reference.
- **Logical Nested Functions**
  Using IF, OR and AND functions, and nesting these together to create simple but intelligent formulas for use within financial models
- **Aggregation Functions**
  Applying the COUNTIF and SUMIF functions to reports and data summaries
- **Using a VLOOKUP Function**
  Correctly building this much-loved and often over-used Excel function
- **Tiering Tables**
  Practical application of one of the more complex and widely used calculations in financial modelling, such as tax calculations and volume break discounting
- **Using the FORECAST / TREND Function**
  Hypothetically forecasting future data based on historical trends using simple regression analysis in Excel
- **Formula Selection**
  Which formula or tool is most appropriate in which modelling situation?

Building a Business Case

Case Study: Build an individual business case using a range of financial functions and tools utilising best practice financial modelling techniques

- **Calculating Staff costs**
  Modelling with consistent, nested formulas to calculate costs for employees with variable start and end dates, including compounding inflation
- **Forecasting customer numbers**
  Calculating customer acquisition numbers from the potential pool of customers with documented assumptions. Mitigate liability by including appropriate caveats and key assumptions.

Got a few participants? Run this course in-house!

- **Modelling market penetration in a business case**
  Using assumed takeup rates to model market penetration
- **Forecasting Product Profitability**
  Assess business case feasibility cashflow forecast
- **Project Evaluation**
  Evaluate project feasibility with IRR (Internal Rate of Return), NPV (Net Present Value) and the payback period

Analysing & Presenting your Model

Practical: Create a best, base and worst case scenario on your model. Select from the drop-down box and watch the results change

- **Scenarios and Sensitivity Analysis**
  Manual sensitivity analysis, creating drop-down switches for scenario selection. Adjusting inputs variables to impact outcomes.
- **Model Documentation**
  Summarising key assumptions, documentation and source referencing, Writing operation instructions
- **Presentation of Model Output**
  Summarising results and display of findings. Communicate the results of your model clearly and concisely whilst getting the key message across to the audience. Summarising model data into a presentation

Prerequisites

The course material includes extensive use of Excel and participants will gain the maximum benefit from this course if they are already competent spreadsheet users. It is designed for users who do use Excel on a regular basis, and are comfortable with using its basic tools and functions.

At minimum, it is assumed that participants will know how to:
- Navigate confidently in Excel
- Use absolute cell references (e.g. =A1)
- Create and use simple formulas
- Link between workbooks

Software used

Public courses are run in a computer laboratory with workstations provided. Participants may bring their own laptops if they prefer.   The course is demonstrated using Microsoft Excel 2016, but participants can use any version of Excel if they prefer. Course materials contain instructions for different versions, and Excel 2011 for Mac users are also catered for. Those who would like to use a Mac are most welcome to bring their own laptops.

Public courses running in Sydney, Melbourne and Brisbane

See the schedule for course dates.

Take this course online and start today

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Comments from past students

- *"Excellent program! The presenter's knowledge was most impressive."*
- *"The content is delivered in the most simple, informative and effective way. I gained a lot by attending this course. I highly recommend it to others. Building a financial model is no longer a nightmare for me!"*
- *"I liked being provided with materials to take away - the book is an excellent resource to refer to when outside of the course and the model templates will be helpful in my role."*
- *"Specific needs were covered and the presenter was considerate to make allowances for students at different skill levels. The course was presented to a high standard, with very good examples used to explain concepts. I liked how we had a master model and then broke out into simpler examples to make sure we were not overwhelmed. Outstanding course!"*
- *"The financial modelling course was fantastic; professionally presented, the material was excellent, and the presenter was knowledgeable and very approachable too! Environment was comfortable and refreshments excellent. I can't imagine how the course could be improved and the presenter could have topped the performance."*
- *"Very good, the presenter was absolutely a subject matter expert. Great to have exposure to this type of training. Although the subject matter is on excel and numbers, the presenter kept it very engaging and interesting. Good personal approach."*

Build your own Business Case to forecast profitability and model scenarios in this intensive one-day workshop for only $900 + GST.

Payments can be made by credit card, cheque or bank deposit and for workshops must be received two weeks prior to the training course. Cancellations or transfers can only be accepted prior to this date. If you are unable to attend a course, a substitute attendee is welcome in your place at any time.

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