

BUILDING A FINANCIAL MODEL IN EXCEL

COURSE OVERVIEW

This course on Building a Financial Model in Excel is designed to equip participants with the essential skills and techniques required to develop robust financial models. The course will cover fundamental concepts, practical tips, and best practices for creating dynamic and reliable financial models using Excel. Participants will learn to structure and design financial models, input assumptions, project financial statements, conduct sensitivity analysis, and present their models effectively. Through hands-on exercises and real-world examples, attendees will gain the confidence to apply these skills in their professional roles.

TARGET COMPETENCIES

- Excel Proficiency
- Financial Statements
- Assumption Input
- Model Structuring
- Sensitivity Analysis
- Scenario Planning
- Presentation Skills

COURSE OBJECTIVES

By completely attending this course, participants will be able to:

- Navigate and utilize advanced Excel functions for financial modeling.
- Structure and design a comprehensive financial model.
- Input and manage key assumptions and drivers.
- Project financial statements accurately.
- Conduct sensitivity analysis to assess risks.
- Implement scenario planning for different financial outcomes.
- Create dynamic charts and graphs for model presentation.
- Ensure model accuracy and reliability through best practices.

TARGET AUDIENCE

- Financial Analysts
- Accountants
- Investment Bankers
- Corporate Finance Professionals
- Business Analysts
- Financial Consultants

NOTE

This course requires the use of laptops with Excel 2019/365. Delegates must bring their own laptops with Windows-based Excel fully installed.

COURSE METHODOLOGY

This course uses a combination of interactive lectures, practical exercises, group discussions, and real-world case studies. Participants will engage in hands-on activities to enhance learning, including building financial models from scratch, facilitating the application of theoretical concepts to real-life scenarios.

COURSE OUTLINE

INTRODUCTION TO FINANCIAL MODELING

- Definition and Importance of Financial Models
- Key Principles of Financial Modeling
- Overview of Excel Tools and Functions
- Common Financial Modeling Pitfalls

EXCEL PROFICIENCY FOR FINANCIAL MODELING

- Advanced Excel Functions (IF, VLOOKUP, INDEX, MATCH)
- Data Validation and Conditional Formatting
- Using Pivot Tables and Pivot Charts
- Excel Shortcuts and Productivity Tips

STRUCTURING AND DESIGNING FINANCIAL MODELS

- Best Practices for Model Design
- Creating a Model Template
- Linking Sheets and Building Formulas
- Input Assumptions and Key Drivers

PROJECTING FINANCIAL STATEMENTS

- Income Statement Projections
 - Revenue and Cost Forecasting
 - EBITDA and Net Income Calculation
- Balance Sheet Projections
 - Assets, Liabilities, and Equity Forecasting
- Cash Flow Statement Projections
 - Operating, Investing, and Financing Activities

SENSITIVITY ANALYSIS AND SCENARIO PLANNING

- Understanding Sensitivity Analysis
- Conducting What-If Analysis
- Building Scenarios (Base, Best, Worst Case)
- Scenario Analysis Tools in Excel

PRESENTING FINANCIAL MODELS

- Creating Dynamic Charts and Graphs
- Designing Professional Reports
- Presenting Findings to Stakeholders
- Effective Communication of Financial Insights

ENSURING MODEL ACCURACY AND RELIABILITY

- Common Modeling Errors and How to Avoid Them
- Model Auditing Techniques
- Implementing Checks and Controls
- Continuous Improvement of Financial Models