

Building a Financial Model

For a Financial Services Project

Summary

Many professionals build models to assess the impact and feasibility of undertaking new projects. This course focuses on the skills required to design and create an interactive financial model to help decide whether a financial services company should expand its business by developing a new product.

The course material includes model design, logic, construction, financial concepts and accounting treatment.

Various intermediate Excel tools along with helpful keyboard shortcuts will also be covered throughout the day.



Prerequisites

Participants should have a basic working knowledge of Excel and the banking sector prior to taking this course.



Timing

This course requires 8 hours.

Learning Topics

1. Design and Structure a Financial Model

- ✓ Design a clear and logical financial model
- ✓ Discuss the need for a model to serve as a marketing tool
- ✓ Create clearly defined inputs and assumptions sections
- ✓ Connect strings of data to create assumptions and footnotes

2. Build Scenarios and Financial Forecasts

- ✓ Use switches to create effective scenarios and value drivers
- ✓ Forecast the project's revenues and expenses
- ✓ Develop a cash flow projection for the project
- ✓ Incorporate widely used financial and arithmetic functions
- ✓ Use logical functions to create complex formulas

3. Evaluate the Project

- ✓ Discuss various methodologies for evaluating a project
- ✓ Incorporate a schedule to evaluate project returns
- ✓ Build a strong summary page to display the results
- ✓ Use sensitivity tools to sensitize project returns
- ✓ Conditionally format output tables to highlight specified results
- ✓ Set up print ranges to optimize the appearance of printed output