

# Sum Product

## Finance and Modelling Training Course Guide



Financial modelling is a key component in all major business decisions.

Just one modelling error has the potential to destroy significant business value and lead to incorrect actions being undertaken.

Therefore, it is important that key decisions are based on a model that is:

- Consistent
- Robust
- Flexible
- Transparent

SumProduct can cater for all of your modelling needs, including consulting, training, model development and review.



## SUMPRODUCT TRAINING: OUR CURRENT COURSES

We believe that the best training courses focus on practical issues faced by business professionals on a day-to-day basis. Such courses are most effectively delivered by experienced professionals who can share their broad and deep knowledge, gathered from across many industries and sectors. We deliver such courses, in-house and / or tailored.

### *Change your way of thinking*

Our proven tools and techniques will introduce you to new ways of thinking.  
You will:

- Explore simple concepts and ideas to help you examine issues, from the outside-in
- Learn to differentiate between the strategic, the tactical, the operational, the planning and the minutiae (“STOP the detail”)
- Be introduced to established “bulldozer” techniques, which circumvent procrastination
- Examine quantitative versus qualitative: learn where detail matters and where it does not
- Receive highly personalised coaching from our experienced trainers
- Be introduced to the four stage thinking process
- Workshop your own problems.



### *Change your way of working*

Work smarter, not harder. Take a tool or two from our toolbox of tricks to help you work more efficiently and effectively:

- Enhance your analytical skills through our rigorous introduction to the world of corporate, economic and financial analysis, using hands-on, practical exercises
- Learn from the professionals: we provide quantitative techniques designed to help you frame the issues, first time every time
- Let our analysts guide you through the leading developments in transaction and business modelling
- Understand the benefits of our best practice concepts.



### ***Hands-on training***

All of our courses are presented from a practical first-hand perspective, using the most experienced trainers in the business. Rather than delivering formal lectures, we have developed discursive workshops and provide many practical examples to work through.

Our current standard courses are summarised below:

Course	Duration
Creative Thinking	1 day
Financial Modelling 101	2 or 3 days
Introduction to Forecasting	1 day
Valuations Modelling	1 day
Mergers & Acquisitions Modelling	2 to 4 days
Model Reviews	1 day
Cashflow Modelling	1 day
Taxation	1 day
Excel Tips & Tricks	1 day
Power of PowerPivot	2 days

We also offer a range of other tailored courses for in-house or one-on-one training. Contact us for more information regarding bookings, content and / or pricing.

## CREATIVE THINKING

Duration  
**1 day**

### Decision-making under pressure

In these tumultuous times, never has there been greater pressure on business owners, senior managers, CEOs and other directors to get their decisions right. Is it any wonder so many businesses struggle in the current environment?

But stand back for a moment: are you optimising your chances for success? How often do we ask the wrong questions, make decisions based on data rather than information and lead with our hearts rather than our heads?

This course provides key decision-makers with new ideas, challenges to conventional wisdom and established decision making processes that have delivered to companies greater efficiencies, larger market share and increased profits.



And we should know. We were the ones that helped them.

### Workshop examples

This session is not a one-day lecture; it is a workshop where every attendee is invited to participate in a supportive environment. This fully interactive seminar is structured to highlight key messages through the use of a range of relevant examples. The day culminates with a case study designed to demonstrate how to tackle business critical issues in a disciplined, yet flexible, manner.

#### Key benefits

- Gain new approaches and perspectives on structured thinking
- Understand how you think and what your key drivers are
- Identify common mistakes in thinking and how to avoid them.

#### Who should attend

Key executives seeking to enhance their decision-making prowess; other staff, researchers and analysts seeking fresh perspectives to assist their career progression.

#### Programme outline

- Understanding faulty logic and the factors that cause it
- What is lateral thinking?
- From conception to perception; obtaining a clear view of reality
- Focused question techniques
- Turning data into information
- Why didn't I get that / realise that / check that / sense that / anticipate that..?
- Cutting to the chase: the pros and cons of hypothesis testing
- Introduction to strategic options analysis and assessing key drivers of a decision
- The four stage thinking process
- Say it with charts.

# FINANCIAL MODELLING 101

**Duration**  
**2 or 3 days**  
Depending upon  
agreed content

## Understand the key outputs

Love them or loathe them, it is mission critical that everyone involved in the business decision-making process should understand the purpose of the three primary financial statements: namely, the Income Statement, Balance Sheet and Cash Flow Statement. It is only by understanding the underlying concepts that you can avoid the common traps that frequently bedevil the unwary.

## Simple, straightforward approach

Ever burnt the midnight oil trying to get a Balance Sheet to balance? Unable to reconcile different approaches used to calculate operational Cash Flow Statements? This course is focused on building models efficiently and effectively. Our simple process has been adopted by many seasoned professionals without resorting to balancing figures, circulars and macros.

Find out why our most common feedback is, "I wish someone had shown me this when I first started modelling".



## Interactive case study

Starting with a blank Excel canvas, this two-day course develops a small, straightforward model which enables our method to be demonstrated readily and practised comprehensively. By the end of the course, users will have built a full set of financial statements and will be able to repeat this process and apply it to their own model developments.

### Key benefits

- Understand the difference between the three primary financial statements
- Develop a straightforward approach that can be used for all your financial modelling projects
- Get the Balance Sheet to balance in seconds
- Avoid common mistakes and pitfalls.

### Who should attend

Anyone involved in the key decision-making of a business who wishes to understand the mechanics of financial modelling, from CEO to graduate, chartered accountant to entrepreneur.

### Programme outline

- Conceptual discussions: Income Statement, Balance Sheet and Cashflow Statement
- Setting up a model
- Formats versus styles
- Using checks intelligently
- The importance of the chart of accounts
- Modelling 101: let control accounts control you
- Deriving the appropriate methodology and sequential process using a case study
- Efficient management of opening Balance Sheet issues

# INTRODUCTION TO FORECASTING

Duration  
**1 day**

## Insight + Hindsight = Foresight

How often have you looked back with the benefit of hindsight and wished you knew then what you know now? Aimed at all finance professionals involved in the budgeting and forecasting process, this session discusses how you can reduce the risks in your forward-looking decision-making by utilising our kit bag of qualitative and quantitative tips, tools and techniques.



## Hands-on modelling

This practical session provides an introduction to the analysis that can be built into forecasting and budgeting developed in spreadsheets. Using simple statistical tools and an overview of some of Excel's little-known functions and functionalities, this seminar will provide attendees with a pragmatic approach to enhance the efficiency and effectiveness of their forecasting.

## Excel based examples

This course will show participants how to improve forecasting techniques, using sanitised real-world examples, to turn historical data into future management information.

### Key benefits

This session will:

- Provide a practical understanding of Excel's data forecasting and charting functions
- Quantify the risks and rewards of estimating future assumptions and outputs
- Explore different forecasting and trending methods
- Equip attendees with several ways to confirm and optimise key outputs.

### Programme outline

- Create formula based data forecasts
- Regression analysis
- Bias and error estimation
- Scenario modelling
- Creating a waterfall chart
- Creating a tornado (sensitivity) chart
- Calculating and graphing moving averages
- Defining and solving problems: e.g. Goal Seek versus Solver.

## Who should attend

This session would suit experienced Excel users, financial analysts, management accountants and other professionals who have vested interests in forecasting trends at the strategic, tactical, operational and planning levels.



# VALUATION MODELLING

**Duration**  
**1 day**

## Importance of valuation

Valuation analysis has never been as important as it is right now. In a business world full of tax consolidations, Public Private Partnerships and trade sales few analysts can construct robust valuations.

This course aims to plug the holes and provide real-life examples for various enterprise, equity and project valuations.

## Theory

While all of our courses focus on the practical applications, an understanding of theory is particularly pertinent to this course. This workshop will highlight and examine the theoretical issues that surface regularly in the realm of corporate finance and will challenge some of the inappropriate practices currently being adopted in the real world.



## Key benefits

This course will provide you with the following tangible insights:

- How to calculate free cash flows from existing information
- An appreciation of the differences between enterprise value, equity value and project investment appraisal
- An understanding of the issues associated with developing equity valuations.
- How to check your valuations using different analytical techniques

## Who should attend

This course is essential for those seeking to broaden and enhance their approach to valuation, and ultimately construct robust valuations by applying different techniques.

## Programme outline

- The concept of a Discounted Cash Flow
- The difference between risk and uncertainty
- How to calculate Free Cash Flows
- Determining the cost of equity: betas and the Capital Asset Pricing Model (CAPM)
- Determining the cost of debt and its hidden impact on Free Cash Flow to the Firm
- Calculating the Weighted Average Cost of Capital (WACC)
- The role of tax in valuations
- The importance of stakeholder analysis in a valuation
- Real versus nominal considerations
- Application of sensitivity and simulation analyses in a valuation context
- Other valuation techniques: earnings multiples, Fair Value of Identifiable Net Assets (FVINA), Dividend Discounted Modelling and Real Options Analysis
- Other metrics: differing internal rates of return (IRR, XIRR and MIRR), Economic Value Added (EVA) (© Stern Stewart), Strategic Value Add (SVA), Market Value Added (MVA) and the link to Net Present Value (NPV).



# MERGERS AND ACQUISITIONS (M&A) MODELLING

**Duration**  
**2 to 4 days**  
Depending upon  
agreed content

## Modelling professionally

This course builds on the skills acquired in our Financial Modelling 101 course and applies these to the more technical aspects of financial modelling, which are utilised within the realm of mergers and acquisitions. This course considers the various practical implications associated with investing and divesting in companies for commercial gain or to enhance efficiencies.

## M&A analysis in full

In this hands-on training course, the case study walks participants through every step of the process, starting with valuing potential targets, understanding fair value adjustments and goodwill computations; and culminating in group financial statement construction, focusing on earnings accretion, dilution and other key ratios.

### Key benefits

This course will provide you with the following tangible insights:

- Build and analyse the key metrics in M&A analysis, based on cashflows and accounting
- Calculate aggregation models using acquisition and equity accounting
- Understand the role of taxation in an M&A transaction
- Develop flexible and powerful funding, returns and scenario analysis, which can be used in future models.

### Programme outline

- The importance of M&A modelling
- Understanding the factors that govern the model structure and accounting treatment adopted
- Opening Balance Sheet adjustments
- Calculating goodwill
- Forecasting synergies and cost savings
- Managing working capital
- Standardising accounting policies
- Modelling debt: risk, return and ranking
- Group tax considerations
- Sources, uses and returns analysis (calculated and required)
- Rudimentary valuation techniques: computing exit multiples for Private Equity scenarios and the role of Internal Rates of Return (IRRs)
- The power of accounting ratios.



## Who should attend

Aimed at both new and experienced professionals in the M&A arena, this course provides attendees with the modelling tools required to make more informed corporate finance decisions, investments and divestments.

# MODEL REVIEWS

Duration  
**1 day**

## Risk reduction

Forecasting accurately, building models more effectively and understanding technical areas of accounting, valuations and tax no longer seem to be sufficient. No matter how experienced or careful you are, various studies (*"What We Know About Spreadsheet Errors"*, Dr. R.R. Panko, 1998) have shown that 5% of your model will be wrong. This course considers the core skills required for reviewing and verifying financial models.



## Overview

This programme provides participants with core skills required for reviewing and verifying financial models constructed by either the reviewer ("self-review") or third party modellers ("audit"). The program focuses on finance professionals and other client advisors, who either work or will be working with financial models on a regular basis.

### Key benefits

- Gain insight into the key concepts of a model review, verification or audit
- Use specialist software when you can – and learn the tricks to employ when you cannot
- Understand how to increase the integrity of your models when spreadsheet software is not available
- Practice the different types of model review.

### Programme outline

- Better practice versus best practice modelling
- Four key qualities to look for
- Review versus audit
- Introduction to various spreadsheet software
- Planning a review / audit
- The specific risks of a self-review
- Considering existing proactive and reactive checks in a model
- Line by line reviews
- Analytical reviews
- Limited scope reviews
- Key driver reviews
- Review or rebuild – when should you do which?
- Cracking circular references
- Removing phantom links
- Suggested documentation processes
- Discussion of sample documentation.

## Who should attend

This course is aimed at auditing and finance professionals, as well as anyone else who wishes to understand the quantitative impact of errors in model, and importantly those that wish to learn the simple steps that may be taken to address and minimise these errors. While this course focuses on the role of the reviewer, senior managers and executive decision-makers would also benefit from an understanding of the key questions they can ask to protect their company from making poor decisions, based on modelling errors.

# CASHFLOW MODELLING

**Duration**  
**1 day**

## Relevant to all

In the current climate, no business can afford to take its eye off cash flow forecasting. Turbulent stock markets, varying exchange rates and the lasting effects of the Global Financial Crisis are just some of the factors affecting the cash position of today's organisations, profit making or otherwise.

## Greater granularity

With profits on the rise for some and overstretched cash positions affecting others, more and more companies are modelling their cash flows on a weekly basis, enabling more accurate forecasting and more effective management of their working capital and debt structuring.

However, shortened periodicities have a hidden impact on modelling logic. Modelling assumptions for debtors, creditors, inventory, GST and corporate taxation, that seem perfectly reasonable for longer time frames, may be inappropriate or downright wrong when constructed on a weekly basis.



This course provides a valuable eye opener to all those seeking to build weekly cashflow forecasting models.

### Key benefits

- Learn how to construct working capital forecasts for weekly analysis
- Incorporate Goods & Services Tax (GST) into financial statements
- Understand the impact of different approaches to inventory management.

### Programme outline

- The differences between weekly and monthly modelling
- Setting up timing flags intelligently
- The problems with modelling debtors and creditors
- Bad debt considerations
- Inventory management modelling
- Modelling GST in a financial model; and why it is usually ignored
- Debt covenant analysis
- How corporation taxation changes for shortened period modelling
- Issues associated with quarterly and financial year reporting
- "What-if?" analysis
- Actual versus budget reporting.

## Who should attend

This course is aimed at finance professionals charged with cashflow forecasting for shortened periodicities, typically weekly. Corporate recovery and management accountants may find this course particularly useful.

# TAXATION

Duration  
**1 day**

## Accounting versus taxation

Tax transcends accounting assumptions as many of the calculations involve objective computations, as prescribed by tax authorities. This course explains why more focus has been placed on modelling tax over the years, and how it should best be modelled.

## Understanding the different aspects of tax

In the past, tax was often modelled as  $x\% \times \text{Net Profit Before Tax}$ . But this approach is no longer appropriate. This course explains both the more elementary notions of permanent differences, timing differences, tax losses and deferred tax; but then goes on to consider the extended concepts of tax groups, thin capitalisation, base cost setting; and the impact of setting up a foreign branch rather than a foreign subsidiary.

### Key benefits

- Become more confident in using Excel
- Learn keyboard and mouse shortcuts designed to get you working smarter in Excel
- Use the key functions and functionalities that professional modellers utilise on a daily basis.

### Programme outline

- Keyboard shortcuts
- Absolute and relative references
- Key functions
- Using range names
- The difference between formats and styles
- Other types of formatting
- Data validation versus controls
- PivotTables
- Using charts
- Creating hyperlinks
- Care with saving files.

## Who should attend

All finance professionals who need to understand the tax consequences of the strategic decisions made by businesses. Aimed at analysts, tax professionals and management accountants, this course may also be pertinent for financial controllers and chief financial officers.





## EXCEL TIPS AND TRICKS

Duration  
**1 day**

### Intermediate introduction to Excel

Are you concerned that you may not be using Excel as efficiently and effectively as you could be? Are you only using five or six functions for all of your modelling needs? Do you take far too long to build a calculation? Are you frustrated with the new look interfaces for Excel 2007, 2010 and beyond? These are just some of the questions attendees of this popular course have raised over the years. If you want to optimise your use of Excel, then this course is for you.

### Enhancing your skills

Our highly experienced presenters will facilitate this interactive, proactive session, which explores the key Excel skills finance professionals require on a day to day basis. These include:

- Time-saving tips and tricks
- Keyboard shortcuts
- Key mistakes to avoid
- A discussion of the best practice principles of spreadsheeting.

Bring your laptop, pen, paper...and your questions.



### Key benefits

- Become more confident in using Excel
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### Programme outline

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- PivotTables
- Using charts
- Creating hyperlinks
- Care with saving files.

### Who should attend

All finance professionals seeking to improve their Excel skills, syntax and vocabulary.

# POWER OF POWERPIVOT

Duration  
**2 days**

## Timely Business Intelligence at your fingertips

What are the three key buttons in your Management Information System? You're in the majority if they're "OK", "Cancel" and "Export to Excel". Given there's no point enhancing your forecasting tools and techniques if your current business performance cannot be assessed in a timely and accurate manner, why not utilise Excel fully therefore to assist your analysis?

Developed for Excel 2010 and enhanced for 2013, PowerPivot is a data analysis tool that delivers unmatched computational power. This course illustrates how you can generate rich and interactive PowerPivot analysis tools that look like they have spent weeks in development. In short: this is deeper business insight in a fraction of the time using familiar Excel tools.



## Key learning through a practical case study

This two-day course assumes little pre-existing knowledge, developing a sophisticated case study exploiting many of PowerPivot's powerful tools and functionalities from a standing start. Using hands-on examples throughout, you will learn how to convert mountains of data into key business information economically.

Key management reporting, variance analysis and KPIs can be delivered faster than you

### Key benefits

- Understand how PowerPivot builds on the functionality of Excel's native tools, such as PivotTables, slicers and key analytical functions
- Be able to import data from a variety of electronic sources and relate them quickly to deliver key information in minutes not weeks
- Derive best practice database design, realising the power of the Data Model by using LOOKUP lists and efficient database design
- Learn how to write powerful formulae in PowerPivot's Data Analysis Expressions (DAX) language.

### Programme outline

- Recap on current Excel techniques: SUMIF, SUMIFS, SUMPRODUCT, Tables and PivotTables
- Summarising the three versions of PowerPivot
- Loading, linking and updating data
- Constructing efficient databases and designs for PowerPivot analysis
- Creating calculated columns
- Revisiting the Excel pivot formula engine
- Building measures (Excel 2010) / calculated fields (Excel 2013 onwards) using DAX
- Key DAX functions: e.g. ALL, BLANK, CALCULATE, FILTER, HASONEVALUE and IF
- Key DAX operators: "or" and "and"
- Utilising disconnected Tables for sophisticated analysis
- Why Date Tables are so important: introducing Time Intelligence functions
- Introducing the 'X-men': the 'X' family of functions
- Understanding the dangers of cross-filters
- Creating simple Key Performance Indicators (KPIs)

## Who should attend

Excel users who believe PivotTables are insufficient, business analysts seeking rapid career progression, key executives wanting to enhance and shorten their business decision cycles.

**N.B.** This course requires attendees to bring laptops with PowerPivot installed. At the time of press, only Excel 2010 (all versions) and Excel 2013 Professional Plus can utilise PowerPivot.

## KEY TRAINING CONTACTS

If you have any queries on SumProduct training, including bookings content and pricing, in the first instance please contact:



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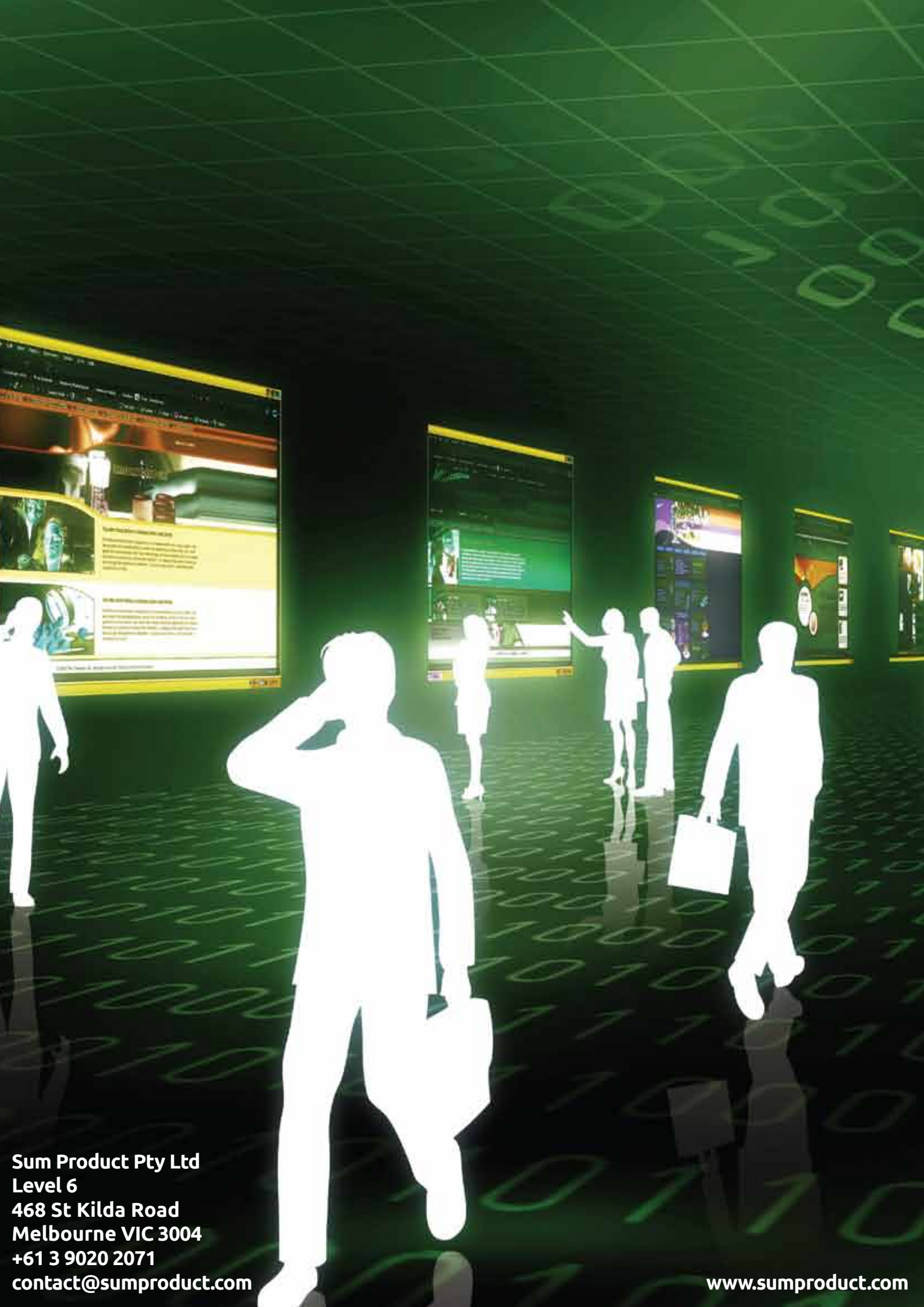
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