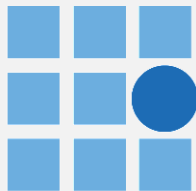


Financial Forecasting Tool for a Silicon Valley Startup



PerceptiveAnalytics

Data Analytics | Spreadsheet Modeling
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Financial Forecasting Model for a Silicon Valley Start-up

Benefits

The financial model saved crucial management time by delivering timely insights quickly and with greater reliability. It performed what-if analysis of the results by testing various scenarios under different business assumptions.

Services

Financial Modelling

Modelling Aspects

Budgeting and Accounting

Executive Summary

The client is a start-up toy manufacturing company based in Silicon Valley. It combines artificial intelligence with consumer robotics creating a sophisticated product. As a new entrant, the company faced control issues in its operations.

The client was in need of a financial model which would track the entire business from placing an order to realizing cash from the sale of its products. Perceptive Analytics developed a model that provided insights into critical aspects of business like cash flow management, inventory management, return on investment etc.

Business Challenge

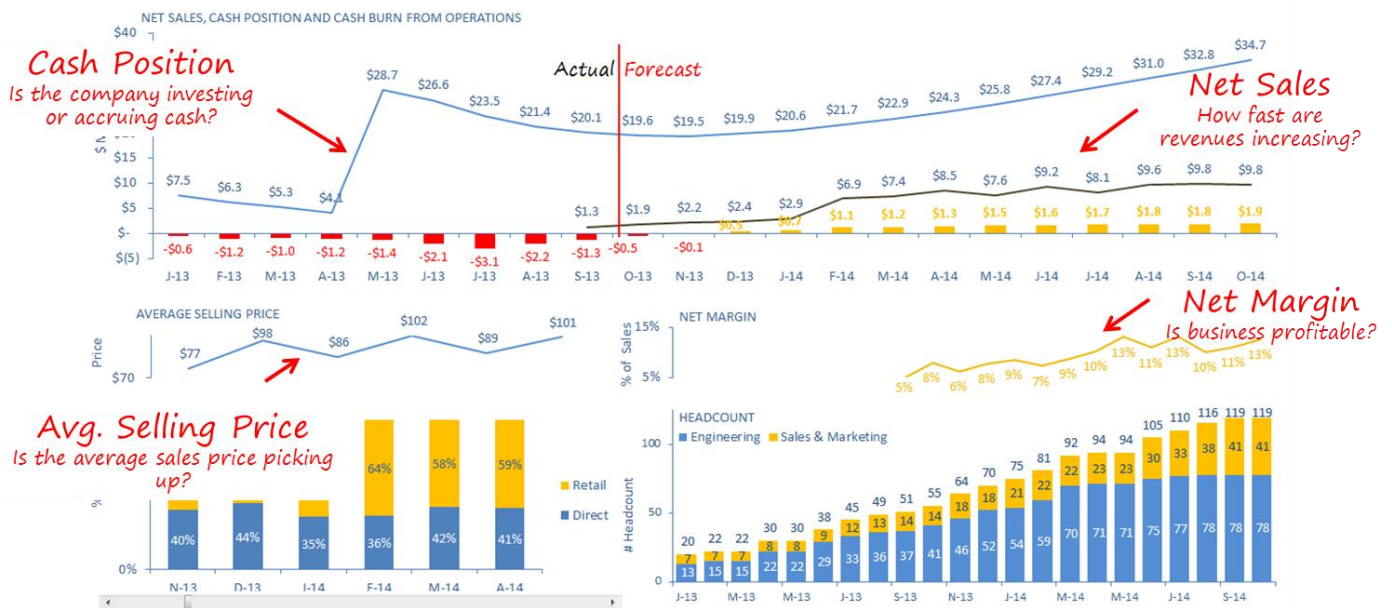
The client was in the first year of its operations and wanted to predict the cash flow requirements taking into consideration the agreements with its business partners. The client needed a financial model that would integrate the working of its departments along with the business partners. The company had service level agreements with its partners in China and Canada which had to be complied with when building the model.

Our Solution

Perceptive Analytics studied SLAs and discussed with the client the key factors to be modelled. Some of the key factors include delivery schedules, payment terms, pricing aspects, point of ownership transfer, use of multiple distribution channels for sales and product return policies for each of the channels.

The model allowed the client to alter inputs relating to SLAs and distribution channels to view the impact on revenues and cash flows. The model contained, in a separate section, the inventory movement, costs, sales and returns from different channels. Necessary checks were built to prevent the model from malfunctioning.

Perceptive Analytics used the unique feature of master-slave relationship structure to allow inputs from multiple departments. It provided the user with a Dashboard presenting key metrics like gross margin by channel, budgeted vs. actual cash position, headcount growth etc. The client was able to generate the financials from the model both for budgeted and actual data.



Impact

The tool enabled the client to assess the performance in various scenarios. This aided the management in taking strategic decisions quickly and with greater reliability. This saved crucial management time as the entire business process could be viewed under one roof. The management was able to perform what if analysis for different scenarios by easily altering the inputs.

Perceptive Analytics

Perceptive Analytics is a Data Analytics company, offering specialized services in Marketing Analytics, Data Visualization, Financial Modeling, Spreadsheet Modeling and Application Solutions. We serve large and medium sized companies in the US, India, Australia, Europe and Middle East.

We provide financial modeling, statistical modeling, simulation, dashboard design, cash flow analysis, data analysis, spreadsheet applications and other services.

To know more, you can reach us at cs@perceptive-analytics.com.



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