

Report on Different Approaches to Financial Modelling - Part 1

Mr. Ankit started the session by asking if the participant had any doubts. He shared one of his experiences with a startup, where the person raised a good amount of funds for their work. He said that they were looking for more funds to expand. He shared that the investors were not showing interest and by the time they were able to get interested the pandemic broke out. So they shifted their focus on domestic treatment tourism. Domestic tourism took a hit and many roadblocks were in their way due to covid. Post this the tech platform that they had built for their personal use, people showed interest in the platform. Mr. Ankit stated that he shared this experience to let the participants know that many roadblocks will come their way, yet they need to survive.

Mr. Ankit said that having a business plan is a must, although things might not work your way, you might get disturbance, roadblocks, etc; yet working on your plan will be in your hands. He then asked the participants to share what is a top-down approach and a bottom-to-top approach. The participants shared their opinions. Mr. Ankit said that if one wants to start preparing for their financial model then he will help them with a case study and then they will be having an open discussion about the same. He also said that they can also select one of their ideas and prepare a financial model together. The participant decided to use an educational online course as an example. So they built a case study and then analyzed the case study and its price. To make the plan Mr. Ankit shared some pointers that will help the participants make their financial revenue plan. The pointers were deciding the price of the product, Marketing expenses, Website up-gradation, registration charges. He shared each pointer and explained it all regarding the case study. He then spoke about Tracking metrics (Usage, Experience, DAU & WAU). Mr. Ankit then went into a detailed explanation of all the given pointers. The participants asked if they had any queries and Mr. Ankit cleared the doubt.

Mr. Ankit then gave some tips to the participants. He said balancing 4 Ms (Money, Material, Men & Machine) is an important thing to remember. He also stated that keeping a margin of 10% assuming the globe is the market while pricing. He suggested writing down everything related to the business. He asked the participants to use the SMART goals and make a Think tank group that will help them reflect. He also asked the participant to always be ready for competition as the market is full of competitors. Mr. Ankit said a business plan is more important than the financial model. Then he gave a case study and everyone discussed and made a financial model. During the discussion, Mr. Ankit called out names and asked the participant to answer his questions. After the discussion was done and the model was prepared, Mr. Ankit assigned a home task to all the participants and the session was concluded.



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