

Report on Introduction to Financial Modelling


Prof. Sucheta Pawar introduced CA. Ankit Sanghvi sir to the participants. Mr. Ankit started the session by sharing the timeline of the session and stating that he would like the session to be interactive. He then appreciated the participants for choosing entrepreneurship and gave them some thought-provoking advice. He suggested the participants be open to constructive feedback, as it can help them grow.

An introduction round was done. Mr. Ankit asked what financial modeling is according to the participants. Students responded to the question and then Mr. Ankit defined a financial model. A financial model is the summary of a company's performance, based on certain variables, that helps the business forecast future financial performance. He then spoke about whom the people make financial models. He then proceeded to share the uses of the financial model. He shared that financial model can be used to raise the debt, raise equity, for making acquisitions, selling or divesting assets/business, etc. Mr. Ankit asked the participants what the primary objectives of financial modeling and the participants are shared their answers. He then stated that a financial model alone cannot help you succeed, you also need a strong business plan. He stated that a financial model is one of the important aspects but with that many other things are required to have a successful business/start-up. He also suggested that it is very important to make a thorough business plan.

He also defined the business plan by stating that a business plan is a written document that describes in detail a company's core business activities, objectives, and how it plans to achieve its goal. The key elements in the financial model were discussed. He listed that the assumptions, the working notes, revenue projection, cost estimation, and CAPEX (Capital expenditure requirements) are the key elements of financial modeling. Mr. Ankit shared one of his financial modeling cases as an example for the participants to understand better. He then went on to explain each element in detail with various examples.

Mr. Ankit opened the platform for questions and answers. Participants stated their queries and Mr. Ankit calmly resolved all the queries. Prof. Sucheta thanked Mr. Ankit Sanghavi for conducting the session and the session was concluded.




Director
PTVA's Institute of Management
Chitrakar Kelkar Marg,
Behind M. L. Dahanukar College,
Vile Parle (E), Mumbai-400 057.

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.



Lecture series on Financial Modeling (Session 3- Revenue model)

Mr. Ankit started the session by greeting everyone and then he checked upon the assignment (Financial modeling) given. He also shared one of the models as an example. Mr. Ankit also shared his feedback on the assignment submitted. The participants shared their doubts related to the feedback and sir cleared all the doubts. After explaining the feedback Ankit sir called out names of participants and asked them to answer his questions.

Mr. Ankit shared a case study and through that case study he started explaining factors to make the better sales. He discussed online marketing, sales team, lead generated and advertisement. He stated that when a financial model is prepared it is prepared for 5 years. He then spoke about growth in sync of the market plan. He asked the participants to make their financial modeling semester wise and financial year. He said that year wise projection of the financial modeling can be done for the example he shared. He said this will help the project to the investor, how detailed your business plan is. It becomes more convincing for the investor to invest in your plan. He shared that to prepare a model, write all your ideas and then format it. Revenue model was discussed. Mr. Ankit shared another case study to help the participants learn better about revenue. He gave an example of a supermarket and explained the cost of acquisition.

He then started talking about cost. He spoke server cost, security cost (e.g. farewell, encryption, etc.), Evaluators, content developers, teachers. He gave a case study and tried making a cost plan with the participants. He broke down the cost one would need to spend on and helped the participants form a cost plan. He also spoke about depreciation. Mr Ankit shared some tips to keep the investor interested and engaged in your work. platform was open for questions and Mr. Ankit answered all the questions. He gave assignments to the participants. He asked the participant to prepare a financial model which consists of a Profit and loss statement, balance sheet and cash flow. He asked the participants to do their assignment by Friday and the session was concluded.