

# Reporting & Forecasting Model

## Technology.

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## Client

Our client is a provider of personal safety and localisation services for international students and travellers utilising a proprietary technology portal combined with a support centre and network of liaison officers.

## Purpose

The client required a financial model for their new business to enable efficient and informative management decision making.

### Management required the ability to;

- Enable a robust forecasting process, including the ability to run, capture and compare multiple scenarios to provide insight on strategic outcomes and business development,
- Efficiently evaluate pricing proposals and analyse business forecast revenue and costs,
- Forecast and manage cash flow and balance sheet providing guidance on fund raising requirements,
- Understand enterprise level cash flow and valuation parameters to assist in fund raising negotiations.

## Approach

Working closely with the founders and management team all key elements of the business were included in the model. As the business evolved and key revenue and expense drivers changed or became clearer these modifications were incorporated in the model, accurately and dynamically reflecting the emerging business. The structured nature of the forecasting methodology and adherence to best practice modelling standards allowed multiple Forecast team members to seamlessly work on the model. This enabled a rapid turn-around process and ultimately saved the client time and money.

## Outcome

Completion of the model provided the client with clarity over forecast revenue, expenses and cash at bank. This allowed effective decision making in terms of managing cash flow and allocation of resources, critical for a new enterprise. The model layout and dashboards allowed management oversight of business performance without requiring dedicated internal resources to analyse and interpret financial metrics.

### As the business developed Forecast continued to update the model to incorporate changes such as:

- Moving from pre-revenue to operational phase and supporting management through the process,
- Integrate actual financial data with a direct data feed from the client's accounting system (Xero),
- Alignment of categories in the model to reflect changes to accounting structures,
- Redesign cost elements and entity structures to reflect changes in financial reporting,
- Develop a valuation module to understand impact of different structures on future share price.

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