

Financial modeling and forecasting

In the software "IT: Financial Planning" author identifies "financial modeling (logistic, manufacturing) cycles with automatic calculation of reporting to the planning horizon" as technology "know-how". Read more about the technology:

Model "IT: Financial Planning" consists of interrelated financial cycles and periodicity (frequency). Financial cycle components:

- 1. Materials (price):
 - delivery period;
 - payment period:
 - advance payment;
 - payment delay;
 - insurance stock;
 - preparatory stock.
- 2. Technological cycle (period):
 - loading of power (quantity);
 - day (the proportion of the day) when materials enters production subject to the process;
 - technological standards of material consumption per unit of finished product:
 - the distribution by work center;
 - the release of the finished product.
- 3. Finished products (price):
 - preparatory stock;
 - insurance stock;
 - delivery period;
 - shipment of finished products;
 - payment period:
 - advance payment;
 - payment delay;
 - trade credit.

"IT: Financial Planning - a mathematical model with mutable variables. As the simulation affects the variables:

- Qualitative variables (business selection):
 - if the "materials" (1) is not used, then - "services";
 - if the "technological cycle" (2) is not used, then - "trade";
 - if the "financial cycle components" are all used - "production".
- Temporary variables:
 - "periodicity (frequency)", "financial cycle components" - calculations do not depend on the planning step;
 - if the "periodicity (frequency)" and "financial cycle" is equal to the planning step, the planning takes place in the usual way (monthly, quarterly, etc.).

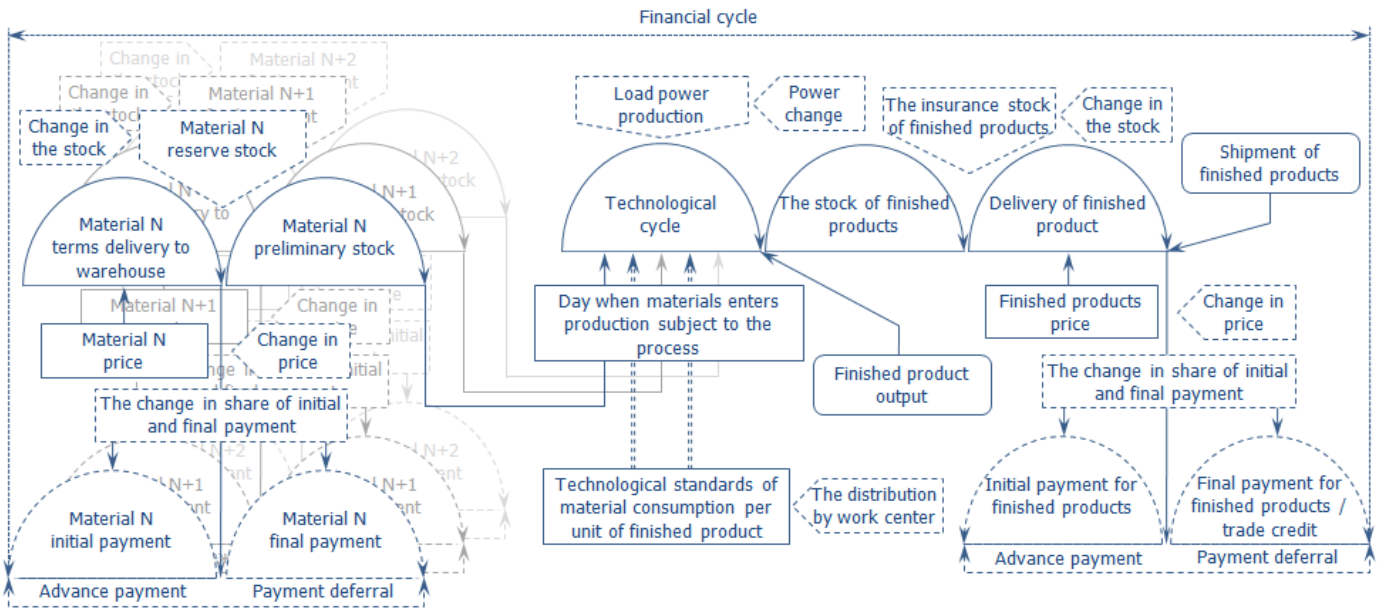
- Quantitative variables:
 - "periodicity (frequency)" - the number of financial cycles in the planning step (duration in days - without restrictions);
 - "financial cycle components" - changes in positive and negative direction from the point of planning on the time axis (duration in days - without restrictions);
 - "load power" (the main control) - all components of the financial cycle;
 - "technological cycle (period)", "day (the proportion of the day) when materials enters production subject to the process", "preparatory stock" of materials (finished product) - logistics and manufacturing operations, the duration of the financial cycle;
 - "delivery period" of materials (finished product) - payment period, logistics and manufacturing operations, the duration of the financial cycle;
 - "payment period" of materials (finished product) - the initial (final) payments, the duration of the financial cycle;
 - "insurance stock" of raw materials (materials) - the number and frequency of deliveries in physical units;
 - "insurance stock" finished products - the number of sales in physical units;
 - "the price" of raw materials (materials) - payment and the cost of manufacture (shipment) in monetary units;
 - "the price" of the finished products - payment and revenue in monetary units;
 - "initial payment" for raw materials (materials) - the initial (final) the amount of cash outflows;
 - "initial payment" for finished products - the initial (final) the amount of cash receipts.

"IT: Financial Planning" technology allows you to:

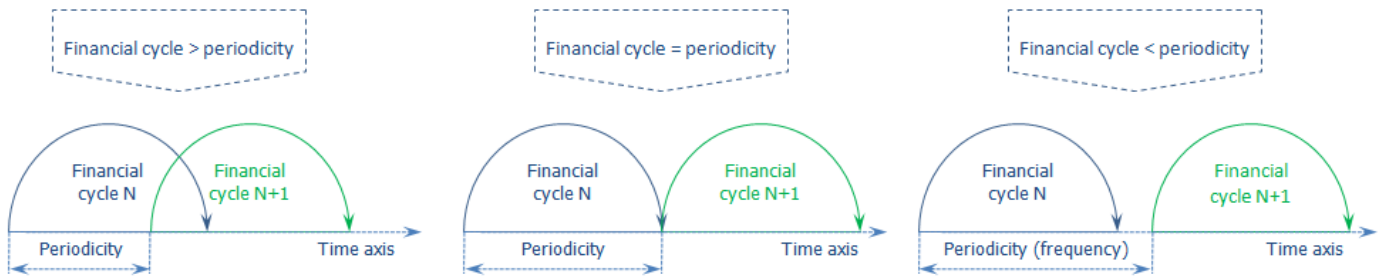
- associate operations: financial, logistics, manufacturing;
- operations: automate, modeling, forecasting, detail;
- calculate optimal motion operations (logistics, manufacturing, financial) for the sixty periods (period: day, month, quarter, six months, one year);
- automate financial statements;
- reduce costs, improve transparency, it is easy to control the details of the reporting enterprise.

Programming language: Microsoft Excel, VBA

Developer offers and is considering possible ways of cooperation.



The movement of financial cycles before the planning horizon



Formation of the reporting by operating activities (principles)

