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Class 1, Part 1: Set-up and Import



Presenter: Christian Wielage

Today's Schedule

- PlanGuru Lesson Plan
- 2 Graduation Types (must apply for each)
 - Must submit all case studies (or real client projects) to be receive PGU certification.
 - Must attend all classes if you want to get CPE credit (7 Total CPE Credits: 3 Finance, 3 Specialized Knowledge and Applications, 1 Management Advisory Services)
 - Must answer 80% of all poll questions to get credit.
- Housekeeping
 - All materials and this recording can be found under course materials on the PGU page at PlanGuru.com.
 - All graduation and other class info can be found there as well.

[Send all emails to PGU@planguru.com](mailto:PGU@planguru.com)

<http://www.planguru.com/planguru-university/>

<http://www.planguru.com/planguru-university/class-materials/>

Introduction: About Me



Christian Wielage, CEO. Prior to joining PlanGuru, Christian was the Worldwide Plan Analyst for the Global Technologies Group at IBM. Preceding that he had a similar role with IBM North American Operations.

Christian also has experience with Wachovia Securities (now Wells Fargo) and Strategic Advisors Middle Market Investment Bank.

Since joining PlanGuru, he has helped hundreds of businesses, non-profits and financial professionals build more accurate budgets, forecasts and plans in less time.

Introduction: PGU Class 1

Warning, this first class may be boring for many of you.

Some of this discussion will be directed towards “Business Advisors”.

Introduction: PGU Class 1, First Half

1.) Set-up and Import – Understanding how to efficiently setup PlanGuru analyses is one of the keys to profitably delivering these services to your clients. With a mastery of our setup tools and import Wizards, you can have a model up and running in minutes. We will do a detailed explanation of the set-up process under multiple scenarios.

A. Time parameters and other Set-up

B. Analysis Structure

1. Adding additional classes
2. Subtotal groupings
3. Supporting Schedules

C. Creating an Analysis from scratch

1. Basic Forecasting methods

D. QuickBooks Import Overview

1. Initial import
2. Actual results

E. Excel Import

1. Preparing the data for import
2. Initial import
3. Actual Results

F. Making changes to structure

Structure and Methods

Choosing the **correct** structure for a project (not the most detailed) is critical to success: *“Show me the detail”* vs. *“We’re not that good”*

Different projects require different levels of detail

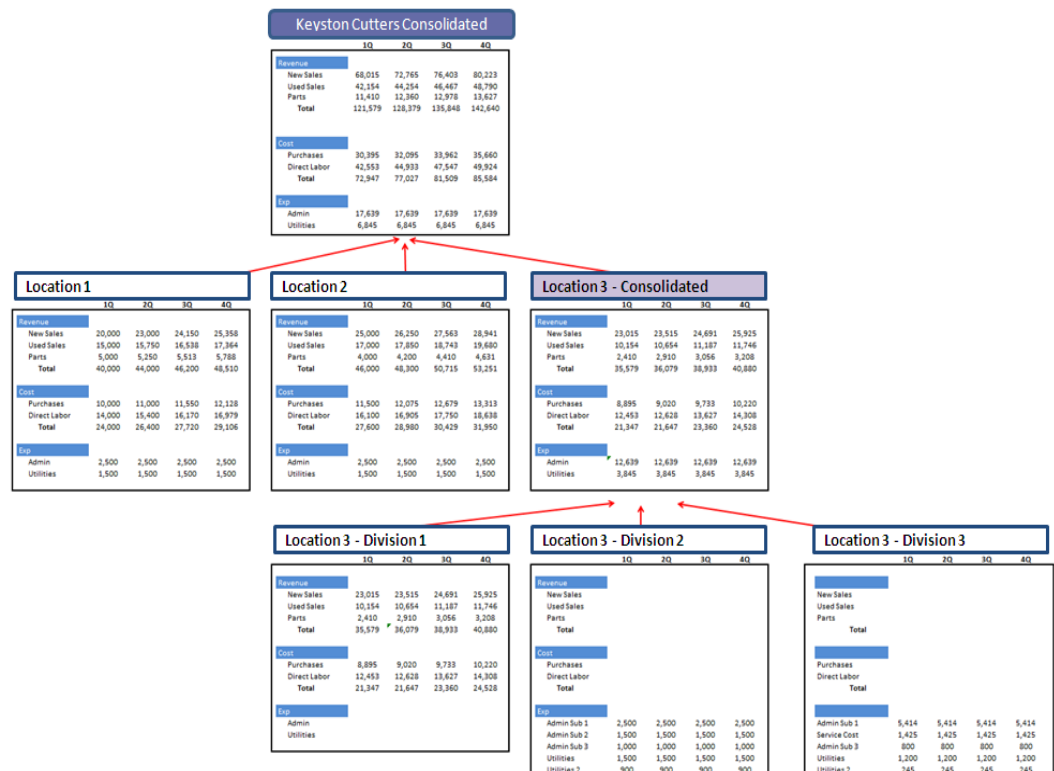
- Some can accomplish all their requirements within the same structure, others need many.

“Show me the detail”

Description	January	February	March	April
Revenue				
Revenue Type 1				
Revenue Type 1 > Sub 1	65,000	65,000	65,000	65,000
Revenue Type 1 > Sub 2	40,000	40,000	40,000	40,000
Revenue Type 1 > Sub 3	52,000	52,000	52,000	52,000
Revenue Type 1 > Sub 4	5,000	5,000	5,000	5,000
Total Revenue Type 1	162,000	162,000	162,000	162,000
Revenue Type 2				
Revenue Type 2 > Sub 1	32,000	32,000	32,000	32,000
Revenue Type 2 > Sub 2	24,700	24,700	24,700	24,700
Revenue Type 2 > Sub 3	32,100	32,100	32,100	32,100
Total Revenue Type 2	88,800	88,800	88,800	88,800
Revenue Type 3				
Revenue Type 3 > Sub 1	12,500	12,500	12,500	12,500
Revenue Type 3 > Sub 2	7,850	7,850	7,850	7,850
Revenue Type 3 > Sub 3	6,800	6,800	6,800	6,800
Total Revenue Type 3	27,150	27,150	27,150	27,150
Total Revenue	277,950	277,950	277,950	277,950

“We’re not that Good”

Description	January	February	March	April
Revenue				
Revenue Type 1	162,000	162,000	162,000	162,000
Revenue Type 2	88,800	88,800	88,800	88,800
Revenue Type 3	27,150	27,150	27,150	27,150
Total Revenue	277,950	277,950	277,950	277,950



Time Parameters and Other Set-up

A. Company Name: Name of Project

B. Always choose the actual first month of the company's fiscal year

C. Account #

1. Optional: Only use them if you need them.
2. Up to 20 characters with multiple separators.
3. You may need to rework.

D. Analysis Name:

1. Jan Budget, Feb Forecast
2. Location 1, Department 1
3. Base Case

E. Analysis type is simply a label for your reports

Time Parameters and Other Set-up

F. First Fiscal Year is the first year that you actually need to “solve” a budget

1. If you are sitting in October of 2015 and the goal is to build a 2016 budget you may want to start the budget in 2016 and load “placeholders” in the historical data for Oct, Nov and Dec.... Maybe not, it depends on “how good” those final months need to be.

G. Blank Template vs Copy Existing Analysis

1. Save As vs Copy Existing Analysis.

H. Number of Years: Add an extra year or two.

I. Periods: Months or Quarters

1. Remember the term “Interim Periods”, it will help you throughout the program
2. What is their sales cycle?

J. Using Actual Results for part of the budgeted period

1. Extremely important feature.
2. I’m budgeting for 2016, how should I set it up

K. Historical periods

1. Used for forecasting and reporting.
2. **Interim Periods.**

Time Parameters and other Set-up

L. Seasonality Profile:

1. Used to tie a series of line items to the same skew.
2. Leveraged by many forecasting methods.

M. Suppress the Balance sheet or revenue section in multi-departmental situations

N. Direct or Indirect Cash Flow

Analysis Structure

- A. Suppress Non-Relevant Sections in final set-up window**
- B. Adding additional classes**
- C. Subtotal groupings**
- D. Supporting Schedules**
- E. Non-Financial Data**

Importing Data

A. QuickBooks

- A. Initial Import.
- B. Actual Results.

B. Excel

- A. Preparing Data for Import.
- B. Initial Import Actual Results.

C. Memory of the Import Tool

- A. Budget vs Actual.
- B. Multi-departmental/ location budgeting: Stamp them out.

Case Study #1: Start from Scratch

Build a completely hypothetical business (meaning it is just an idea at this point) with a goal of getting investor capital, a bank loan and a line of credit. It can be a made up “widget company”, that business you always dreamed about starting when you retire, or a real client situation.

Requirements:

Start with an empty analysis and add accounts one by one. DO NOT import a pre existing chart of accounts.

- Use the *Non-Financial Data* tab to support some revenue and cost calculations.
- Add a fixed term loan, line of credit and investor capital to fund some sort of up front investment.
- Have at least 15 accounts on the Income Statement and 8 on the Balance sheet.
- Create a *Subtotal Grouping*.
- Make it at least 5 years, with the first 3 years by month.

Instructions for submitting case studies are on the Graduation tab in the PGU section of the PlanGuru website.

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Class 1, Part 2: Forecasting Methods



Presenter: Christian Wielage

PGU Class 1, Second Half

In this class we will demonstrate the different forecasting methods that are available inside of PlanGuru. Understanding all the methods, and how to use them, is fundamental to becoming a power user of PlanGuru. It is the area that new users struggle with most frequently.

A. Structure of Model

1. Sub-Classes

B. Seasonality Profile Review

C. 5 Core Methods

D. Other Income Statement Methods

E. Assets

1. Current Assets
2. Fixed Assets

F. Liabilities

1. Current Liabilities
2. Long Term Liabilities

G. Non-Financial Deep Dive

H. Advanced Modeling: Excel Link

1. Allocations

Case Study #2: Excel Import & Forecasting Methods

We will provide you with an Excel file that resembles the Analysis used in today's class. You must first import the Financial Statements and Non-Financial Data tab then recreate all the forecasting methods.

Requirements

- Import the Excel Sheet Provided on the website for the Financial Statements and the non-financial data tab.
- Rebuild the calculations demonstrated in the class. It is not necessary to pick the same assumptions, just use each method once.
- Make it 5 years, with the first 3 years by month.
- Detailed instructions will be contained in the recorded session, starting at the beginning.