Crane Ridge Analytics
Financial Modeling Checklist

No	Discipline	Discipline:	Sub area	Description
1	**Define Purpose and Scope**			
		Strategic Planning		
			Objective Definition, Time Horizon Planning	
1,1				Identify the objective of the financial model.
1,2				Determine the time horizon of the model.
1,3				Specify the key outputs and deliverables.
2	**Data Collection and Validation**			
		Data Management		
			Data Gathering, Data Validation	
2,1				Gather historical financial data (income statements, balance sheets, cash flow statements).
2,2				Validate the accuracy and completeness of the data.
2,3				Collect relevant industry and market data.
3	**Assumptions and Inputs**			
		Financial Analysis		
			Assumption Setting, Input Identification	
3,1				Define key assumptions (growth rates, discount rates, inflation rates).
3,2				Identify key drivers and inputs (sales volume, cost of goods sold, operating expenses).
3,3				Document the source and rationale for each assumption
4	**Model Structure and Design**			
		Financial Modeling		
			Layout Planning, Formatting	
4,1				Plan the model layout and flow (inputs, calculations, outputs).
4,2				Use clear and consistent formatting (color-coding, labels, comments).
4,3				Ensure the model is flexible and scalable
5	**Financial Statements**			
		Financial Reporting		
			Income Statement, Balance Sheet, Cash Flow Statement	
5,1				Income Statement: Project revenues, expenses, and profits.
5,2				Balance Sheet: Forecast assets, liabilities, and equity.
5,3				Cash Flow Statement: Model operating, investing, and financing cash flows.
6	**Supporting Schedules**			
		Financial Modeling		
			Revenue and Cost Schedules, Depreciation and Amortization, Working Capital	
6,1				Revenue and Cost Schedules: Detail sales projections and cost estimates.
6,2				Depreciation and Amortization Schedules: Calculate asset depreciation and amortization.
6,3				Working Capital Schedule: Forecast accounts receivable, inventory, and accounts payable.
7	**Scenario and Sensitivity Analysis**			
		Risk Management		
			Scenario Analysis, Sensitivity Testing	
7,1				Develop multiple scenarios (best case, worst case, base case).
7,2				Conduct sensitivity analysis on key variables.
7,3				Analyze the impact of different assumptions on the model outcomes.
8	**Validation and Testing**			
		Quality Assurance		
			Model Validation, Stress Testing	
8,1				Cross-check model calculations and formulas.
8,2				Perform stress testing to identify potential errors and inconsistencies.
8,3				Review the model with key stakeholders for feedback.
9	**Documentation and Presentation**			
		Communication		
			Assumption Documentation, Summary Reports, Visuals	
9,1				Document all assumptions, inputs, and methodologies.
9,2				Create clear and concise summary reports and visuals (charts, graphs).
9,3				Prepare a presentation for stakeholders highlighting key insights and findings.
10	**Review and Update**			
		Continuous Improvement		
			Periodic Review, Model Updates	
10,1				Regularly review and update the model with actual results

10,2	Adjust assumptions and inputs based on new information.
10,3	Ensure the model remains relevant and accurate over time.