

*performance
through
partnership*

**BEHOLD, THE
INCREDIBLE
POWER OF
PROJECTION.**



cooneycarey.

10

**REASONS FOR
PREPARING
PROJECTIONS.**



01.

BUSINESS PLANNING

Financial modelling aids operational and strategic planning by posing “What if” and “What should we do?” questions to key financial information.



02.

DECISION MAKING

Projections enable decisive, well informed and accurate decision making.



03.

BANK RELATIONSHIP MANAGEMENT

A high quality financial projection tool demonstrates the financial and management strengths of the business. Banks are increasingly reliant on projected cash-flows as the key information as opposed to historic data.



04.

RAISE CAPITAL

Early stage or development projects, particularly when alternative security is unavailable, most often require an equity investment. Potential investors will expect to see a comprehensive analysis which clearly demonstrates the potential return and its timing.



05.

MONITOR PERFORMANCE

Projections provide a benchmark to facilitate comparison to actual key performance indicators. Regular performance reviews target areas requiring attention and ensure businesses stay focused.

06.

VIABILITY ANALYSIS

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07.

EVALUATE

Financial modelling provides the opportunity to step back and re-assess a position, identify potential gaps and opportunities in the future.

08.

COMMUNICATION

Projections offer a comprehensive and visual means of communicating plans to key staff members and illustrates why decisions are made and what targets are set. “Buy-In” is facilitated.



09.

HIGHLIGHT BEST PRACTICE

Financial projections, when compared to industry standards, allow management to predict the relevant financial costs of the business and highlight areas where better practices can be employed.

10.

RESOURCE ALLOCATION

Understanding the financial impact of business decisions can help prevent problems before they occur. A financial model should identify the future financial impact of poor decisions and enable best allocation of scarce financial resources.



FEATURES OF COONEY CAREY'S PROJECTION TOOL

Cooney Carey has produced a projection tool that has become the central focus of client's financial procedures. The tool:

1. Projects cash flow, profitability, balance sheet and funds flow – the reports produced are integrated with each other and the key drivers and assumptions are clearly displayed.
2. Projects movement on Debtors and Creditors Control accounts – identifying debtor and creditor days and overdues. These are key measures if liquidity is tight.
3. Provides a break even analysis.
4. Projects and offers a Sales Planning tool – splitting sales between – Target, Committed and Gap (to be sourced).
5. Documents overhead behaviours (fixed, variable, discretionary) and breakdown of wages over person, type and function.
6. Reports are produced on a non-traditional / non-accounting basis so as they can be explained to and understood by both the finance and non-finance teams.

**FOR MORE
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COONEY CAREY CAN COMPLETE THE FIRST SET OF PROJECTIONS AND INSTRUCT CLIENTS HOW TO USE THE TOOL FOR FUTURE UPDATES, OR WE CAN COMPLETE PERIODIC UPDATES AS REQUIRED.