

## Project Description

### Budget Plan Project

Due: On date of presentation, all group members must present

Goal: Develop a budget for the BSC Company by month, for each of the next three years

#### 1. Assumption:

- You are working in the CFO's office at BSC (Big Store Company).
- Assume current time frame: Assume the PowerBI tutorial data 2014, 2015, 2016...  
...represents years 2017, 2018, 2019. Forecast is for 2020, 2021, 2022.
- Your market, environment, etc. qualitative information must be CURRENT timeframe
  - I.e., do not talk historically

#### 2. Data

- Forecast and analysis is for Revenue only
- Use PowerBI data, tutorial area.
- Focus on data related to Revenue only NOT cost data

#### 3. Task: Analyze the data

- Conduct a variance analysis for each of the 3 existing years of data
- Develop explanations for the variance
- Look across the major dimensions of data (Regions, Product categories, company)
- Explanations can involve looking at finer detail (ex., specific call centers in a region, product items, etc.)

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4. Task: Develop a baseline 3-year budget for revenue by product, region, and company, **by month**.

- In the write-up text, report the following:
  - Year 1: 12 individual months (monthly)
  - Year 2: Annual basis only (total for the year)
  - Year 3: Annual basis only (total for the year)
- In supporting tables attached to the back of the report and the Excel file
  - Show the monthly budget figures for years 1, 2, and 3 by product, region, and company. (tables must be readable)

Notes: You will need to develop forecasts for the firm as a whole, the regions, and the four major product categories. You will also need to translate your forecast into what it means for key / critical products within a category and sub-category. Obviously, they are all related. To be able to support the high level forecasts and budgets of the firm, you have to be able to support your high level forecasts with estimates for critical products. What products are critical for the forecast and how much do they need to grow (sale units, etc.)?

5. Task: Develop three stretch budget scenarios that are **ABOVE** your baseline forecast.

- Baseline + 5% ADDITIONAL growth rate per year
- Baseline + 10% ADDITIONAL growth rate per year
- Baseline + 15% ADDITIONAL growth rate per year

Notes: The three growth scenarios are to be used for ADDITIONAL year to year growth rate targets above your baseline growth, for the three years 1, 2, 3 (add to the baseline model growth). For example, if for some reason you develop a baseline forecast of 6%, your scenarios would need to be for 11% (6+5) growth, 16% (6+10) growth, and 21% (6+15) growth.

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### 6. Task: Develop and write a budget plan document that contains...

- Executive summary – 2 pages max
- Provides a qualitative rationalization for the baseline growth model results.
  - Economy
  - Competitive Marketplace
  - Products
  - Strategy
- Develop a plan on how to achieve the three revenue growth scenarios (Base+5%, Base+10%, and Base+15% growth) for Big Retail.
  - What product growth rates would be required to meet the overall growth rate scenarios? What key products would have to grow? How many units would you have to sell?
  - What would have to happen in terms of the macro environment (economy) and BSC's competitive marketplace? What are the potential barriers to success (ex., market changes)? What are the risks and challenges? How much \$ is at risk for each risk item.
  - What is a rational maximum rate of growth for the year 1 budget?
- What new products would you suggest for BSC to help it achieve its sales growth scenario targets? Provide a background and description for each product you suggest. What are the general growth requirements for these new products? How many units would you have to sell?
- How do the expected growth rates of these new products and existing products justify the growth rates for each scenario? What will BSC need to do in order to sell the new and existing products, what are the challenges, and what are the risks and challenges? What are the potential impacts of the risks and challenges?

### 7. Develop and include PowerBI Reports and Dashboards:

- PowerBI reports and dashboards that are unique in their message and together, give a comprehensive assessment of BSC performance
  - Create 3 PowerBI reports that will provide the CFO with appropriate material for assessing performance throughout the year. For each report, what is the assessment targeting and what is the message you are trying to convey? How often should the reports be generated? How will it be delivered to the CFO?
  - Create 2 PowerBI dashboards that will provide the CFO with appropriate material for assessing performance. For each dashboard, what is the assessment targeting and what is the message you are trying to convey? How often should the dashboard be generated? How will it be delivered to the CFO?
- Create one PowerBI dashboard and one report specifically for an iPad screen. What will it be used for? When will it be used? (build normal size as an example but explain how it will be used for remote use – type user, type decision, location used, etc.)

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When conducting analysis, consider:

- Reminder: Project only concerns **Revenue**
- Incorporate multiple dimensions into analysis
  - Raw evaluation
  - Changes over time
  - Performance versus forecast
- Issues to consider
  - Ex., % over/under budget...what area of business is main contributor
  - Ex., Revenue performance...analyze by major category. Which most important. What sub-category products are having the most the impact now and in future. Complementary effects, etc.
  - Ex., Trends over time...historic versus most recent, product line growth
  - Ex., Channels of revenue...which one generates more sales, is most efficient etc. ...and why...which is future, etc.
- Recommendations
  - Support recommendations...how compare, why the best
  - Implications (internal, external)...to company, its position in market, etc.