



TREASURY TECH: CASH FLOW ANALYTICS SERIES

Advanced Cash Flow Forecasting: Statistical Techniques

COURSE LENGTH

Three 2-Hour Virtual Sessions or
One Full Day In Person

DESCRIPTION

Statistical techniques provide extremely helpful tools for forecasting future cash flows. This course uses practical examples to show how various statistical methods can be used to forecast components of the cash budget. The advantages and disadvantages of each technique are discussed. The majority of the course covers the practical application of statistical methods using Excel; interpretation of the results is emphasized.

LEARNING OBJECTIVES

- Apply univariate statistics to forecast cash flow components
- Use time-series methods and smoothing techniques to forecast
- Apply regression analysis to forecast components of the cash budget
- Learn how to assess the adequacy of the cash flow forecast

AGENDA

- Cash budgeting (two case studies)
- Forecasting for stationary time series
 - Moving averages and exponential smoothing
- Forecasting for seasonal series
- Evaluation of forecasts
- Probability analysis
- Conducting empirical analysis: an example
- Forecasting nonstationary time series
- Using regressions to forecast future cash flows
 - Estimate and interpret correlation coefficients
 - A simple regression
 - Multiple regression analysis
 - Dummy variables and seasonality
- Regression issues and pitfalls
- Ten commandments of forecasting