FINANCIAL ACUMEN:
FINANCIAL MODELING SERIES

Building a Modeling Culture

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COURSE LENGTH

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

DESCRIPTION

Financial professionals build models so frequently that they rarely think of them as a process or means of communication to be actively managed. It is often taken for granted that they create a language that is spoken every day as part of their work in decision-making, simulations, representations and forecasting. This course advocates for financial professionals to create a culture where models are developed and deployed in a way that makes them useful, shareable and sustainable across the organization.

LEARNING OBJECTIVES

— Understand why the modeling process should be durable and long-lasting

— Learn how models can be more shareable— designed for ease of communication and have the ability for ownership to be transferred

— Discover tips for ensuring your models meet your objectives

AGENDA

— Work environment and business culture
  - Why culture matters
  - How do we create "culture"?
  - Enterprise risk management

— Model culture
  - What is a model?
  - Building a "model" culture
  - Characteristics of a model culture

— Building a sustainable culture
  - Foundational principles
  - Model limits
  - Governance structure
  - Policies, procedures, and controls

— Roles and responsibilities
  - Role validators
  - Ongoing monitoring
  - Model inventory
  - Other controls
  - Case study: code walkthroughs

— Building a sharable culture
  - Consistent data and calculations
  - Linking to objectives
  - Sharable design

— Building a "useful" culture
  - Useful models
  - Context of a marketplace
  - Longevity vs immediacy trap
  - Precision vs accuracy trap
  - Case study: SmallCo

— Designing the cultural plan
  - Vision of a "model" culture
  - Principles and stakeholders
  - ERM Framework