



**A STUDY ON FORCASTING PLANNING IN DYNASPEDE
INTERGRATED SYSTEM – HOSUR**

Dr. P.BALASUBRAMANIAN

Associate professor

Department of Management Studies

AMS College of Engineering

Erumapatty namakkal district Tamilnadu, India

Mobil e no; 9943350596

Abstract

This article is carried out the Forecasting is an integral part in planning the financial future of any business and allows the company to consider probabilities of current and future trends using existing data and facts. Many times, this unique approach is used not only to provide a baseline, but also to offer a prediction into the corporation's future. And To study on the financial planning and forecasting of the Dynaspede Integrated System Private Limited (DLSPL).To forecast the DLSPL's Break Even Point and SalesTo forecast Cash budget and DLSPL's balance sheetTo determine the funds needed to support the plan. The study covers the firm's future sales as well as operation the funds requirements to forecast the firm's Additional Funds Needed. This study finds the positive ways were the firm can secure additional financing. This study contains analysis of Two years financial statements commencing from the year 2012-13 to 2008-09.



Key words: Forecasting, consider probabilities, approach, Integrated System

CHAPTER-I

1.1. INTRODUCTION

Forecasting is an integral part in planning the financial future of any business and allows the company to consider probabilities of current and future trends using existing data and facts. Many times, this unique approach is used not only to provide a baseline, but also to offer a prediction into the corporation's future. Planning problems, whether dealing with services or merchandise, can cause any manager headaches easily solved by forecasting. It is important that any manager realizes that the past is a key to the future. Although no long-term plan is perfect, using the correct forecasting tool, along with continual evaluation, allows the manager to review and update corporate financial plans.

In this report the researcher mainly concentrates on Financial planning and forecasting of the Dynaspede Integrated System Private Limited (DLSPL). Multiple specializations have expanded dramatically since 1987, as planners have expanded into specialty areas such as risk management, and retirement, estate, and tax planning. In reality, financial planning models are huge and cumbersome. This is a very simplified model compared with what is found in practice. We present some basic principles for constructing the financial statements needed for valuation. We show in detail all the items of the financial model and show the formulas to be used for constructing the financial planning model.



The relevant financial statements are: the Balance Sheet (BS), the Income statement (IS) and the Cash Budget (CB). The construction of the financial statements starts from input data and policies and/or targets (i.e. accounts receivable policy or target). With these targets or policies we can construct the financial statements. The contribution of this work is double: one is to show that we can construct financial statements without the use of plugs and circularity and the second is that we can use a very simple approach to construct cash flows and to value them. The model shown has two parts. One is the proper financial statements forecast. The second one is a simple cash flow calculation and valuation exercise using the Capital Cash Flow and assuming the risk of the tax savings equal to K_u , the cost of unlevered equity. A financial plan consists of several ingredients-

- Expectations about the economic environment
- A sales forecast
- Pro forma (forecasted) financial statements
- Asset requirements
- Required new financing
- Cash Budget

CHAPTER – II

2.1 OBJECTIVES OF THE STUDY



1. To study on the financial planning and forecasting of the Dynaspede Integrated System Private Limited (DLSPL).
2. To forecast the DLSPL's Break Even Point and Sales
3. To forecast Cash budget and DLSPL's balance sheet
4. To determine the funds needed to support the plan.
5. To analysis the DLSPL's external financing and additional fund's need.
6. To forecast the DLSPL's leverage

2.2 SCOPE OF THE STUDY

1. The study covers the firm's future sales as well as operation the funds requirements to forecast the firm's Additional Funds Needed.
2. This study finds the positive ways were the firm can secure additional financing.
3. The future plans covers should be laid down in view of firm's sales forecasting and cash flow forecasting by properly establishing the relationship between the items of Balance Sheet and Profit And Loss Account.

2.3 LIMITATIONS OF THE STUDY

1. Analyses were made only based on five years date from 2005 to 09.
2. The study confined with secondary data only.



3. Since the analysis is based on the annual reports, the manipulations in it will affect the study.
4. The study based on the some assumptions it's based on EIC analysis.
5. The result analysis and the suggestion cannot be used for its rival and competitor's companies.

Chapter- III

3.1. REVIEW OF LITERATURE

Wren, Thomas; Otani, Yoko and Schwartz (2010)¹

The author offers opinions on bank management and finance and on international banking regulations on reserve requirements. The liquidity problems created by the global financial crisis are said to have eased, but international regulators, including the Basel Committee on Banking Supervision, are seen as offering stringent new regulations of liquidity and risk management by banks.

Chuang-Yuang Lin; Hung-Ta Lee (2010)²

This study investigates the performance of the merger and acquisition activities of 14 financial holding corporations (FHCs) in Taiwan before and after their establishment in 2002. We find weak evidence of improved performance of FHCs. The findings have implications



for other reforming emerging countries in East Asia with similar economic structures and financial environment.

Raymond and James (2009)³

The article offers news briefs on financial planning. Financial Services is boosting the minimum level of its assets under management (AUM) for new registered investment advisors. Wells Fargo & Co.'s fifth annual Retirement Fitness Survey showed that many workers will outlive their retirement savings. Intuit intends to bolster its market presence to help small businesses manage their 401(k) and health insurance benefits.

Taylor and Lynn (2009)⁴

The article presents some tips to hire right team for the emerging economy. It has been suggested to align one's strategic staffing efforts with one's core business goals in order to put the company ahead of the curve. It has been stated to be champion in agility and flexibility to take advantage of growth. It has been advised to hire members who offer a diverse range of experiences and have demonstrated their flair for creativity and collaboration

Barcelo, Yan. CA Magazine (2009)⁵

The article offers ways for accountants to provide value-added accounting services to firms in Canada. An accountant is expected to interpret the strengths and weaknesses of a firm based on the financial report. He is capable of changing the financial position of a company by applying special laws to market expense capitalization.

Schroeder, Peter. Bond (2009)⁶



The article discusses the impact of the American Recovery and Reinvestment Act (ARRA) on the Small Business Investment Corporations (SBICs) program of the U.S. Small Business Administration (SBA). It explains that SBICs are authorized by the SBA to act as federally funded venture capital (VC) firms. It also reveals that the SBIC program was only allowed 1 billion dollars in 2008

Bowen Jr and John J(2009)⁷

The article offers advice to financial planners on how to implement an effective financial system for their businesses during tough economic times. Most financial planners are reportedly busy reassuring clients and repositioning portfolios that they fail to evaluate their own businesses. The article also discusses five key elements for an effective financial system, namely forecasts, benchmarks, financial reporting, financial controls and exit analysis.

The article discusses the disadvantages of using plastic packaging. The U.S. Centers for Disease Control and Prevention and the Canadian Broadcasting Corp's Marketplace states that around 300,000 people go to the hospital yearly due to cuts from plastic packaging. It notes that due to these problems, items used in opening plastic covers offered by Amazon.com Inc. have been in demand for people who wanted to avoid cuts.

Alice C. Lee, John C. Lee and Cheng-Few Lee (2008)⁹

Based on the authors' extensive teaching, research and business experiences, this book reviews, discusses and integrates both theoretical and practical aspects of financial planning and forecasting. The book is divided into six parts: Information and Methodology for

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**



Tamilnadu -636121, India

Indexed by

IJRREM

Scribd Google Scholar



Scholarsteer
Scholarly Information



INTERNATIONAL
Scientific Indexing

JOURNAL
FACTOR

ISSN

INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

Financial Analysis, Alternative Finance Theories and Their Application, Capital Budgeting and Leasing Decisions, Corporate Policies and Their Interrelationships, Short-term Financial Decisions, Financial Planning and Forecasting, and Overview. The theories used in this book are pre-Modigliani-Miller Theorem, Modigliani-Miller Theorem, Capital Asset Pricing Model and Arbitrage Pricing Theory, and Option Pricing Theory. The interrelationships among these theories are carefully analyzed. Meaningful real-world examples of using these theories are discussed and step-by-step, with relevant data and methodology. Alternative planning and forecasting models are also used to show how the interdisciplinary approach is helpful in making meaningful financial management decisions.

Gaurav Mashruwala (2010) ¹⁰

While you are right in saying that returns in India are the highest, you also have to consider the risk associated with these investments. If you closely look at your balance sheet, you will observe that virtually all your investments are in single currency, Indian rupee. Your house, jewellery, equity, debt, retirement corpus, bank balance, cash balance, land and real estate, etc, are in India. If due to any internal or external factors like geo-political situation, natural or man-made catastrophe or economic turbulence, our economy gets affected; all your investments will be impacted. For decades, we have never considered these risks purely because we were a closed economy. Our central bank never allowed us to diversify across regions and currencies. Now, we can access international markets in two ways. One is to invest in mutual fund schemes that are domiciled in India but invest in international markets, either directly or through acting as feeder funds to some international mutual fund schemes. Another option is to directly transmit funds abroad and invest. According to the Foreign



Exchange Management Act, an Indian citizen can invest up to \$2,00,000 per year in foreign markets (with few restrictions). The best part about this is that no prior approval is needed from any regulator.

3.2.RESEARCH METHODOLOGY

Research means search for knowledge. It is a process of systematic and in depth study or search of any particular topic, subject or area of investigation backed by collection, computation, presentation and interpretation of relevant data.

Sources of Data

This study is based on primary as well as secondary data. Mainly secondary data has been used for the study.

Primary Data

Primary data refers to the actual information collected by the researchers for the study. Information collected is mainly based on the personal discussions with finance executives.

Secondary Data

It refers to those data which has already gathered and available for some other purpose of somebody. Secondary data is mainly collected from, annual reports and other official records of the company.

INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN ENGINEERING AND MANAGEMENT (IJRREM)

Tamilnadu -636121, India

Indexed by



IJRREM



INTERNATIONAL STANDARD SERIAL NUMBER INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

Period of the Study

This study contains analysis of Two years financial statements commencing from the year 2012-13 to 2008-09.

TOOLS USED FOR ANALYSIS

- Sales growth
- Forecasting balance sheet
- Forecasting additional funds needs
- Break-even analysis
- Margin of safety
- Leverage

CHAPTER – IV

ANALYSIS AND INTERPRETATION

Table No.-1.Forecasted Income Statement (2012, 2013*-Prediction)

Rupees in Crores

Description	2012	2013*
Sales	48681 X 1.15	5598 3 X 1.15
Operation Cost	37739 X 1.15	4340 0 X 1.15
EBIDTA	10942 X 1.15	1258 3 X 1.15

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**



Tamilnadu -636121, India

Indexed by

IJRREM

Scribd Google Scholar



Scholarsteer
Scholarly Information



INTERNATIONAL
Scientific Indexing



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

<u>Less :</u>				
Depreciation		1285 X 1.15		1478 X 1.15
				1110
EBIT		9657 X 1.15		5 X 1.15
<u>Less :</u>				
Interest		253		253
				1085
PBT		9404		2
<u>Less :</u>				
Tax 34.34%		3229		3726
PAT		6175		7125
<u>Less :</u>				
Dividend 20.32%		1255		1448
Retained Earnings in Business		4920		5677
General Reserve 10.12%	625		721	
	429		495	
Retained Earning	5		6	

Table No.-2

Forecasted Income Statement (2013 *- First & Second pass)

Rupees in Crores

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**

Tamilnadu -636121, India

Indexed by



IJRREM



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

Description	First pass 2013*		Second pass 2013*	
	Sales	55983	X 1.15	55983
Operating Cost	43400	X 1.15	43400	X 1.15
EBIDTA	12583	X 1.15	12583	X 1.15
<u>Less</u>				
Depreciation	1478	X 1.15	1478	X 1.15
EBIT	11105	X 1.15	11105	X 1.15
<u>Less</u>				
Interest	253	+ 461	714	
PBT	10852		10391	
<u>Less</u>				
Tax	34.34%	3726	3568	
PAT		7125	6823	
<u>Less</u>				
Dividend	20.32%	1448	1385	
Retained Earning in Business		5677	5438	
General Reserve	10.12%	721	550	
Retained Earning		4956		

Interpretation

- Instead of retaining 1,625, the company retains 1,164 because of the interest.
- The end results is that the company has to raise 1,625 + 239 = 1864

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**



Tamilnadu -636121, India

Indexed by

IJRREM



Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

Table No.-3

Forecasted Income Statement (2013 – 2014 *Prediction)

Rupees in Crores

Description		2013*		2014*
Sales		55983	X 1.15	64380
Operating Cost		43400	X 1.15	49910
<u>Less</u>				
Depreciation		1478	X 1.15	1700
EBIT		11105	X 1.15	12770
<u>Less</u>				
Interest		253		253
<u>Less</u>				
Tax	34.34%	3726		4298
<u>Less</u>				
Dividend	20.32%	1448		1609
General Reserve	10.12%	721		832
Retained Earning		4956		5717
Retained Earnings in Business		5677		6549

Interpretation

- All assets are spontaneous. On the liability and equity side, Current liability is the only spontaneous funds.

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**

Tamilnadu -636121, India

Indexed by



IJRREM



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

- During the next year, sales increase by 15% resulting in a 15% increase in Total Assets (8,096). Hence, the asset side on next year’s balance sheet must go up by 15%. Also, the spontaneous funds on the liability side must also increase by 15%.

* Denotes spontaneous, which means increase spontaneously with sales.

Table No.-4

Forecasted Income Statement (2014 *- First & Second pass)

Rupees in Crores

Descriptions	2014*	
	First Pass	Second Pass
Sales	64380	64380
Less : Operation Cost	49910	49910
EBDIT	14470	14470
Less : Depreciation	1700	1700
EBIT	12770	12770
Lees : Interest	253 + 531	784
PBT	12517	11986

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**



Tamilnadu -636121, India

Indexed by



IJRREM



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

Less : Tax 34.34%	4298	4116
PAT	8219	7870
Dividend 20.32%	1670	1599
Retained Earnings	6549	6271

Interpretation

- Instead of retaining 1,850, the company retains 1,319 because of the interest.
- The end results is that the company has to raise $1,850 + 278 = 2128$

Table No. – 5

Marginal Cost Planning for the Forecasted Year – 2013*

(Rupees in Crore)

S.No.	Description	Marginal Cost (Rs)	Break- Even Point (Rs)	Margin of Safety (Rs)
1.	Sales	55983	328089	55970
2.	Variable cost (-)	7125	286356	7125
3.	Contribution	48858	41733	48845
4.	Fixed cost (-)	41733	41733	41733
5.	Profit	7125	0	7112

Interpretation:

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**



Tamilnadu -636121, India

Indexed by



IJRREM



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

DLSPL’S 2013* forecasted sales is Rs. 55983 corers. Fixed cost Rs. 41733 corers. So the firm must concentrate to increase the sales as well as the contribution automatically the profit goes high. The Margin of Safety sales volume is Rs. 55970 in these sales units’ sales the firm can operate smoothly and abolish the loss.

Table No. –6

Marginal Cost Planning for the Forecasted Year – 2014*

(Rupees in Crore)

S. No	Description	Marginal Cost (Rs)	Break-Even Point (Rs)	Margin of Safety (Rs)
1	Sales	64380	375411	64362
2	Variable Cost (-)	8221	327471	8221
3	Contribution	56159	47940	56141
4	Fixed Cost (-)	47940	47940	47940
5	Profit	8219	0	8201

Interpretation:

DLSPL’S 2014* forecasted sales is Rs. 64380 corers. Fixed cost Rs. 47940 corers. So the firm must concentrate to increase the sales as well as the contribution automatically the

**INTERNATIONAL JOURNAL OF RESEARCH REVIEW IN
ENGINEERING AND MANAGEMENT (IJRREM)**



Tamilnadu -636121, India

Indexed by



IJRREM



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

profit goes high. The Margin of Safety sales volume is Rs. 64362 in these sales units' sales the firm can operate smoothly and abolish the loss.

Table No. - 7

Degree of Operating Leverage Analysis for the forecasted year 2013* – 2014*

Rupees in Crore

S.No	Description	2013*	2014*
1.	Sales	55983	64380
2.	Variable Cost	11085	17817
3.	Contribution	44898	46563
4.	Fixed Cost	33793	33793
5.	EBIT	11105	12790
7.	DOL	4.04	3.640

Interpretation:

DOL of 4.04 implies that for a given change in DLSPLS' Sales, EBIT will change 4.04 Times in 2010*. DOL 3.64 of implies that for a given change in DLSPLS' Sales, EBIT will change 3.64 Times in 2014*.



Table No. – 8

Degree of Financial Leverage Analysis for the forecasted year 2013* – 2014*

Rupees in Crore

S.No	Description	20113*	2014*
1.	Interest	253	253
2.	PBT	10852	12517
3.	DFL	1.0233 times	1.0202 times

Interpretation:

The DLSPLS' DFL is 1.0233 it implies that for a given change in EBIT, EPS will change by 1.0202 Times in 2013*. The DLSPLS' DFL is 1.0202 it implies that for a given change in EBIT, EPS will change by 1.0233 Times in 2014*.

Table No. – 9

Degree of Combined Leverage Analysis for the forecasted year 2013* – 2014*

Times

S.No.	Description	2013*	20114*
1.	DOL	4.04	3.640
2.	DFL	1.0233	1.0202



IJRREM



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INTERNATIONAL CENTRE

Scribd Impact Factor: 4.7317 Academia Impact Factor :1.1610

ISSN NO (Online)Application No:19702, RNI Application No :2017103794

3.	DCL	4.134	3.713
----	-----	-------	-------

Interpretation:

The DCL is 4.134 for the forecasted year 2014*. So, by combining the DOL and DFL the firm can increase its EBIT and EPS by 4.134 times. It shows comparatively lower level of risk. A firm with a relatively high level of combined leverage is seen as riskier than a firm with less combined leverage, as the high Leverage means more fixed costs to the firm.

**CHAPTER – V
RESULT ANALYSIS**

5.1 Findings

1. During the year 2010 (Prediction), sales increase by 15% resulting in a 15% increase in Total Assets (8,096)
2. Forecasted Income Statement (2010 *- First & Second pass), instead of retaining 1,625, the company retains 1,164 because of the interest, and the end results is that the company has to raise $1,625 + 239 = 1864$
3. Forecasted Income Statement (2010 – 2011 *Prediction) during this year, sales increase by 15% resulting in a 15% increase in Total Assets (8,096).



4. DLSPL'S 2010* forecasted sales is Rs. 55983 corers. Fixed cost Rs. 41733 corers. So the firm must concentrate to increase the sales as well as the contribution automatically the profit goes high.
5. The Margin of Safety sales volume is Rs. 55970 in these sales units' sales the firm can operate smoothly and abolish the loss.
6. DLSPL'S 2011* forecasted sales is Rs. 64380 corers. Fixed cost Rs. 47940 corers. So the firm must concentrate to increase the sales as well as the contribution automatically the profit goes high.
7. The Margin of Safety sales volume is Rs. 64362 in these sales units' sales the firm can operate smoothly and abolish the loss.
8. The DLSPLS' DFL is 1.0233 it implies that for a given change in EBIT, EPS will change by 1.0202 Times in 2010*.
9. The DLSPLS' DFL is 1.0202 it implies that for a given change in EBIT, EPS will change by 1.0233 Times in 2011*.
10. The researcher found that regarding Forecasted Cash Budget for the year 2010 seems to increasing in nature including the opening balance, sales and Interest. The differences between the receipts and expenses are scheduled in the above table as total between (A&B) which has the highest in the month of December (7593) and lowest in the month of June (230).



11. The researcher analyze the changes regarding Forecasted Cash Budget for the year 2011 seems to increasing in nature including the opening balance, sales and Interest. The total receipt has the lowest (9028) in the month of February 2010 and has the highest in the month of October (16669).
12. Next in the other side, the total expense including – Purchase, Salary, Wages , Power and Fuel, Repairs and maintenance , Interest Paid , Fright outwards , Other expenses and Dividend Paid has the lowest (2299) in the month of December 2011 and has the highest in the month of June (9302).
13. The receipts and expenses are scheduled for the year 2011 between (Total Receipt-A& Total Expenses-B) which has the highest in the month of December (13593) and lowest in the month of June (2701).

5.2 SUGGESTION AND RECOMMENDATIONS

1. Implication of integrated planning in ensuring the long-term viability of a business is needed and to include a robust and detailed financial analysis in the planning process to achieve the full benefits of integrated planning.
2. The cost of capital should be compared for cost of equity and cost of debt and the fund should be raised for whichever is low.
3. Advises financial advisors to analyze and manage the balance of risk and emphasis is also given on the importance of maintaining flexibility in the investment process.



4. It was also found that attention to opportunity costs acts as mediator and this in turn reduces the tendency to continue an existing project. This results in opportunity costs influences decision-making.
5. To be useful (and not harmful), the risk measure must be scientifically sound and propose that a standardized method of disclosure and risk measurement would be beneficial to consumers.
6. This report analyzes future scenarios which include political and natural disasters, trends in business, problems in the company and economic and market situations. The researcher urges advisors to prepare and plan now for unforeseen financial crises in the future not only for their clients but for the company most especially.
7. The author mentions that complex procedures are resorted in an attempt to know the direction of Receipts and expenses by using hindsight to understand the future in order to preplan every aspect of the financial planning of the company by focusing on higher long-term growth through lower variations in returns and by reducing predictions.
8. The researchers suggest the company experts to from more reliable statistical tools, the study of corollary warning signals across the utilization of funds in near future.
9. Investment planning in times of economic crisis is highly affect the financial objectives of the concern, for that monitoring and adjusting the core capital or the estimated amount of money an investor needs in the future to cover spending for as long as he may live is crucial in securing the investor's lifetime goals.



10. The researcher suggests that the probabilistic approach is considered beneficial because it measures various outcomes and prepares the investor for both positive and negative possibilities.
11. Business forecasting is presented to support the contention that the primary need for corporations in 2010-11 will be to place increased emphasis on long-term planning, abandoning the focus on short-term strategies for maximizing profits which contributed to the global financial crisis

5.3 CONCLUSION

Effective financial planning & analysis is central to business success. In the modern business environment technological developments and the advances of globalization have created unparalleled opportunities for businesses to expand their markets. But new opportunity has opened the door to new challenges. As competition intensifies, businesses have never been under as much pressure to consistently provide the products their customers want, when and where they want them. Financial Planning is a continuous process that flows with strategic decision making. The Operating Plan and the Financial Plan will both support the Strategic Plan. The best place to start in preparing a budget is with sales since this is a driving force behind much of our financial activity. One of the biggest challenges within financial planning and budgeting is how do we make it value-added. Budgeting requires clear channels of communication, support from upper-level management, participation from various personnel, and predictive characteristics. Budgeting should not strive for accuracy, but should strive to support the decision making process. If we focus too much on accuracy, we will end-up with a budgeting process that incurs time and costs in excess of the benefits



derived. The challenge is to make financial planning a value-added activity that helps the organization achieve its strategic goals and objectives.

Reference

1. Wren, Thomas; Otani, Yoko and Schwartz, "Periodical Liquidity Risk Still on Regulatory Radar", American Banker, Oct 2010, Vol. 175 Issue 22, p9
2. Chuang-Yuang Lin; Hung-Ta Lee, "The Bigger the Better? Merger and Acquisition Performance of Financial Holding Corporations", Emerging Markets Finance & Trade, Jan/Feb2010, Vol. 46 Issue 1, p96-107, 12p, 9
3. Raymond and James, "Financial planning industry" Accounting Today, Dec2009, Vol. 23 Issue 19, p20
4. Taylor, Lynn, "Hiring for the Emerging Economy" Business Week Online, Nov2009, p6
5. Barcelo, Yan. Ca, "Ten Ways to add value", Business Enterprises, Aug2009, Vol. 142 Issue 6, p20
6. Schroeder, Peter. Bond, "Venture Capital's Capital Infusion", Entrepreneur, Aug2009, Vol. 37 Issue 8, p77
7. Bowen Jr and John J, "Financial Planning", Journal of Portfolio Management, Jul2009, Vol. 39 Issue 7, p23



8. Orr and Kim, "Administration of Public Health –Financial Planning" Journal of Entrepreneur, Jun2009, Vol. 37 Issue 6, p93
9. Alice C. Lee, John C. Lee and Cheng-Few Lee, "Financial Analysis, Planning and Forecasting: Theory and Application", Journal of Finance & Economics, Jan,2008, Vol-IV, Issues-2, p-23
10. Gaurav Mashruwala, "Financial Planning", Business Standard / Mumbai May 14, 2010, <http://www.business-standard.com/india/news/financial-planning-gaurav-mashruwala>

General Reference

11. Financial Management - IM Pandey
12. Financial Management - Jain and Narang
13. Financial Management - Prasanna Chandra
14. Financial Management - Dr.S.N.Maheswari
15. Research Methodology - CR Kothari
16. www.DLSPL.com