PwC's Model Analyser

Financial models are used to support almost every critical business decision. It is essential that you have confidence in your model, to ensure the information you are working with is accurate when making decisions which impact the future of your business.
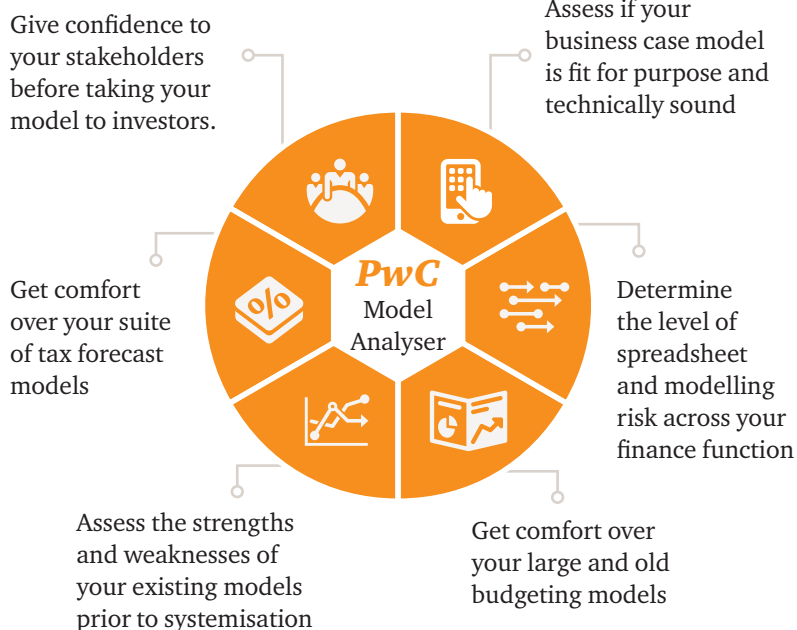
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What is PwC's *Model Analyser?*

PwC's Model Analyser is a two stage technology-enabled model review that uses our bespoke technology to analyse your model's structure and contents, and report on its risk and complexity KPI's. This analysis is used to design a targeted review approach prioritising the high-risk and high-complexity sections of the model. We report the model's strengths and risks, and any issues we identify, which will support your business in providing information to boards, banks and Government.

Targeted, fast and efficient

Technology and analytics enabled

Tailored insights and recommendations

Comprehensive reporting of findings

How could the *Model Analyser* help me and my business?

PwC's *Model Analyser* can help you to:

Give confidence to your stakeholders before taking your model to investors.

Assess if your business case model is fit for purpose and technically sound

Get comfort over your suite of tax forecast models

PwC Model Analyser

Determine the level of spreadsheet and modelling risk across your finance function

Assess the strengths and weaknesses of your existing models prior to systemisation

Get comfort over your large and old budgeting models

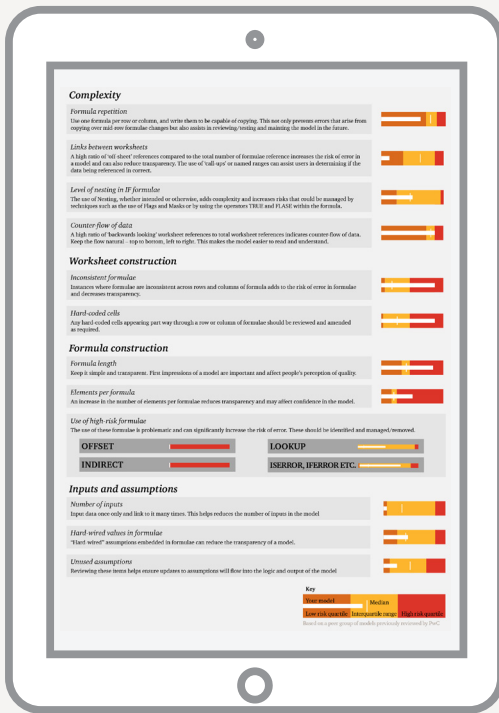| Model Risk Diagnostic	Model Analyser	Model Audit
– Fully automated – Proprietary algorithms – Calibrated regressions – PwC's Model Complexity Score – Point in time assessment – Benchmarked against 100's of models	– Financial modelling experts – Analytical review – Targeted cell by cell review – Single or multiple versions	– A full model review – A very high level of comfort – Required by lending banks and Government – Prioritises a clean sign-off – Will always review multiple versions of the model – Often includes checks to project and finance documents
– Examines attributes/KPIs within the model (including average formula length) – Benchmarks your model's attributes against similar models	Model Analyser includes the following components – An examination of the model's purpose and objectives – A review of the model's structure – A technology enabled analytical review of the key trends and ratios over forecasted period – Conducting sensitivity testing	

Model Interrogation Toolkit

A suite of bespoke and third party tools used to analyse and compare all technical characteristics of the model.

Model Risk Diagnostic

The Model Risk Diagnostic is a fully-automated report which analyses your model against the lead indicators of risk in financial models, and benchmarks them against a pool of similar models.

The Model Risk Diagnostic gives you a high-level overview of the results, with a detailed ranking for your model against each of the four risk categories considered as part of the report.

Your Model

Complexity
- Formula repetition
- Links between worksheets
- Level of nesting in IF formulae
- Counter-flow of data

Worksheet construction
- Inconsistent formulae
- Hard-coded cells

Formula construction
- Formula length
- Elements per formula
- Use of high-risk formulae

Inputs and assumptions
- Number of inputs
- Hard-wired values in formulae
- Unused assumptions

Key

Your model | Median
Low risk quartile | Interquartile range | High risk quartile

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About PwC's Deals Modelling team

PwC's Financial Modelling team design and deliver financial models tailored to your business needs and use our bespoke model review methodology to provide the comfort you need to make critical decisions for your business. Our dedicated team of technical experts are supported by a unique analytical toolkit, which we combine with the latest modelling technology, industry expertise and access to PwC's global network.

If you would like further information on PwC's Model Analyser and how it can support your business, please contact:

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