

# Excel Best Practices

---

## *Flip Chart*





© 1999-2010 Training The Street, Inc.  
All rights reserved.

*Training The Street, Inc. ("TTS") owns all rights, including copyright, in this publication. This publication may not be reproduced or redistributed, in whole or in part, in any format or by any means without TTS's prior written consent. No TTS seminar, workshop, or other instructional activity may be recorded or transmitted in any format or by any means without TTS's prior written consent.*

**Preparing Financial Professionals for Success**  
[www.trainingthestreet.com](http://www.trainingthestreet.com)

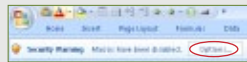
# QUICK STEPS TO OPTIMIZING YOUR EXCEL

## SECURITY SETTINGS

### Excel Options – TRUST CENTER

Alt F I T, Alt + T, M, Alt + D

Set macro settings to "Disable all macros with notification"



Enable macros when opening files from a trusted source!  
SELECT "ENABLE THIS CONTENT" Alt, Ctrl + Tab, Enter

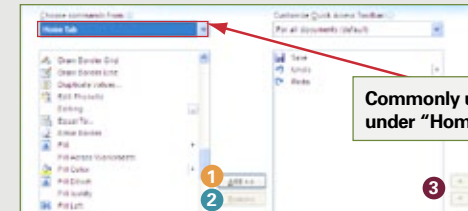
## CUSTOMIZE QUICK ACCESS TOOLBAR

### Excel Options – CUSTOMIZE

Alt F I C

Customize the Quick Access toolbar to include frequently used commands

- 1 To add an icon to the dialogue box Alt + A
- 2 To remove unwanted icons Alt + R
- 3 To arrange the order using the up and down arrow buttons

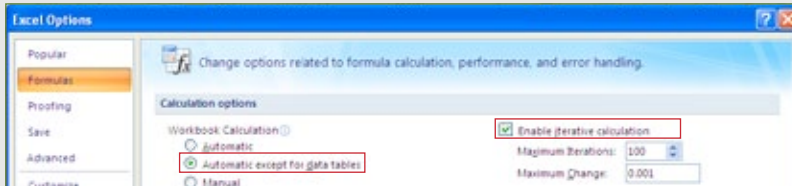


Commonly used commands under "Home Tab"

## CALCULATION SETTINGS

### Excel Options – FORMULAS

Alt F I F



Set calculation options to TTS recommended settings

- "Automatic except for data tables"
- "Enable iterative calculation"

### TTS Tips & Tricks

- If iterations are unchecked, a circular model will NOT calculate
- When using "Manual" calculations, you need to press **F9** to update each calculation

## ADDITIONAL PERSONAL SETTINGS

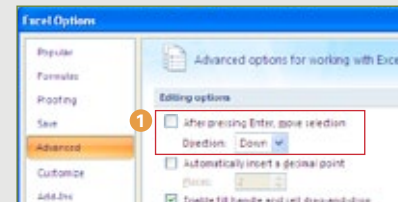
### Excel Options – FORMULAS OR ADVANCED

#### FUNCTIONALITY

- Deselect "Enable background error checking"
- View/Hide Gridlines
- Disable "After pressing Enter, move selection" <sup>1</sup> Advanced
- "Allow editing directly in cells" Advanced
- Cell comments
  - "Indicators only, and comments on hover"

#### MENU

- Formulas **Alt F I F, Alt + B**
- View Ribbon **Alt W, VG**
- Advanced **Alt F I A, Alt + M, Spacebar**
- Advanced **Alt F I A, Alt + E**
- Advanced **Alt F I A, Alt + I**

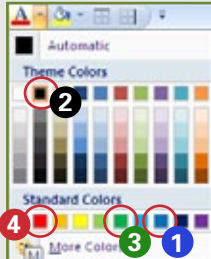


### TTS Tips & Tricks

- 1 Set move selection to:
  - Down / Right for data entry
  - Turn off for formula building

# TTS SUGGESTED FORMATTING CONVENTIONS

## FONT COLOR

Type of Color	Examples	Location
<b>1 BLUE</b> Inputs (historical data, assumptions, drivers)	172.551 =258.849+9.988-2.624	
<b>2 BLACK</b> Calculations and references on same schedule/sheet	=C4 =K7/J7-1	
<b>3 GREEN</b> References from another schedule/sheet	=Sheet2!B14	
<b>4 RED</b> Warning or external reference	=[HSY_v1.0.xls]Sheet1!C3	

## FORMAT

Number of Decimals	Types	Examples	Suggested Format
NO DECIMALS	Years \$ in thousands (typically)	2012 \$10,000 or 1,000	General or Number Currency or Number
ONE DECIMAL	Most multiples \$ in millions Most %	1.0x \$1.0 m or 1.0 m 1.0%	Custom Currency or Number Custom
TWO DECIMALS	EPS, share price Some % Some multiples	\$1.00 1.00% 1.00x	Currency Custom Custom
THREE DECIMALS	Millions of shares (typically)	100.000 m shares	Number

# COMMONLY USED FUNCTIONS

# Excel 2007

To insert a function in a cell, use either **Alt M F** or **Shift + F3** ("Function Wizard").

**Note:** When typing the syntax of a formula, **Ctrl + A** shows the function arguments.

TYPE OF FUNCTION	COMMON USE	FORMULA
<b>Absolute function</b>	Parity check	<b>=ABS(number)</b>
<b>And function</b>	If statement logic	<b>=AND(logical argument1, logical argument2...)</b>
<b>Choose function</b>	Scenarios	<b>=CHOOSE(index number, value 1, value2...)</b>
<b>Columns function</b>	To count N periods (e.g., rate function)	<b>=COLUMNS(reference range)</b>
<b>Comp. annual growth rate</b>	IRR and growth over a period (1)	<b>=RATE(periods, payment, -PV, FV, type)</b>
<b>Count function</b>	Data mining	<b>=COUNT(value1, value2, value3...)</b>
<b>Hlookup function</b>	Used to reference inputs on an output page	<b>=HLOOKUP(lookup, array, row index, range lookup)</b>
<b>If statement</b>	Error handling and switches	<b>=IF(logical test, value if true, value if false)</b>
<b>Net present value</b>	Discounted cash flow analysis (2)	<b>=NPV(rate, value1, value2, value3...)</b>
<b>Offset function</b>	Scenarios	<b>=OFFSET(reference, rows, columns, height, width)</b>
<b>Or function</b>	If statement logic	<b>=OR(logical argument1, logical argument2...)</b>
<b>Sum-of-years digits depreciation</b>	Modeling depreciation	<b>=SYD(cost, salvage, life, period)</b>
<b>Text function</b>	Footnotes, titles, and subtitles	<b>=TEXT(value, "format of text")</b>
<b>Vlookup function</b>	Used to reference inputs on an output page	<b>=VLOOKUP(lookup, array, col. index, range lookup)</b>

1) Compound annual growth rate formula:

$$\left[ \left( \frac{FV}{PV} \right)^{1/N} \right] - 1$$

2) Net present value formula:

$$\frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \dots + \frac{CF_N}{(1+r)^N}$$