

# Key Variance Analysis Sheet

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Department: Finance & Operations

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## 1. Summary

Category	Budgeted Amount	Actual Amount	Variance	% Variance	Key Reason(s)
Revenue	100,000	90,500	-9,500	-9.5%	Lower sales in Product B segment
Cost of Goods Sold	55,000	58,200	+3,200	+5.8%	Raw material price increase
Operating Expenses	20,000	18,450	-1,550	-7.8%	Cost-saving initiatives implemented
Net Profit	25,000	13,850	-11,150	-44.6%	Combined impact of above variances

## 2. Detailed Notes

- Revenue:** Decline primarily attributed to delayed customer orders and increased competition in Product B.
- COGS:** Unplanned supplier price hikes affected the quarter.
- Operating Expenses:** Reduced due to temporary hiring freeze and travel restrictions.

## Important Notes

- This document highlights key differences (variances) between budgeted and actual results.
- Significant positive or negative variances should be investigated and explained in detail.
- Helps management take corrective actions and improve future forecasting accuracy.
- Regular variance analysis supports strategic decision-making and financial control.