

Sensitivity Analysis Forecast Document

Date: [Insert Date]

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1. Executive Summary

This document presents a sensitivity analysis forecast assessing the potential impact of key variables on the project's outcomes. The analysis highlights key drivers, summarizes findings, and outlines underlying assumptions.

2. Objective

To evaluate how changes in significant inputs/parameters affect projected outcomes, identify critical sensitivities, and facilitate informed decision-making.

3. Methodology

- Identify key variables and assumptions.
- Establish baseline (base case) scenario for projections.
- Determine range and increments of variable changes.
- Run alternative scenarios with variable adjustments.
- Analyze and compare forecast results.

4. Key Variables Analyzed

- Sales growth rate
- Cost of goods sold (COGS) percentage
- Operating expenses
- Interest rate
- Exchange rate

5. Assumptions

- Macroeconomic conditions remain stable.
- No significant regulatory changes occur during the period.
- Current contractual terms remain valid.

6. Scenario Results

Scenario	Variable Changed	Change (%)	Forecasted Outcome	Variation vs. Base Case
Base Case	-	-	100,000	0%
Scenario 1	Sales Growth Rate	+5%	106,000	+6%
Scenario 2	COGS %	+3%	97,000	-3%

7. Analysis & Interpretation

The sensitivity analysis reveals that the forecast is most responsive to changes in the sales growth rate, while COGS percentage changes have a moderate impact. Other variables have a lesser influence on the overall projection.

8. Conclusion

Regular review of key assumptions is necessary due to their impact on forecasts. Stakeholders should focus on monitoring and managing the most sensitive variables.

Important Notes

- Sensitivity analysis does not predict actual future events, but evaluates potential variability in outcomes.
- Results depend on the reasonableness and accuracy of underlying assumptions.
- This document should be updated as new data becomes available or key variables change.
- Interpret results in the context of overall business strategy and risk tolerance.