

Excel #7: Creating Scenarios

Scenarios represent different data versions of a spreadsheet. They are useful when you are not sure what values to enter for several data items. Each scenario represents one set of data, and users can choose a scenario to see what the outcome might be.

Enter current sales data for the sample store.

Note, you can double-click the dividing line between A and B in the worksheet header to automatically resize column A.

	Sales		
Category	Current	Forecast	Outcome
Soft Goods	2502	0.05	2627
Hard Goods	4521	0.04	4702
Movies	1599	0.08	1727
	8622		9056

Use a formula to compute the outcome: =ROUND(B7*(1+C7),0)

The problem is that several people have different opinions on the forecasts. You have collected them into three groups (scenarios).

Category	Bad	Likely	Good
Soft Goods	0.02	0.05	0.08
Hard Goods	-0.02	0.04	0.09
Movies	0.03	0.08	0.15

So users remember which scenario they are looking at, in a cell above the table, enter the label: Scenario.

Select Data/Data Tools/What If Analysis/Scenario Manager from the main menu.

Click the Add button to create a new scenario.

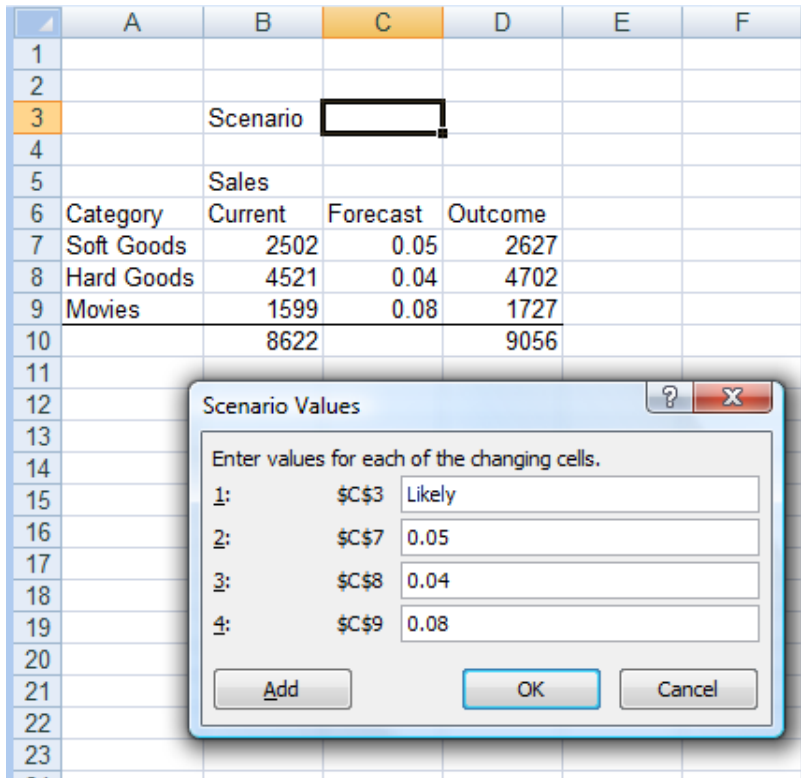
Enter Likely as the name.

Click the selection box for the "Changing cells" box.

Holding the Ctrl key down, click the box next to the Scenario label, then click the three Forecast percentages.

Uncheck the Prevent changes box, and click the OK button.

Enter the values for the cells: Likely, 0.05, 0.04, 0.08



Click the OK button.

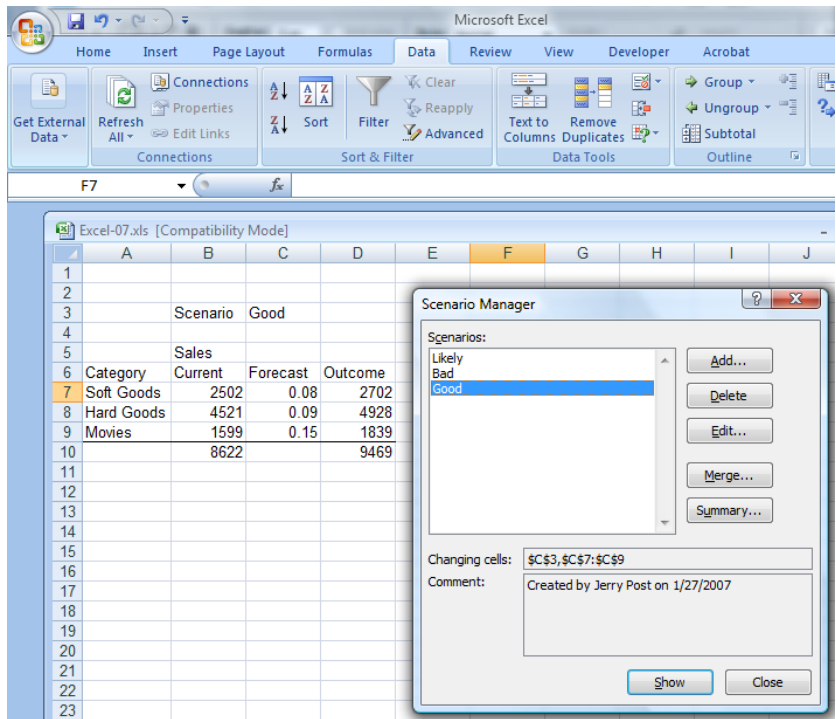
Repeat the process for the other two scenarios (Add, name, enter values).

Click the Close button.

You can now give the spreadsheet to managers or colleagues.

Choose Tools/Scenarios from the main menu.

Select a scenario and click the Show button.



You, or your manager, can also create a quick report that summarizes the overall result for each of the scenarios.

Click the Summary button.

Click the selection box for the “Result cells” entry.

Select the overall total for the Outcome column.

Click the OK button.

	A	B	C	D	E	F	G
1							
2		Scenario Summary					
3		Current Values:		Likely	Bad	Good	
5		Changing Cells:					
6		\$C\$3	Good	Likely	Bad	Good	
7		\$C\$7	0.08	Likely	0.05	0.02	0.08
8		\$C\$8	0.09	Likely	0.04	-0.02	0.09
9		\$C\$9	0.15	Likely	0.08	0.03	0.15
10		Result Cells:					
11		\$D\$11	9469	Likely	9056	8630	9469
12		Notes: Current Values column represents values of changing cells at time Scenario Summary Report was created. Changing cells for each scenario are highlighted in gray.					
13							
14							
15							