COURSE SYLLABUS

**Bus 710**

**Virtual Meeting Hybrid Format**

**Financial Leadership through Applied Decision Making**

**Fall, 2020**

# Course Information

## Instructor Information

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| **Instructor:** | Kevin M. Bahr, Ph.D., CPA |
| **Office:** | CPS 426 (will NOT be campus for fall semester) |
| **Physical Office Hours:** | N/A |
| **Virtual Office Hours:** | T 4:00-5:30 when class does not meet |
| **SBE Office Telephone:** | 715-346-2728 |
| **E-mail:** | [kbahr@uwsp.edu](mailto:kbahr@uwsp.edu) (use e-mail to contact me) |

## Course Information

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| **Course Description:** | Corporate financial strategic leadership skills are developed through a detailed project that applies financial theory and principles to real-world problem solving and strategic planning. The project and topics include: computer modeling and financial forecasting; capital structure determination, business valuation; investment analysis; industry and firm analysis; current economic and financial market analysis, including important international issues in corporate strategic planning. |
| **Credits:** | 3 |
| **Prerequisites:** | None |

## Textbook & Course Materials

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| **Required Text:** | None |
| **Recommended Texts:** | None |
| **Other Readings:** | Study guides, associated Power point presentations, and other relevant topic material will be provided to students. Material will be e-mailed to students via the UWSP e-mail distribution list and available in Canvas. |
| **Other Required Materials / Applications:** | Students will also be provided with an Excel model which will be used in the corporate financial strategic planning project. |

## Course Technology

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| **Course Website:** | All course material is available through CANVAS |
| **Other Websites:** | Appropriate websites relevant for a particular topic are indicated in the topic course material. |
| **Course Delivery:** | This course will be taught in a virtual hybrid format with a corporate financial planning project as the primary focus of the course. The successful completion of the project is based on demonstrating 1) a solid understanding of the current economy and financial markets and important recent economic events, 2) a solid understanding of important core financial and economic concepts, and 3) an ability to effectively develop and explain a corporate financial planning model based on current economic and financial market conditions. In addition, critical leadership skills necessary for effective corporate financial strategic planning will be discussed and demonstrated in the corporate financial planning project.  The class will meet virtually through Zoom three times; 1 and ½ hours for the first two meetings and 4 hours for the final meeting period. Students are provided study guides, associated Power point slides, and other relevant material for independent study. Students will complete assigned quizzes and the corporate financial planning project to account for the remainder of appropriate course time. |
| **Canvas Support:** | Use the following support numbers for questions and issues related to the Canvas Learning Management System: 1 (833) 828-9804.  **ALL QUESTIONS OR PROBLEMS USING CANVAS SHOULD BE DIRECTED TO THE CANVAS LEARNING MANAGEMENT SYSTEM (NOT ME).** |
| **UWSP Technology Support:** | The Office of Information Technology (IT) provides a Service Desk to assist students with connecting to the Campus Network, virus and spyware removal, file recovery, equipment loan, and computer repair. You can contact the Service Desk via email at [techhelp@uwsp.edu](mailto:techhelp@uwsp.edu) or at (715) 346-4357 (HELP) or visit: [https://www.uwsp.edu/infotech/Pages/ServiceDesk/default.aspx](https://www3.uwsp.edu/infotech/Pages/ServiceDesk/default.aspx)  **ALL QUESTIONS OR PROBLEMS USING TECHNOLOGY SHOULD BE DIRECTED TO THE UWSP HELP DESK (NOT ME).** |

# Learning Outcomes

## Course Goals

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| The goals of the course include:   * Students understand current economic and financial market conditions, and implications for corporate financial strategic planning * Students gain a solid understanding of financial statement analysis * Students gain an appreciation for the skills needed for effective corporate financial strategic leadership * Students gain the skills to apply their knowledge of economic and financial market conditions, and financial statement analysis through corporate financial strategic planning |

## Course Learning Objectives

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| * Students are expected to have competency and will be assessed on core concepts necessary for corporate financial strategic planning. These core concepts include:   + Financial statements   + Ratio analysis * Students are expected to gain competency and will be assessed on their understanding of current economic and financial market conditions and important recent economic events which have and will impact corporate financial strategic planning. The topics include: * The Financial Crisis vs. the Covid-19 Crisis * Economic Growth * The Unemployment Rate * Manufacturing Employment * The Federal Reserve and Interest Rates * The Bond and Stock Markets * Real Wage Growth (or lack thereof) * The Federal Deficit and Debt * Taxes and Tax cuts * International Factors   + Students are expected to gain competency in corporate financial strategic planning, including financial forecasting, firm valuation, and determining an appropriate financing structure. Students will be assessed through a comprehensive corporate financial planning project, which includes utilizing excel to develop a financial model and justifying the assumptions used in developing the model. * Students are expected to gain competency and will be assessed on their understanding of leadership skills required for successful corporate financial strategic leadership. |

## Academic Unit

SBE Mission: The UW-Stevens Point School of Business and Economics creates career ready graduates and leaders through applied learning. We serve the businesses, economy, and people of the greater Central Wisconsin region. We specialize in preparing students for success by providing professional development experiences, access to employers, and in-demand skills.

The SBE achieves its mission by valuing:

• Talent development

• Lifelong learning

• Career preparation

• On the job experiences

• Community outreach

• Regional partnerships

• Continuous improvement

Accreditation Commitment: SBE is accredited by the Association to Advance Collegiate Schools of Business (AACSB), a designation earned by only 5 percent of world business schools. Accreditation instills a culture of continuously improving our programs through connections with local business leaders, alumni and the community.

# Course Policies

## Attendance

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| All 3 class meetings will occur virtually through Zoom. The first meeting will provide an intro to the class and discuss the corporate financial strategic planning project, including the excel model. The second meeting will continue the discussion of the project (including the excel model) and discuss any questions on course material. The final class meeting is the project presentation day. If you do not participate in the Zoom meeting on the project presentation day, your grade will potentially be reduced as indicated in the project instructions below. I believe that you will benefit from participating in all classes; however, your grade will not be reduced if you miss Zoom meeting days other than the project presentation day. |

## Late Work

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| Not accepted. |

## Etiquette/Netiquette

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| It is expected that all participants in the class will treat each other respectfully. |

# Grading

## Grading Scale

A- 90-92; A 93-100%

B- 80-82 B 83-86 B+ 87-89

C- 65-69 C 70-74 C+ 75-79

D- 50-54 D 55-59

F < 50

## Grading Components

Your final grade will be based on your scores from three quizzes and a corporate finance planning project.

Three quizzes will be given in the course. Each quiz will comprise 20% of the student’s final grade. Students may take each of the quizzes 3 times and will receive the highest grade scored on the quiz. The corporate financial planning project is a group project and will comprise 40% of the final grade. Each group will receive a grade for the project. The students in each group will also grade each other, by allocating the group points received between group members. Consequently, a given student’s grade on the project is a function of 1) the grade assigned to the group, and 2) how the group members allocated these points between group members. Details of the project and grading example are included at the end of this syllabus.

Quiz/Project Final Grade Weighting

Quiz 1 The Economy and Financial Markets – Part 1 20%

Quiz 2 Financial Statements and Ratio Analysis 20%

Quiz 3 The Economy and Financial Markets – Part 2 20%

corporte financial planning project 40%

# Graded Coursework

## Quizzes

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| There are 3 Quizzes in the course, each quiz will count for 20% of a student’s final grade. Each quiz will have 50 multiple choice equally weighted questions. You will have 3 hours (180 minutes) to complete each quiz. Once you start the quiz, you must complete it.  Quiz 1 is based on information from The Economy and Financial Markets – Part 1 module. The purpose of the material on quiz 1 is to provide you with a background on recent and current economic and financial market events that impact corporate financial strategic planning. In addition, as an MBA student, you simply should know and understand what is going on in the economy and financial markets. The Part 1 module includes the following topics:   * The Financial Crisis vs. the Covid-19 Crisis * Economic Growth * The Unemployment Rate * Manufacturing Employment * The Federal Reserve and Interest Rates * The Bond and Stock Markets   Quiz 2 is based on information from the Financial Statements and Ratio Analysis module. The purpose of the material on quiz 2 is to provide a necessary background and summary for understanding financial statements, which will be an integral part of the excel model used in the corporate financial strategic planning project.  Quiz 3 is based on information from The Economy and Financial Markets – Part 2 module. The purpose of the material on quiz 3 is similar to quiz 1 - to provide you with a background on recent and current economic and financial market events that have impacted corporate financial strategic planning, and it is material that an MBA student should know. The Part 2 module covers the following topics:   * Real Wage Growth (or lack thereof) * The Federal Deficit and Debt * Taxes and Tax cuts * International Factors   **Students may take each of the quizzes 3 times and will receive the highest grade scored on the quiz. All quizzes are multiple choice, open note, and on-line. The Study Questions from the Study Guides and Website Questions will provide the basis for quiz questions.**  **Each quiz may be taken anytime during the exam window:**  **Tuesday October 27 8:00 a.m. – Friday December 11 5:00 p.m.** |

## Corporate Financial Planning Project Assignment

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| In addition to the 3 quizzes a Corporate Financial Planning project will be required. Leadership is an important theme of the UWSP MBA. The project is an example of demonstrating Financial Leadership.  Students will be split into groups; the exact number of groups and the number of students in each group will be a function of class enrollment.Each group will analyze a selected public company for possible purchase. You will be determining the value of the company based upon your financial projections and your appropriately determined capital structure. The analysis will culminate in an approximate 30-minute group presentation to the class which includes:   * A thorough review of the company that you are analyzing * A detailed 5-year financial (Excel) model for the company * Justification of the **expected** financial projections that are developed for the company, * Explanation of how an appropriate capital structure was determined * Determination and explanation of appropriate purchase price * Comparison of purchase price to current market price and recommendation as to whether the company should be purchased,   In addition, each group must also perform the following analysis:  Almost every company has been impacted by Covid-19. Learn as much as possible about how your selected company responded to the virus.   * As part of your company analysis, discuss: * How has Covid-19 impacted the company’s financial performance? (You can compare the financial performance of the company in 2020 relative to 2019 for some insight.) * How did the company change its operations to respond to Covid -19? * Do you agree or disagree with how the company responded (or didn’t respond) to Covid-19? What would have been your recommendations for how the company should have responded?   The full details and requirements of this project are attached at the end of this syllabus.  **The Project and quizzes are expected to be your original work. Students copying or plagiarizing are subject to academic misconduct. Don’t do it.** |

# Schedule

## Dates and Deadlines

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| **This timetable is tentative; although not expected, it is subject to change. The topics listed below are tentative and subject to any changes that are announced through e-mail and Canvas. You are responsible for knowing any announced changes.**  **Week 1 Tuesday, October 27 Virtual CLASS MEETING DAY through Zoom 4:00-5:30**  Topics: Intro to Course; Intro to Corporate Financial Planning Project and Excel Model  **Week 2 Tuesday, November 3 VOTE Hybrid day – NO Class meeting**  **Week 3 Tuesday, November 10 Hybrid day – NO Class meeting**  **Week 4 Tuesday, November 17 Virtual CLASS MEETING DAY through Zoom 4:00-5:30**  Topics: Detailed discussion of Excel Model and Corporate Financial Planning Project.  Discussion of any questions relating to module material.  **Week 5 Tuesday, November 24 Hybrid day – NO Class Meeting**  **Week 6 Tuesday, December 1 Hybrid day – NO Class Meeting**  **Week 7 Tuesday, December 8 Hybrid day – NO Class Meeting**  **Week 8 Tuesday, December 15 Virtual CLASS MEETING DAY through Zoom**  **Group Presentations – Corporate Financial Planning Project**  **Group Presentation times will be assigned.**  You have quite a bit of flexibility as to when you want to study the material. However, the following schedule is a guide to keep you moving through the material in a timely manner. This is only a suggestion.  **Weeks 1 and 2**  ***Module: The U.S. Economy and Financial Markets – Part 1 (Quiz 1 material)***   * The Economy and Financial Markets – Part 1 Study Guide * The Economy and Financial Markets – Part 1 Website Questions   **Weeks 3 and 4**  ***Module: Financial Statements and Ratio Analysis (Quiz 2 material)***   * Financial Statements material: 1) Study Guide, 2) Presentation (PowerPoint) * Ratio Analysis Material: 1) Study Guide, 2) Presentation (PowerPoint) * Financial Statements and Ratio Analysis - Website Questions   **Weeks 5 and 6**  ***Module: The Economy and Financial Markets – Part 2 (Quiz 3 material)***   * The Economy and Financial Markets – Part 2 Study Guide * The Economy and Financial Markets – Part 2 Website Questions * The Tax Act of 2018 material: 1) Study Guide, 2) Presentation (Powerpoint)   **Weeks 4 through 8**  ***Corporate Financial Planning Project***  **All quizzes must be completed by December 11 at 5:00 P.M.**   Quizzes Window and Deadlines There are 3 required quizzes relating to the above material. Students may take each of the quizzes 3 times and will receive the highest grade scored on the quiz. All quizzes are multiple choice, open note, and on-line.  **The Study Questions from the Study Guides and Website Questions will provide the basis for quiz questions.**  **QUIZ 1 The U. S. Economy and Financial Markets - Part 1**  There are 50 multiple choice questions on the quiz. The last 15 quiz questions are website questions taken from "The Economy and Financial Markets – Part 1 Website Questions". The website questions on the quiz are the exact questions in the same order as they appeared on that handout. The answers on the quiz may be in a different order than what they were on the handout.  **QUIZ 2 Financial Statements and Ratio Analysis**  There are 50 multiple choice questions on the quiz. The last 5 quiz questions are website questions taken from "Financial Statements and Ratio Analysis Website Questions". The website questions on the quiz are the exact questions in the same order as they appeared on that handout. The answers on the quiz may be in a different order than what they were on the handout.  **QUIZ 3 The U. S. Economy and Financial Markets - Part 2**  There are 50 multiple choice questions on the quiz. The last 17 quiz questions are website questions taken from "The Economy and Financial Markets – Part 2 Website Questions". The website questions on the quiz are the exact questions in the same order as they appeared on that handout. The answers on the quiz may be in a different order than what they were on the handout.  **Each quiz may be taken anytime during the exam window:**  **Tuesday October 27 8:00 a.m. – Friday December 11 5:00 p.m.** |
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# Other Administrative Details

## ADA / Equal Access for Students with Disabilities

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| The American Disabilities Act (ADA) is a federal law requiring educational institutions to provide reasonable accommodations for students with disabilities. For more information about UWSP’s policies, see: [https://www.uwsp.edu/datc/Pages/uw-legal-policy-info.aspx](https://www3.uwsp.edu/datc/Pages/uw-legal-policy-info.aspx)  UW-Stevens Point will modify academic program requirements as necessary to ensure that they do not discriminate against qualified applicants or students with disabilities.  The modifications should not affect the substance of educational programs or compromise academic standards; nor should they intrude upon academic freedom. Examinations or other procedures used for evaluating students' academic achievements may be adapted. The results of such evaluation must demonstrate the student's achievement in the academic activity, rather than describe his/her disability.  If modifications are required due to a disability, please inform the instructor and contact the Disability and Assistive Technology Center to complete an Accommodations Request form. The Disability and Assistive Technology Center is located on the 6th Floor of Albertson Hall. For more information, call 715-346-3365 or visit: [https://www.uwsp.edu/datc/Pages/default.aspx](https://www3.uwsp.edu/datc/Pages/default.aspx) |

## Inclusivity/Nondiscrimination Statement

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| No person shall be discriminated against because of race, ethnicity, color, age, religion, creed, gender, gender identity, sexuality, disability, nationality, culture, genetic information, socioeconomic status, marital status, veteran’s status, or political belief or affiliation and equal opportunity and access to facilities shall be available to all. To address concerns regarding any of these issues please call 715‑346‑2606 or visit: <http://www.uwsp.edu/hr/Pages/Affirmative%20Action/About-EAA.aspx> |

## Religious Beliefs Accommodation

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| It is UW System policy (UWS 22) to reasonably accommodate your sincerely held religious beliefs with respect to all examinations and other academic requirements. A direct link to this policy can be found here: <https://docs.legis.wisconsin.gov/code/admin_code/uws/22> |

## Help Resources

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| The Tutoring and Learning Center helps with Study Skills, Writing, Technology, Math, & Science. The Tutoring and Learning Center is located at 018 Albertson Hall. For more information, call 715‑346‑3568 or visit: [https://www.uwsp.edu/tlc/Pages/default.aspx](https://www3.uwsp.edu/tlc/Pages/default.aspx)  If you need healthcare, UWSP Student Health Service provides student-centered healthcare that empowers and promotes wellness for all UWSP students. Student Health Service is located on the 1st floor of Delzell Hall. For more information, call 715‑346‑4646 or visit: <http://www.uwsp.edu/stuhealth/Pages/default.aspx>  The UWSP Counseling Center is staffed with licensed mental health professionals dedicated to assisting students as they navigate difficult circumstances or resolve personal concerns. Therapy and consultation services are free of charge for registered students. The UWSP Counseling Center is located on the 3rd Floor of Delzell Hall. For more information, call 715-346-3553 or visit: <http://www.uwsp.edu/counseling/Pages/default.aspx>  In addition to the support services provided by Student Health Service and the UWSP Counseling, there are also professional support services available to students through the Dean of Students. For more additional information, please go to <http://www.uwsp.edu/dos/Pages/default.aspx> |

## Emergency Response Guide

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| In the event of an emergency, follow UWSP’s emergency response procedures. For details on all emergency response procedures, please go to <http://www.uwsp.edu/rmgt/Pages/em/procedures> |

## Grade Reviews/Appeals

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| A formal grade appeal, also known as a Grade Review, can be requested in instances when the student feels that he or she was not provided a syllabus with a grading scale in a timely manner (i.e., the end of the second week of classes) and/or the instructor did not stick with the grading scale published in the syllabus. Questions of whether or not the instructor appropriately graded one or more of the course assignments, quizzes, exams, etc. are not matters to be decided by a formal grade appeal, but rather should be taken up with the instructor directly. Information on grade reviews can be found in the University Handbook, Chapter 7, Section 5. A link to the university’s policies on non-academic misconduct can be found at [https://www.uwsp.edu/acadaff/Pages/gradeReview.aspx](https://www3.uwsp.edu/acadaff/Pages/gradeReview.aspx) |

## UWSP Community Bill of Rights and Responsibilities

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| UWSP values a safe, honest, respectful, and inviting learning environment. In order to ensure that each student has the opportunity to succeed, a set of expectations has been developed for all students, staff, and faculty. This set of expectations is known as the Rights and Responsibilities document, and it is intended to help establish a positive living and learning environment at UWSP. For more information, go to: <https://catalog.uwsp.edu/content.php?catoid=10&navoid=422#section-1-communal-bill-of-rights-and-responsibilities> |

## University Attendance Policy

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| In addition to the course attendance policies determined by the instructor (noted above if applicable), the university provides standard guidelines by which students are to abide. All exceptions to the course attendance policy or the university guidelines should be documented in writing. A link to the university’s attendance guidelines can be found at: [https://www.uwsp.edu/regrec/Pages/Attendance-Policy.aspx](https://www3.uwsp.edu/regrec/Pages/Attendance-Policy.aspx) |

## University Drop Policy

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| You are expected to complete the courses for which you register. If you decide you do not want to take a course, you must follow the procedures established by the university to officially drop the course. If you never attend or stop attending a course and fail to officially drop, you will receive an F in the course at end of the semester. A link to the university’s drop policy can be found at: <https://catalog.uwsp.edu/content.php?catoid=11&navoid=431&hl=add%2Fdrop&returnto=search#Drop/Add/Withdrawal_Procedures> |

## Academic Honesty

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| UW System policy (UWS 14) states that students are responsible for the honest completion and representation of their work, for the appropriate citation of sources, and for respect of others' academic endeavors. Students suspected of academic misconduct will be asked to meet with the instructor to discuss the concerns. If academic misconduct is evident, procedures for determining disciplinary sanctions will be followed as outlined in UWS 14. A direct link to this policy can be found here: <https://docs.legis.wisconsin.gov/code/admin_code/uws/14> |

## Non-Academic Misconduct

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| Information on non-academic misconduct can be found in Chapters 17 and 18 of the Student Rights and Responsibilities Document. A link to the university’s policies on non-academic misconduct can be found at [https://www.uwsp.edu/dos/Pages/stu-conduct.aspx](https://www3.uwsp.edu/dos/Pages/stu-conduct.aspx). |

## Confidentiality

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| Learning requires risk-taking and sharing ideas. Please keep your classmates’ ideas and experiences confidential outside the classroom unless permission has been granted to share them.  It is important for students to understand that faculty are required to report any incidents of maltreatment, discrimination, self-harm, or sexual violence they become aware of, even if those incidents occurred in the past, off campus, or are disclosed as part of a class assignment. This does not mean an investigation will occur if the student does not want that, but it does allow the university to provide resources to help the student continue to be successful. |

## Sample Coursework Permission

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| The instructor may wish to use a sample of your work or some of the feedback you provide on the course in future teaching or research activities. Examples: showing students an example of a well-done assignment; analyzing student responses on a particular question; discussing teaching techniques at a conference. If your coursework or feedback is used, your identity will be concealed. If you prefer not to have your work included in any future projects, please send the instructor an e-mail indicating that you are opting out of this course feature. Otherwise, your participation in the class will be taken as consent to have portions of your coursework or feedback used for teaching or research purposes. |

## Revision Clause

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| This syllabus, the provided schedule, and all aforementioned coursework, are subject to change. It is the student’s responsibility to check the course website for corrections or updates to the syllabus. Any changes will be clearly noted in a course announcement or through email. |

# The Corporate Financial Planning Project

**Why the Assignment**

The purpose of this assignment is as follows:

1. To provide you with an opportunity to think, interpret, and analyze how macroeconomic, industry, and firm-specific factors affect the competitiveness and strategic direction of a firm.
2. To provide you with an opportunity to think, interpret and analyze how U.S. government fiscal and trade policies affect corporate financial strategic planning.
3. To provide you with an understanding of the interrelatedness of financial statements and their role in corporate financial planning.
4. To provide you with an understanding of economic, industry, and firm data and information sources.
5. To provide you with an understanding of determining how to determine an appropriate capital structure and purchase price when evaluating a business.
6. You are in a leadership position; you will make recommendations regarding corporate strategic decisions based on financial analytics.

**Assignment Summary**

Students will be split into groups; the exact number of groups and the number of students in each group will be a function of class enrollment.Each group will analyze a selected public company for possible purchase. You cannot use Harley-Davidson; as I have prepared an Excel spreadsheet using Harley-Davidson as the example for how to do the project. You will be using that model, except inserting the appropriate numbers for your selected company. As discussed in class, public companies must disclose financial and business information, which is why you will be selecting a public company. You will be determining the value of the company based upon your financial projections and your appropriately determined capital structure. The analysis will culminate in an approximate 30-minute group presentation (use Power point) which includes:

* A thorough review of the company that you are analyzing
* A detailed 5-year financial (Excel) model for the company
* Justification of the **expected** financial projections that are developed for the company,
* Explanation of how an appropriate capital structure was determined
* Determination and explanation of appropriate purchase price
* Comparison of purchase price to current market price and recommendation as to whether the company should be purchased

In addition, each group must also perform the following analysis:

* As part of your company analysis, discuss:
* How has Covid-19 impacted the company’s financial performance? (You can compare the financial performance of the company in 2020 relative to 2019 for some insight.)
* How did the company change its operations to respond to Covid -19?
* Do you agree or disagree with how the company responded (or didn’t respond) to Covid-19? What would have been your recommendations for how the company should have responded?

Almost every company has been impacted by Covid-19. Learn as much as possible about how your selected company responded to the virus.

In addition, each group will be required to submit their Power point presentation, financial (Excel) model, and a maximum 10-page double spaced paper which is a summary of their presentation. There is nothing new in the paper relative to what the group is presenting. For example, your presentation includes:

* A thorough review of the company that you are analyzing
* A detailed 5-year financial (Excel) model for the company
* Justification of the **expected** financial projections that are developed for the company,
* Explanation of how an appropriate capital structure was determined
* Determination and explanation of appropriate purchase price
* Comparison of purchase price to current market price and recommendation as to whether the company should be purchased

As part of your company analysis, discuss:

* How has Covid-19 impacted the company’s financial performance? (You can compare the financial performance of the company in 2020 relative to 2019 for some insight.)
* How did the company change its operations to respond to Covid -19?
* Do you agree or disagree with how the company responded (or didn’t respond) to Covid-19? What would have been your recommendations for how the company should have responded?

The paper will be in words what you are verbalizing in the presentation. You can simply use bullet points in the paper for your review of the company, justifying the financial projections, explaining the capital structure, etc. I am sure Zoom and internet connections will (probably) work just fine the night of the presentations. But in case they don’t, we have a back-up with the paper. In addition, submitting the Excel model, paper, and Power point prior to the presentation date will make it easier for those critiquing your presentation.

**Corporate Financial Planning Project Submission (please e-mail to me)**

* **Excel model, paper, and Power point must be submitted by Monday, December 14 10:00 p.m.**

**Corporate Financial Planning Project Presentations – Tuesday, December 15**

**Overview**

Assume that your group has been asked to make an approximate 30-minute presentation to the Board of Directors regarding the evaluation of a company for possible purchase. We will assume that the company selected was suggested for evaluation by the Board of Directors. Each group will evaluate a different company. I would suggest selecting a company in an industry that interests you. I would also suggest NOT selecting a financial services firm (insurance, bank), as the financial statements are unique and difficult to understand unless you have specific knowledge in that area.

In essence, to evaluate the purchase of the company, you must develop financial projections, an appropriate capital structure, and an appropriate purchase price. The financial projections, in conjunction with an appropriate capital structure, will determine the appropriate purchase price. (You will be provided with a Microsoft Excel model that you can use for your company’s financial modeling.) Your presentation will consist of clearly and concisely justifying and explaining your financial projections.

In addition, your group will also discuss

* How has Covid-19 impacted the company’s financial performance? (You can compare the financial performance of the company in 2020 relative to 2019 for some insight.)
* How did the company change its operations to respond to Covid -19?
* Do you agree or disagree with how the company responded (or didn’t respond) to Covid-19? What would have been your recommendations for how the company should have responded?

**The Financial Plan**

Each group is required to prepare their own long-term financial plan for a selected publicly traded company that reflects their expectation for the next 5 years. The financial plan should include the following:

1. Pro forma (projections) financial statements (5 years)

* balance sheet, statement of cash flows, income statement

2. Proposed Capital structure

* amounts and type of debt
* amount of equity

3. The compounded annual return for shareholders.

4. Determination of purchase (acquisition) price

Your financial statements should be on a Microsoft Excel spreadsheet. You will be provided with a Microsoft Excel model (that includes the above 4 points) that you can use for your company’s financial modeling. You can certainly, change, modify, and/or adapt the model to your specific chosen company. For whatever company you select, you (your group) needs to understand the financial statements and how the statements are interrelated. Your financial plan reflects your expectations for the company selected for the next 5 years.

**Presentation**

Your presentation is basically a detailed explanation and justification of your financial plan. Basically, you are trying to convince the Board of Directors that the analysis and financial plan presented for your selected company are thorough, correct, and explained clearly so the Board supports your analysis and recommendations. Your presentation should include the following:

* Begin your presentation by specifying the company that you have selected for the project. Briefly describe the company, its products, its industry, primary competitors, and major issues facing the company. You should also include a brief review of historical financial performance, as well as international operations. The Form 10K is an excellent, primary source for all of this information. Also comment on the firm’s recent stock market performance. (You can use Morningstar.com or Yahoo Finance for analyzing stock market performance.)
* Your analysis of the company is basically a summary SWOT analysis – discuss the strengths, weaknesses, opportunities, and threats for the firm.
* Present your financial statements. Discuss some of the major assumptions (sales growth, gross margin, inventory turnover, etc.). Explain the capital structure, the return to shareholders, the recommended purchase price of the company, and recommendation as to whether the company should or would be acquired. In essence, you are integrating your SWOT analysis into your financial plan; the financial plan is a reflection of your SWOT analysis.
* Justify your financial projections. On the basis of your analysis of the economy, industry and the company, you must justify your financial projections. You are trying to convince the Board of Directors that you have made a thorough and accurate analysis of the company that is reflected in your financial plan and your recommendations. (For example, why do sales increase or decrease? Why does net income increase or decrease?) You should analyze and identify key economic, industry, and firm factors that affect the company.
* As part of your company analysis, discuss:
* How has Covid-19 impacted the company’s financial performance? (You can compare the financial performance of the company in 2020 relative to 2019 for some insight.)
* How did the company change its operations to respond to Covid -19?
* Do you agree or disagree with how the company responded (or didn’t respond) to Covid-19? What would have been your recommendations for how the company should have responded?

To explain your financial projections, you may wish to follow a “top-down” approach. You will analyze macroeconomic factors, industry factors, and company specific factors, including its competitive strategies, markets and products, and position it its industry.

*1. Macroeconomic Factors*

Are there key macroeconomics factors which will influence the demand for your company’s products? What are your expectations and assumptions for these factors? (GDP growth, consumer spending, interest rates, exchange rate fluctuations, etc.)

*2. Industry Factors*

Discuss industry factors, including competitors, recent innovations, legal issues, tariffs, and how industry changes may affect your company’s revenue and profitability.

*3. Company Specific Factors*

Discuss company specific factors (marketing strategy, new products, new production facilities, management, labor issues, etc. and how these will affect the company’s ability to compete in its market, and what changes (if any) will occur in the future relative to how the company competed in the past.

In sum, learn as much as you can about your selected company, its industry, and the economy. On the basis of your analysis, you are preparing and justifying a long-term financial plan for the company, which in turn contributes to an appropriate capital structure, purchase price, and recommendation regarding acquisition of the company. Note that there is not necessarily a right or wrong answer for your projections; but it is extremely critical that you provide solid, convincing explanations to your projections. You must also be able to understand and analyze the relationship between financial statements.

Look at the project this way: Assume that your boss (the CEO) has given you (and your group) the assignment of analyzing a company for possible purchase. You will make a presentation to the Board regarding the company’s long-term (5 year) strategic financial plan, an appropriate capital structure, an appropriate purchase price, and acquisition recommendation. You must be able to fully explain the basis of your assumptions behind the financial plan.

In addition, the Board wants to know how Covid-19 affected the financial performance and operations of the company, and your group’s analysis of the company’s response.

The Board of Directors will analyze and rely on your financial plan and presentation in determining the basis for their decision about purchasing the company.

Sources of information may include the following:

* Form 10-K
  + The Edgar database link from the SEC: [Filings & Forms](http://www.sec.gov/edgar.shtml)
* [Yahoo! Finance](http://finance.yahoo.com/)
* [www.Morningstar.com](http://www.Morningstar.com)
* UWSP Library (to search for current articles on company/industry)
  + [UWSP Library](https://www3.uwsp.edu/library/Pages/default.aspx)

In addition, each group will be required to submit their Power point presentation, financial (Excel) model, and a maximum 10-page double spaced paper which is a summary of their presentation.

The paper will be in words what you are verbalizing in the presentation. You can simply use bullet points in the paper for your review of the company, justifying the financial projections, explaining the capital structure, etc.

The Board of Directors will critique the validity and professionalism of the group presentation. It is expected that the distinguished Board of Directors will include Professor Kevin Neuman (SBE Head), Professor Lyna Matesi (MBA Director), and me. The presentation should be convincing to the Board that the analysis, valuation, proposed capital structure, and recommendations have been justified. In addition, the Board wants to know how Covid-19 affected the financial performance and operations of the company, and your group’s analysis of the company’s response.

**Assessment**

This project will be worth 40% of your final grade. Each group will receive a grade for the project. The students in each group will also grade each other, by allocating the group points received between group members. Consequently, a given student’s grade on the project is a function of 1) the grade assigned to the group, and 2) how the group members allocated these points between group members.

Each group will receive a grade for the project, based upon the critique and suggested grade by members of the Board. Virtual attendance on the group presentation day is required.

**The students in each group will also grade each other, by allocating the total group points received between group members.** For example, if there are 4 students in a group and the group receives a grade of 90, then the total points awarded to the group is 360. Group members will then have the opportunity to allocate these points as they feel is appropriate. If all members contributed equally to the project, then each group member would receive a 90 for a grade. If points are not allocated equally, some group members will receive a grade above 90; some members (or member) will receive a grade below 90.

Virtual attendance on the group presentation day is required so you are part of your group’s presentation. However, if extenuating circumstances (such as job travel) make it difficult or impossible for you to virtually attend class on the presentation date, it is up to you to contribute more to the group work prior to the presentation day to compensate for your lack of attendance. Your group will be grading you; if you miss class and other members contribute more to the group, they will get likely get a relatively higher grade. You will have the option, but are not required, to virtually attend other group presentations.

**Group meetings** – obviously, each group must meet to discuss and complete the project. However, there should be NO required in-person group meetings. Group meetings should occur virtually through Zoom. Each group can establish their own meeting times and Zoom meeting. In the Covid-19 era and because students from both campuses can be in the same group, Zoom should be the meeting norm for groups. In-person meetings are NOT required and should NOT be done.

**Groups and Important Dates**

**Tuesday November 10 – Group Assignments announced**

**Tuesday November 17 – Each Group must have company selection posted in Canvas**

**Monday December 14 - Excel model, paper, and Power point must be submitted by 10:00 p.m.**

**Tuesday December 15 – The exciting conclusion to the class – Group Project Presentations**

**GRADING**

On a scale of 1 through 100, your group’s grade will be based on the judgment of the Board of Directors as to the professionalism of the presentation, as well as the validity of the analysis, valuation, proposed capital structure, and recommendations. When determining a given group’s grade, I will STRONGLY consider input from other members of the Board in the evaluation of a given group’s presentation. You must convince the Board that your analysis and recommendations are appropriate.

**A Grade (90-100%)**

*Performance Expectations*

The group has done an excellent job in explaining and justifying their financial projections. Key macroeconomic, industry and company factors affecting the firm’s performance have been identified and clearly explained. The capital structure contains appropriate levels of debt and equity, and the purchase price of the company clearly explained and accurately determined. The Board of Directors strongly agrees with the stated purchase price, proposed capital structure, financial projections, and recommendations.

**B Grade (80-89%)**

*Performance Expectations*

The group has done a good job in explaining and justifying their financial projections. Key macroeconomic, industry and company factors affecting the firm’s performance have been identified and explained. There are no significant errors in the analysis, although there may be some minor errors or doubt regarding the explanation and/or viability of the financial projections. The capital structure contains appropriate levels of debt and equity, and the purchase price of the company clearly explained and accurately determined. The Board of Directors agrees (with some minor reservations) with the stated purchase price, proposed capital structure, financial projections, and recommendations.

**C Grade (70-79%)**

*Performance Expectations*

The group has done a fair job in explaining and justifying their financial projections; however, there are significant errors in the analysis. Certain macroeconomic, industry and company factors affecting the firm’s performance have been identified, and the capital structure and purchase price explained. However, a significant error exists in the analysis in one or more of the following areas: 1) identifying and interpreting macroeconomic, industry and company factors affecting the firm’s performance, 2) determining an appropriate capital structure, 3) determining the purchase price. The Board of Directors has questions and significant concerns over the stated purchase price, proposed capital structure, financial projections, and/or recommendations.

**D or F Grade (D range 60-69%; F range below 60%)**

*Performance Expectations*

The group has done a poor job in explaining and justifying their financial projections, with an obvious lack of effort. There are several significant errors in the analysis; the analysis is basically useless and provides no justification for a purchase price or capital structure. The Board of Directors would fire the presenting group and hire new employees to do the acquisition analysis.