COURSE SYLLABUS

**Bus 710 Section 1**

**Hybrid Format**

**Financial Leadership through Applied Decision Making**

**Fall, 2022**

# Course Information

## Instructor Information

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| **Instructor:** | Kevin M. Bahr, Ph.D. |
| **Office:** | Office hours will be virtual. |
| **Physical Office Hours:** | N/A |
| **Virtual Office Hours:** | T 4:00-5:30 when class does not meet. However, we can also arrange virtual meetings outside of this timeframe. |
| **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, with the first two meetings (the first and fourth weeks of the course) being approximately 1½ hours each. The final class period (third meeting) will be comprised of group project presentations for those students that choose to be in a group (details are provided below). Student groups will be assigned a presentation time (approximately 30-40 minutes). The exact amount of time allocated to each presentation will be a function of the total number of student groups. Students are only required to participate during their assigned presentation time.  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>  **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: * Inflation * Economic Growth * The Unemployment Rate and Employment * The Federal Reserve and Interest Rates * The Bond and Stock Markets * Real Wage Growth * Manufacturing Employment * International Factors * Tax Basics   + 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 (you will be given a model to adapt) to develop a financial model and justifying the assumptions used in developing the model. * Students are assessed on their competency of the material, which is integral to developing leadership skills for successful corporate financial strategic leadership. |
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## 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, discuss the syllabus, and provide an overview of the corporate financial strategic planning project. It’s really meant to be a “welcome to the class and this is what the course is like” session. The second meeting will discuss the project in greater detail and discuss any questions on course material. I believe that you will benefit from participating in the classes; however, if you miss either (or both) meeting days your grade will not be reduced. The final class meeting is the project presentation day. As discussed in detail below, you will have the option of doing the project as an individual, with a partner (2 students), or as part of a group (3 or 4 students). If you choose to do the project as part of a group and do not participate in your group’s presentation on the project presentation day, your grade will potentially be reduced as indicated in the project instructions below. |

## 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. You will have the option of doing the corporate financial planning project individually, with a partner (2 students), or as a group (3 or 4 students). The corporate financial planning project will comprise 40% of your final grade. If you choose to do the project as part of a group, 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, if you do the project as part of a group, your 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 (see pages 14 – 21 of 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:   * Inflation * Economic Growth * The Unemployment Rate and Employment * The Federal Reserve and Interest Rates   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:   * The Bond and Stock Markets * Real Wage Growth * Manufacturing Employment * International Factors * Tax Basics (including a separate Study Guide and Power point presentation on taxes)   **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 through Canvas. 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 September 6 8:00 a.m. – Monday October 24 11:59 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 through financial analysis, determining an appropriate capital structure and business valuation, and clearly explaining an acquisition recommendation. I have really tried to maximize the flexibility as to how you can do this project.  **You have the option of doing the project individually, with a partner (with ONE other student), or as part of a group which will consist of 3 or 4 students.**  **If you choose to do the project individually or with a partner (with ONE other student), a paper (not a presentation) will be required. I will not assign partners, that will be up to students. If you choose to do the project as part of a group (3 or 4 students) you will form your own group. A group presentation (no paper) will be required on the last class meeting day.**  **No matter how you decide to do the project, I will be available to help you with it, including reviewing your excel model and meeting through Zoom to discuss the project. You are not on your own unless you want to be.**  Each student, partners (2 students), or group (3 or 4 students) 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 include:   * 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 (individuals/partners are NOT required to do this section)** must also do the following:  Leadership is an important theme of the UWSP MBA. Assume that your group is leading the due diligence process (comprehensively appraising the business) of your selected company. The group will interview the CEO and CFO of the company being evaluated to discuss the business in greater detail. (Assume that this is NOT a hostile acquisition.) Develop a list of 10 questions that would be integral to the due diligence process. Look at it this way. You are developing a corporate financial planning model based on limited information. What information would you want from the CEO and CFO to increase the assurance that your model is accurate? The 10 questions should develop that information.  The full details and requirements of this project are attached at the end of this syllabus (see pages 14 – 21 of 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, September 6 Virtual CLASS MEETING DAY through Zoom 4:00-5:30**  **Topics: Intro to Course, Discussion of syllabus, Overview of Corporate Financial Planning Project**  **Week 2 Tuesday, September 13 Hybrid day – NO Class meeting**  **Week 3 Tuesday, September 20 Hybrid day – NO Class Meeting**  **Week 4 Tuesday, September 27 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, October 4 Hybrid day – NO Class Meeting**  **Week 6 Tuesday, October 11 Hybrid day – NO Class Meeting**  **Week 7 Tuesday, October 18 Hybrid day – NO Class Meeting**  **Week 8 Tuesday, October 25 Virtual CLASS MEETING DAY through Zoom**  **Group Presentations – Corporate Financial Planning Project**  **Group Presentation times will be assigned.**  **ALL INDIVIDUAL/PARTNER PAPERS ARE DUE BY 4:00 P.M. STUDENTS DOING THE PROJECT INDIVIDUALLY OR WITH A PARTNER WILL NOT PRESENT.**  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 (Power Point) * Ratio Analysis Material: 1) Study Guide, 2) Presentation (Power Point) * 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 and beyond material: 1) Study Guide, 2) Presentation (Power point)   **Weeks 3 through 8 - *Corporate Financial Planning Project***  **GROUP PRESENTATIONS – TUESDAY October 25**  **INDIVIDUAL/PARTNER PAPERS MUST BE SUBMITTED BY 4:00 P.M. TUESDAY October 25** 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 10 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 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 question 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 (including taxes)**  There are 50 multiple choice questions on the quiz. The last 10 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 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 September 6 8:00 a.m. – Monday October 24 11:59 p.m.** |

# 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. Links to UWSP’s policies regarding ADA, nondiscrimination, and Online Accessibility (IT & Communication Accessibility) can be found at: <https://www.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 Resource Center to complete an Accommodations Request form. The Disability Resource Center is located in room 108 in the Collins Classroom Center (CCC). For more information email [drc@uwsp.edu](mailto:drc@uwsp.edu) or visit: <https://www.uwsp.edu/disability-resource-center/>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> |

## 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> SBE Inclusivity StatementIt is my intent that students from diverse backgrounds and perspectives be well-served by this course, that students’ learning needs be addressed both in and out of class, and that the diversity that the students bring in and out of class be viewed as a resource, strength, and benefit. Every person has a unique perspective and we learn from hearing many of them, but not all perspectives are represented in course readings. So, learning depends upon all of you contributing to the class with your own opinions and perspectives. It is my intent to present materials and activities that are respectful of diversity: gender identity, sexuality, disability, age, socioeconomic status, ethnicity, race, nationality, religion, and culture. Your suggestions are encouraged and appreciated. Please let me know ways to improve the effectiveness of the course for you personally, or for other students or student groups. If you have experienced a bias incident (an act of conduct, speech, or expression to which a bias motive is evident as a contributing factor regardless of whether the act is criminal) at UWSP, you have the right to report it using this link. You may contact the Dean of Students office directly at [dos@uwsp.edu](mailto:dos@uwsp.edu) |

## 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>  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 <https://www3.uwsp.edu/emergency/Pages/emergency-procedures.aspx> |

## 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> |

## 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> |

## 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>. |

## Confidentiality

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| |  |  | | --- | --- | | Under FERPA, students cannot remain anonymous in a class. Students are permitted to know who else is in their class.  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.  This course may require students to post their work online using applications or services that have not been approved by UW-system. In this situation, the students work will only be viewable only by his or her classmates. None of the work submitted online will be shared publicly. Some assignments require account creation for online programs. The instructor of this course will not share your academic records (grades, student IDs). Confidentiality of student work is imperative, so you should not share the work of your peers publicly without their permission. By participating in these assignments, you are giving consent to sharing of your work with others in this class and you recognize there is a small risk of your work being shared online beyond the purposes of this course. Examples of additional risks include data mining by the company providing the service, selling of your email to third parties, and release of ownership of data shared through the tool. Please contact your instructor prior to the due date if you wish not to participate in these online assignments due to confidentiality concerns.  UW-System approved tools meet security, privacy, and data protection standards. For a list of approved tools, go to: <https://www.wisconsin.edu/dle/external-application-integration-requests/>. Tools not listed on the website linked above may not meet security, privacy, and data protection standards. If you have questions about tools, contact the UWSP IT Service Desk at 715-346-4357. Links to the Terms of Use and Privacy Polices for tool used at UWSP be found at: <https://www.uwsp.edu/online/Pages/Privacy-and-Accessibility-Links.aspx>  Here are steps you can take to protect your data and privacy:   * Use different usernames and passwords for each service you use * Do not use your UWSP username and password for any other services * Use secure versions of websites whenever possible (HTTPS instead of HTTP) * Have updated antivirus software installed on your devices   Additional resources regarding information security at UWSP can be found at: <https://www.uwsp.edu/infosecurity/Pages/default.aspx>.  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. Intellectual Property - A Guide to Student Recording & Sharing Class Content  |  | | --- | | Lecture materials and recordings for this class are protected intellectual property at UW-Stevens Point. Students in this course may use the materials and recordings for their personal use related to participation in this class. Students may also take notes solely for their personal use. If a lecture is not already recorded, you are not authorized to record my lectures without my permission unless you are considered by the university to be a qualified student with a disability requiring accommodation. [Regent Policy Document 4-1] Students may not copy or share lecture materials and recordings outside of class, including posting on internet sites or selling to commercial entities. Students are also prohibited from providing or selling their personal notes to anyone else or being paid for taking notes by any person or commercial firm without the instructor’s express written permission. Unauthorized use of these copyrighted lecture materials and recordings constitutes copyright infringement and may be addressed under the university's policies, UWS Chapters 14 and 17, governing student academic and non-academic misconduct. | | |

## 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. |

**7.17 *COVID-19***

***Face Coverings***:

* As of August, the wearing of face coverings is recommended, but optional at all UWSP campus locations. Please be respectful of fellow students, whether they choose to wear a face covering or not. Please be aware of any updates or changes to this policy that are announced.

***Other Guidance***:

* Please monitor your own health each day using this screening tool. If you are not feeling well or believe you have been exposed to COVID-19, do not come to class; email your instructor and contact Student Health Service (715-346-4646).
* As with any type of absence, students are expected to communicate their need to be absent and complete the course requirements as outlined in the syllabus.
* Maintain a minimum of 6 feet of physical distance from others whenever possible.
* Do not congregate in groups before or after class; stagger your arrival and departure from the classroom, lab, or meeting room.
* Wash your hands or use appropriate hand sanitizer regularly and avoid touching your face.
* Please maintain these same healthy practices outside the classroom.

# 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 apply current economic and business conditions to 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**

I have tried to maximize the flexibility for students to choose how they want to do this assignment.

**You have the option of doing the project individually, with a partner (with ONE other student), or as part of a group which will consist of 3 or 4 students.**

**If you choose to do the project individually or with a partner (with ONE other student), a paper (not a presentation) will be required. I will not assign partners, that will be up to students.**

**If you choose to do the project as part of a group (3 or 4 students) you will form your own group. A group presentation (no paper) will be required on the last class meeting day.**

(There simply isn’t enough time for individuals and partners to do presentations on the final day, so they will do papers. There is enough time for group presentations.)

Each student, partnership (2 students), or group (3 or 4 students) 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 include:

* A detailed 5-year financial (Excel) model for the company
* A thorough review of the company that you are analyzing
* 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 (individuals/partners are NOT required to do this section)** must also do the following:

* Leadership is an important theme of the UWSP MBA. Assume that your group is leading the due diligence process (comprehensively appraising the business) of your selected company. The group will interview the CEO and CFO of the company being evaluated to discuss the business in greater detail. (Assume that this is NOT a hostile acquisition.) Develop a list of 10 questions that would be integral to the due diligence process. Look at it this way. You are developing a corporate financial planning model based on limited information. What information would you want from the CEO and CFO to increase the assurance that your model is accurate? The 10 questions should develop that information. Explain why these questions are important in your presentation.

**Each individual/partnership (2 students) is required to submit their financial (Excel) model and a maximum 5-page single-spaced paper (bullet points are fine) which includes:**

* An overview of the company that you are analyzing
* 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

**ALL PAPERS MUST BE SUBMITTED (PLEASE E-MAIL YOUR PAPERS AND EXCEL MODEL TO ME) BY 4:00 P.M. ON TUESDAY OCTOBER 25.**

**Each group (3 or 4 students) will be required to do an approximate 30-40 presentation on the final night of class, Tuesday October 25. Groups will be assigned a time to present. In addition, each group will be required to submit their Power point presentation and financial (Excel) model. The presentation should include:**

* An overview of the company that you are analyzing
* 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:

* Assume that your group is leading the due diligence process (comprehensively appraising the business) of your selected company. The group will interview the CEO and CFO of the company being evaluated to discuss the business in greater detail. (Assume that this is NOT a hostile acquisition.) Develop a list of 10 questions that would be integral to the due diligence process. Look at it this way. You are developing a corporate financial planning model based on limited information. What information would you want from the CEO and CFO to increase the assurance that your model is accurate? The 10 questions should develop that information. Explain why these questions are important in your presentation.

**PLEASE E-MAIL YOUR PRESENTATION AND EXCEL MODEL TO ME BY 11:59 P.M. ON MONDAY OCTOBER 24.** (I would just like to review your model and presentation before you present.)

Basically, the explanation of the financial model in the paper for individuals/partners is similar to what would be presented by groups, except groups should also discuss the list of 10 due diligence questions. .

**Overview**

Assume that you have been asked to analyze for the Board of Directors a company for possible purchase. Each individual/partnership/group will select and evaluate a different public company. I would suggest selecting a company in an industry that interests you. DO NOT select a financial services firm (insurance, bank, brokerage), as the financial statements are unique and difficult to understand unless you have specific knowledge in that area. Unless you already have financial expertise at understanding the financial statements of a financial services firm, you are not going to get that in a few weeks. In addition, the excel model that you receive (using Harley-Davidson as the example) is not designed to evaluate a financial services firm.

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 paper/presentation will consist of clearly and concisely justifying and explaining your financial projections.

In addition, each **group** (not individuals/partners) will also discuss

* Assume that your group is leading the due diligence process (comprehensively appraising the business) of your selected company. The group will interview the CEO and CFO of the company being evaluated to discuss the business in greater detail. (Assume that this is NOT a hostile acquisition.) Develop a list of 10 questions that would be integral to the due diligence process. Look at it this way. You are developing a corporate financial planning model based on limited information. What information would you want from the CEO and CFO to increase the assurance that your model is accurate? The 10 questions should develop that information. Explain why these questions are important in your presentation.

**The Financial Plan**

Each individual/partnership/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. (The model uses Harley-Davidson as an example.) You can certainly, change, modify, and/or adapt the model to your specific chosen company. For whatever company you select, you, your partnership, or 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.

**Paper/Presentation**

Your paper/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 paper/presentation should include the following:

* Begin your paper/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.
* Discuss your financial statements. Discuss some of the major assumptions (sales growth, gross margin, S,G, & A as a percent of sales, 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.
* For **GROUP PRESENTATIONS**, as part of your company analysis, discuss:

Assume that your group is leading the due diligence process (comprehensively appraising the business) of your selected company. The group will interview the CEO and CFO of the company being evaluated to discuss the business in greater detail. (Assume that this is NOT a hostile acquisition.) Develop a list of 10 questions that would be integral to the due diligence process. Look at it this way. You are developing a corporate financial planning model based on limited information. What information would you want from the CEO and CFO to increase the assurance that your model is accurate? The 10 questions should develop that information. Explain why these questions are important in your presentation.

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 the assignment of analyzing a company for possible purchase. You will make an analysis for 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, for **Group Presentations**, the Board wants to know what questions were asked of the CEO and CFO of the company being evaluated in the due diligence process and why these questions were asked.

The Board of Directors will analyze and rely on your financial plan and analysis 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://www.uwsp.edu/library/Pages/default.aspx)

The Board of Directors will critique the validity and professionalism of the analysis. For Group Presentations, assume that your presentation is made to the Board of Directors on the final night. The Board *may* include other SBE faculty (in addition to 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 what questions were asked of the CEO and CFO of the company being evaluated in the due diligence process and why these questions were asked.

**Assessment**

This project will be worth 40% of your final grade.

For students doing the project individually or with a partner, your paper will be graded based on the performance expectations indicated below. For students choosing to do the project with a partner, both students will receive the same grade. They will not grade each other. Choose your partner wisely.

For students choosing to do the project with a group, each group will receive a grade for the project based on the performance expectations indicated below. If there are additional SBE faculty members present for the group presentations, they will critique the presentation and provide input for appropriate grading. The students in each group will also grade each other, by allocating the 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.

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.

If you choose to do the project as part of a group, 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. The presentations on the final night will be virtual via Zoom; all students will be invited to virtually attend the presentations.

**Important Dates**

**Tuesday September 6 through Monday September 26**

**Think about how you would like to do this project – individually, with a partner or as part of a group. That is basically the first decision that you need to make. The second decision will be selecting a company for the project.**

**Tuesday September 27**

**Each Individual/Partners/Group should have company selection posted in Canvas. First-come, first-served on company selection. Once a company is posted, it cannot be used by another individual/partners/group. Groups will have either 3 or 4 students. When at least 3 students (maximum 4) post the same company for the project in Canvas, we have a group.**

**Monday, October 17**

**Deadline for submitting excel model for reviews and comments. I will review excel models and provide comments to those individuals/partners/groups that would like me to review their excel model and provide some guidance on the model before the final submission. This is optional, but if you would like me to review your model with comments before the final submission, please send it to me by Monday October 17 at 11:59 p.m. I will review the projects in the order that I receive them. (It takes some time to review spreadsheets.)**

**Tuesday October 25 – The exciting conclusion to the class – Group Project Presentations, and for individuals/partners submission of Project by 4:00 P.M. Group presentations will be through Zoom; it is optional for those who completed the project as individuals or partners to join the Zoom meeting.**

**Each group should email me their presentation and excel model by Monday October 24 at 11:59 P.M.** (I would like to review the excel model and your presentation before you present.)

**GRADING**

On a scale of 1 through 100, your grade will be based on the professionalism of the analysis, as well as the validity of the analysis, valuation, proposed capital structure, and recommendations. For groups, 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 individual/partnership/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 individual/partnership/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 individual/partnership/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 individual/partnership/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. In other words, you just didn’t care about your work.