



MBA 520 Milestone One Guidelines and Rubric

This milestone assignment covers Modules One, Two and Three. After reviewing your chosen company's organization context, you will conduct a financial analysis of the company's financial statements for the last three consecutive years. Your analysis should include the review and interpretation of data from the following financial statements: the income statement, the balance sheet, statement of cash flow, and statement of retained earnings. Based on the review of the financial statements, assess the organization's financial performance and financial health. Provide support for your assessment.

Prompt: As a newly-hired manager at a company of your choosing, your first task is to review the company's past and current financial performance and health and make initial financial projections in order to begin planning for the upcoming year. Your report will include several financial tables, along with a comprehensive narrative describing the organization's context, financial performance, and health. Note that, in addition to the organization's financial statements and website, other authoritative news sources—such as annual reports and external sites like Bloomberg.com—may offer insights that facilitate analysis or provide information on the organization's priorities, challenges, and geographic distribution.

In particular, you must cover:

A. Organizational **Context**

1. What **key features** of the organization (e.g., major products or services, customers, location, etc.) help set the boundaries for business decisions? In other words, what key goods or services does your organization provide, for whom, where, and why?
2. How is the company **organized** and managed (e.g., by product groups, geographic region, function, etc.)? How does that affect accounting and financial information and subsequent business decisions?

B. Recent Financial **Performance**

1. Assess what the organization's consolidated **income** statements for the last three years say about its financial performance. Use relevant indicators, graphs, and spreadsheets to support your narrative. (Include all spreadsheets in an appendix.) For example, what do the amounts and year-to-year changes in revenue, operating income, net profit or loss, and Earnings Before Interest, Taxes, Depreciation, and Amortization tell you? Do any items stand out?
2. Assess what the organization's consolidated **cash flow** statements for the same time period say about its financial performance. Use relevant indicators, graphs, and spreadsheets to support your narrative. For example, what do the amounts and year-to-year changes in cash from operating activities, cash from investing, cash from financing, and total cash flow tell you? Do any items stand out?
3. Assess the organization's **underlying** financial performance. Support your answer with the analysis above and relevant research. For example, is recent performance substantially affected by unusual events such as a major acquisition or spin-off? Is the business thriving or struggling in its industry? How do you know?

C. Current Financial **Health**

1. Assess how the organization is **capitalized** and what that tells you about its financial health. Support your response with relevant graphs, spreadsheets, and indicators such as "cash and cash equivalents," total debt, shareholders' equity, current ratio, debt/equity ratio, and Days Sales Outstanding (DSO). For example, does the organization have enough cash for payroll and other bills? Does it have the right mix of debt versus equity (stock)? How do you know?

2. Does the organization have the right amount of cash and other resources (e.g., key people, technologies, reputation, physical assets, etc.) to fuel future **growth**? What does this suggest for business decisions? For example, if it has too much cash, should it pay a large dividend, repurchase its own shares, or reinvest the excess funds?
3. Assess the **financial value** of the company using relevant indicators. What does your assessment imply for future business health and performance? For example, what is the business's current market value? What is its price-to-earnings ratio? What do these suggest about investor perceptions of the business's future?

Rubric

Guidelines for Submission: Your Financial Performance and Health report should be approximately 8-10 pages long (excluding title page, spreadsheets and graphs, and references list). It should be double spaced, with 12-point Times New Roman font and one-inch margins, and should use the latest guidelines for APA formatting for references and citations. Please also include your name, course name, and submission date on the title page.

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Financial: Context: Key Features	Meets "Proficient" criteria and draws particularly insightful connections between organization's financial and non-financial features and business decisions	Describes how key features of organization help set boundaries for business decisions	Describes how key features of organization help set boundaries for business decisions, but response is cursory, contains inaccuracies, or links to decision making are weak or illogical	Does not describe how key features of organization help set boundaries for business decisions	15
Financial: Context: Organized	Meets "Proficient" criteria and demonstrates especially keen insight into relationships between organization's structure, how financial information is recorded, and impact on business decisions	Analyzes how company is organized and managed and effect on accounting and financial information and subsequent business decisions	Analyzes how company is organized and effect on accounting and financial information and decisions, but response is cursory, contains inaccuracies, or links between organizational structure, finance, and decision making are weak or illogical	Does not analyze how company is organized and managed and effect on accounting and financial information and subsequent business decisions	15
Financial: Performance: Income	Meets "Proficient" criteria, and analysis and supporting evidence are particularly well-suited to drawing meaningful conclusions about financial performance	Assesses what consolidated income statements for last three years say about financial performance, supported by relevant indicators, graphs, and spreadsheets	Assesses what consolidated income statements say about financial performance, supported by indicators, graphs, and spreadsheets, but response is cursory, contains inaccuracies, or support is not relevant	Does not assess what consolidated income statements for last three years say about financial performance, supported by relevant indicators, graphs, and spreadsheets	9.5

Financial: Performance: Cash Flow	Meets “Proficient” criteria, and analysis and supporting evidence are particularly well-suited to drawing meaningful conclusions about financial performance	Assesses what consolidated cash flow statements for the same time period say about financial performance, supported by relevant indicators, graphs, and spreadsheets	Assesses what consolidated cash flow statements say about financial performance, supported by indicators, graphs, and spreadsheets, but response is cursory or contains inaccuracies or support is not relevant	Does not assess what consolidated cash flow statements for the same time period say about financial performance, supported by relevant indicators, graphs, and spreadsheets	9.5
Financial: Performance: Underlying	Meets “Proficient” criteria, and assessment is especially nuanced and well supported by relevant analysis and research	Assesses underlying financial performance, supported by analysis and relevant research	Assesses underlying financial performance, supported by analysis and research, but response is cursory, contains gaps in accuracy or logic, or is poorly supported by analysis and research	Does not assess underlying financial performance, supported by analysis and relevant research	9.5
Financial: Health: Capitalized	Meets “Proficient” criteria and analysis and supporting evidence are particularly well suited to drawing meaningful conclusions about financial health	Assesses how organization is capitalized and what that says about financial health, supported by relevant graphs, spreadsheets, and indicators	Assesses how organization is capitalized and what that says about financial health, supported by graphs, spreadsheets, and indicators, but response is cursory or contains inaccuracies or support is not relevant	Does not assess how organization is capitalized and what that says about financial health, supported by relevant graphs, spreadsheets, and indicators	9.5
Financial: Health: Growth	Meets “Proficient” criteria and demonstrates extraordinary insight into the connections between financial and non-financial resources, resource management strategies, and business decisions related to growth	Determines whether organization has right amount of cash and other resources to fuel future growth and what this suggests for business decisions	Determines whether organization has right amount of cash and other resources to fuel future growth and what this suggests for business decisions, but response is cursory or contains inaccuracies or links between different types of resources and business decisions are weak or illogical	Does not determine whether organization has right amount of cash and other resources to fuel future growth and what this suggests for business decisions	15
Financial: Health: Financial Value	Meets “Proficient” criteria, and assessment and supporting evidence are particularly well suited to drawing meaningful conclusions about future financial health and performance	Assesses financial value of company and what it implies for future health and performance using relevant indicators	Assesses financial value of company and what it implies for future health and performance using relevant indicators, but assessment is cursory or contains inaccuracies or links to future health and performance are weak or illogical	Does not assess financial value of company and what it implies for future health and performance using relevant indicators	9.5


Southern New Hampshire University

Articulation of Response	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	7.5
Earned Total					100%