



JWI 530: Financial Management I

Assignment 1B

Executive Memo and Presentation

Due: Sunday, Midnight of Week 5 (20% of Final Grade)

Overview

A critical financial accounting skill is the ability to read, analyze, and make actionable decisions from published financial statements. Business leaders gain valuable information from the annual reports of direct competitors, companies that operate in similar fields, and companies in which they are considering an investment or partnership.

Instructions

You are the CFO of a leading luxury jewelry store, Welch & Co., that plans to expand into national sales of precious metals. The General Manager (GM) of the new precious metals division wants to establish a long-term advertising relationship with a nationally recognized publisher. The GM has narrowed the field down to two firms, and the CEO, your boss, has requested your analysis and guidance and has asked you to do a financial review of recent results from **The New York Times Company** (NYSE: NYT) and **Gannett Co., Inc.** (NYSE: GCI). You have decided to organize your work into TWO components:

- Part A: Financial Analysis Snapshot and Initial Findings using data from the companies' annual reports (Due: Sunday, Midnight of Week 4; worth 10% of Final Grade)
- Part B: Executive Memo and brief Video Presentation of your analysis (Due: Sunday, Midnight of Week 5; worth 20% of Final Grade)

Before completing your work on Assignment 1B, carefully review your feedback and address any questions you have from Assignment 1A. If you have any concerns, you should have selected **YES** to REQUEST PROFESSOR/COACH MEETING in the Summary Notes section of the Assignment 1A Workbook.

Assignment 1, Part B: Executive Memo and Presentation

Present a synopsis of your analysis in an executive memo you would feel comfortable submitting to your CEO. You may organize the memo as you see fit, but it must follow the principles of good business communication. Be sure to include your recommendation to the CEO in your memo, preferably in the opening paragraph and the summary. To support your executive memo, prepare 5 slides and record a brief video presentation highlighting the key points of your findings.



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For your **executive memo**, answer the following 11 questions organized under **four key topics**:

1. Profitability/Net Income Margins

- What are both companies' after-tax net income margins (i.e., net profit margins)?
- How do the two companies compare?
- Which company achieves the higher net income margin? Explain.
- *Tip: Analyze the major cost structure line items in the income statement (COGS, SG&A, restructuring costs, depreciation and amortization, impairment, interest expense (income), etc.) as percentages of net sales so that you can identify reasons for better net income margins. Identify and comment on the differences. You may not know why a particular cost item, such as COGS is higher or lower, and that's okay. Your CEO only wants to know which cost-structure items are higher or lower for each company.*

2. Debt Management

- Which company does a better job managing its long-term debt?
- What are their respective 3-year trends for long-term debt-to-equity and total debt-to-equity?
- How can each company improve its use of long-term debt and equity capital?

3. Cash Is King

- How much net cash from operations did each company generate in the most recent year?
- Which company has done a better job generating cash from operations?
- In layman's terms, how is each company spending its cash with respect to reinvestments in the business, changes in debt, and returning money to shareholders?

4. Short-Term Liquidity

- How do the companies compare in terms of the current ratio, and what are their respective 3-year trends?
- Do their current ratios indicate that either of these companies could go bankrupt soon? Explain.

For your **slides and video presentation**, complete the following tasks:

1. Create a PowerPoint deck to support your financial presentation

- Highlight your key findings from your Financial Analysis Snapshot (Assignment 1A) and your Executive Memo. Focus on the most critical insights that would be helpful for the leadership team.



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- Your PowerPoint should complement your Financial Analysis Snapshot and your Executive Memo.
 - i. Assume your CEO will have access to the documents, so just hit the high points.
 - ii. Keep your slides legible. Avoid tiny fonts, too much text, or distracting graphics.
 - iii. Keep it brief, using a maximum of 5 slides for the four key topics outlined above and a summary with your recommendation.
- 2. Record your financial presentation using ZOOM or POWERPOINT
 - Record both the PowerPoint deck and your webcam feed simultaneously.
 - Practice your presentation. You may record as many times as you wish before submitting.
 - Maintain eye contact, speak conversationally and professionally, use an engaging tone, and dress appropriately.
 - Your video must be no longer than 5 minutes.

Submission Requirements

There are 3 submission files for assignment 1B:

1. Your Executive Memo should be no more than 2 pages, single-spaced, using 10- or 12-point font. You may also include an appendix with additional references, graphs, charts, and tables for additional support if needed.
2. Your Video Recording should not exceed 5 minutes in length.
3. Your PowerPoint Deck must not exceed 5 slides (not including the cover page or references, if desired).



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RUBRIC ASSIGNMENT 1B

20% of Course Grade	Assignment 1B				
CRITERIA	Unsatisfactory	Low Pass	Pass	High Pass	Honors
1. Discuss the Profit Structure of Both Organizations' Net Income Margins Weight: 20%	Does not submit, or incorrectly identifies and assesses the profit structures of <u>both</u> organizations.	Partially identifies and assesses the profit structure of <u>at least one</u> organization.	Satisfactorily identifies and assesses the profit structures of <u>both</u> organizations; contains minor omissions.	Excellent analysis of the profit structures of <u>both</u> organizations; has no critical omissions.	Meets HP criteria, plus includes additional insights and analyses demonstrating additional research and knowledge.
2. Assess Each Company's use of Long-Term Debt and Debt-to-Equity Ratios Weight: 20%	Does not submit, or incorrectly assesses <u>both</u> companies' long-term debt/equity management methods and results.	Partially assesses <u>at least one</u> company's long-term debt/equity management methods and results.	Satisfactorily assesses <u>both</u> companies' long-term debt/equity management methods and results; contains minor omissions.	Excellent assessment of <u>both</u> companies' long-term debt/equity management methods and results; has no critical omissions.	Meets HP criteria, plus includes additional insights and analyses demonstrating additional research and knowledge.
3. Identify and Assess each Company's Cash Flow Situation and Decisions Weight: 20%	Does not submit, or incorrectly identifies and assesses <u>both</u> companies' cash flow situations and decisions.	Partially identifies and assesses <u>at least one</u> company's cash flow situation and decisions.	Satisfactorily identified and assessed <u>both</u> companies' cash flow situations and decisions; contains minor omissions.	Excellent identification and assessment of <u>both</u> companies' cash flow situations and decisions; has no critical omissions.	Meets HP criteria, plus includes additional insights and analyses demonstrating additional research and knowledge.
4. Identify and Assess each Company's Liquidity Status Weight: 20%	Does not submit, or incorrectly identifies and assesses <u>both</u> companies' liquidity statuses.	Partially identifies and assesses <u>at least one</u> company's liquidity status.	Satisfactorily identifies and assesses <u>both</u> companies' liquidity statuses; contains minor omissions.	Excellent identification and assessment of <u>both</u> companies' liquidity statuses; has no critical omissions.	Meets HP criteria, plus includes additional insights and analyses demonstrating additional research and knowledge.



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<p>5. Demonstrate Professional Communication and Executive Presence</p> <p>Weight: 20%</p>	<p>Does not submit, or submission is poorly written; PPT deck is missing or is not integrated into presentation; delivery is unfocused or off-topic.</p>	<p>Delivery and communication meet minimum requirements but lack executive presence; PPT deck and written work meet basic submission requirements; presentation is on-topic, but poorly organized and/or makes minimal connections to key topics.</p>	<p>Delivery and communication are good; makes eye contact; voice is dynamic; presenter uses appropriate verbal cues and wears professional attire; PPT deck, written work, and presentation material meet all submission requirements for content and length.</p>	<p>Delivery and communication are excellent; written materials, timing, and content are well organized and clear; makes excellent choices of where to focus time and energy to cover the most critical elements.</p>	<p>Meets all HP criteria, plus infuses the delivery with a style and energy that exemplifies executive presence; demonstrates exceptionally strong and engaging interaction with support materials without allowing them to distract from the presentation.</p>
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