



## MBA 640 Final Project Milestone One Guidelines and Rubric

**Overview:** The final project for this course is the creation of an **external capital funding proposal**.

Most businesses face a landscape of uncertainty and a never-ending stream of risks and opportunities. Managers must continually project the likely financial impact of decisions, make recommendations, act on those decisions, determine how to pay for them, and evaluate the costs and effectiveness of what has been done. Many decisions are short-term, routine, and operational. Others are longer-term investment decisions that require substantial new resources, such as developing new services, expanding into new geographic markets, or undertaking business combinations or spin-offs. Each requires managers to forecast, plan, and make decisions based on a thorough understanding of both internal and external factors that can affect a company's financial success.

For the summative assessment in this course, you will bring your finance and economics knowledge to bear by preparing an external capital funding proposal for a major international investment at a publicly traded corporation. In order to secure the support of potential financial backers, your proposal will need to lay out what the proposed investment opportunity is, how it fits within the company's broader mission and goals, its financial impact, and the amount being requested and why (including alternative funding mechanisms considered). In addition, it will also need to include information on the organization's context, risk factors, and microeconomic assumptions that could affect the success of the investment.

**Prompt:** You have already chosen the company you will use for your final project, and you have started a narrative description of your expansion project into another country. In this milestone, you will build on that narrative description providing sufficient detail about the expansion, its costs, and its time frame to give a loan committee a firm sense of the proposed investment. You will also analyze the impact of the investment proposal on your business by explaining why now is the right time for this investment given the global context and by explaining how the investment is a good strategic fit with your company. This milestone addresses all of Section II and Section III (Parts A and B only) of the final project.

**Specifically, the following critical elements must be addressed:**

- II. **Investment Project:** Use this section to describe the investment for which you are seeking funding, its costs, and time frame. Specifically, you should:
  - A. **Describe** the investment project. Be sure to provide sufficient detail to give the loan committee a firm sense of the parameters of the activity, the need for it, and what financial metrics are relevant for determining success. In other words, what do you propose to do, where, what marketplace need will it fill, and how will you measure success?
  - B. Specify the **resources** the project will require and where these resources will come from. In addition to noting the amount of the loan you are requesting, you should also consider human resources, facilities, government approvals, intellectual property, access to natural resources, and other resources that might be required to carry out the project.
  - C. **Time frame.** When will the project start, what is the anticipated economic life of the proposed expansion, and how will you decide if, when, or how to exit? Justify your choices with appropriate financial metrics.

- III. **Justification:** In this section, you should analyze the impact of the investment proposal on your business. In particular, you should cover:
- A. **Why is now** a good time for this investment given the global context? Justify your response, citing specific external factors such as trade regulations, foreign currency considerations, or trends in foreign direct investment that might affect business financial decisions.
  - B. **Strategic fit.** Use this section to discuss why the investment proposal makes sense for your company strategically. Specifically:
    1. How does the investment align with the company's organizational and financial **priorities**? Support your argument with evidence from company reports and financial statement analysis designed to persuade the lender that the investment is a good strategic fit for your company.
    2. How does the project fit within the global **microeconomic** environment? Support your response with evidence. For example, would the expansion tap unmet demand for the company's key products or services or fill a new niche? How do you know?
    3. How does the project build on the organization's core competencies and **comparative advantage**? For example, does the company have a strategic advantage from intellectual property, regional expertise, suppliers, or organizational structure?

### Rubric

**Guidelines for Submission:** Your investment project and justification paper should be approximately 8-10 pages in length (excluding spreadsheets, other exhibits, and list of references as necessary). It should be double-spaced with 12-point Times New Roman font and one-inch margins, and should use APA format for references and citations.

| Critical Elements                    | Proficient (100%)                                                                                                                                                                 | Needs Improvement (75%)                                                                                                                                                                               | Not Evident (0%)                     | Value |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| <b>Investment Project: Describe</b>  | Describes investment project, providing sufficient detail to give a firm sense of the parameters of activity, market need, and relevant financial metrics for determining success | Describes investment project, but description lacks detail, contains inaccuracies, or omits key information on parameters, market need, and relevant financial metrics for determining success        | Does not describe investment project | 13    |
| <b>Investment Project: Resources</b> | Specifies resources required, including amount of loan and other physical and financial resources, along with where resources will come from                                      | Specifies resources required, including amount of loan requested, other physical and financial resources, and where resources will come from, but response contains inaccuracies or omits key details | Does not specify resources required  | 13    |

|                                                            |                                                                                                                                                                                       |                                                                                                                                                                                                                                                |                                                                                                                                                                                            |             |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Investment Project: Time Frame</b>                      | Determines when project will start, anticipated economic life, and exit process, justifying choices with appropriate financial metrics                                                | Determines when project will start, anticipated economic life, and exit process, justifying choices with financial metrics, but response contains inaccuracies, omits key details, or financial metrics are not appropriate                    | Does not determine when project will start, anticipated economic life, and exit process                                                                                                    | 13          |
| <b>Justification: Why Now</b>                              | Evaluates why now is a good time for this investment in the global context, citing specific external factors that might affect business financial decisions in justifying response    | Evaluates why now is a good time for this investment in the global context, citing specific external factors, but response contains inaccuracies, omits key details, or links to business financial decisions are tenuous                      | Does not evaluate why now is a good time for this investment in the global context, citing specific external factors that might affect business financial decisions in justifying response | 13          |
| <b>Justification: Strategic Fit: Priorities</b>            | Persuasively argues how the investment aligns with the company's organizational and financial priorities, supported by evidence from company reports and financial statement analysis | Argues how the investment aligns with the company's organizational and financial priorities, supported by evidence, but argument is cursory, illogical, contains inaccuracies, or is poorly supported by evidence and sound financial analysis | Does not argue how the investment aligns with the company's organizational and financial priorities                                                                                        | 13          |
| <b>Justification: Strategic Fit: Microeconomic</b>         | Assesses how the project fits within the global microeconomic environment, supported by evidence                                                                                      | Assesses how the project fits within the global microeconomic environment, supported by evidence, but response is cursory, poorly supported, contains inaccuracies, or links between microeconomic factors and project are tenuous             | Does not assess how the project fits within the global microeconomic environment                                                                                                           | 13          |
| <b>Justification: Strategic Fit: Comparative Advantage</b> | Evaluates how project builds on organization's core competencies and comparative advantage in explaining why the project makes sense strategically                                    | Evaluates how project builds on organization's core competencies and comparative advantage in explaining why the project makes sense, but response is cursory, contains inaccuracies, or is only tangentially related to strategic fit         | Does not evaluate how project builds on organization's core competencies and comparative advantage in explaining why the project makes sense strategically                                 | 13          |
| <b>Articulation of Response</b>                            | 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                                                        | 9           |
| <b>Total</b>                                               |                                                                                                                                                                                       |                                                                                                                                                                                                                                                |                                                                                                                                                                                            | <b>100%</b> |