

Final assignment: PM. Applying course content to an actual company situation.

230129

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Background

In your final assignment (your PM), you will apply insight from our lectures and course content (but also from a course like "Financial Statement Analysis") to discuss the actual situation in a Swedish global company. Using different sources (annual reports, interim reports etc.), you must answer important, potential questions for a "modern" CFO. A CFO has to handle – with competencies and skills – **general/generic topics** in areas such as governance, finance (CFO), strategy and digital aspects of the business ("Driver of Digital"). All with **specific "solutions"/answers** for each company.

Part 1. As we know, a way to gain knowledge goes thru questions and answers (Q&A). To do your assignments, I have created several questions you must answer. Each question should be answered on a **maximum of one page (Powerpoint Slide)**. Sometimes – often - you can use a slide from the company to show what you want. For other inquiries, you need to give your answer by creating your visualisation of the question. **You must provide a short verbal argument/comment/answer to all questions.** For most questions, you need to **use numbers**, existing and "produced" by you (e.g. averages, correlations etc.), **and text. Data Story Telling!**

If you miss some information so you can't answer the question – leave the question! Missing answers due to missing data will be uncommon. You can leave two questions without a response if you need and want.

Part 2. Here you have **to connect your arguments to our course literature**. After answering all your questions in Part 1, you **should choose one question and dig deeper into the question/ topic**. You write a short report about the selected topic (max four pages, reference list excluded; Times New Roman, space 1.5, 12ppt). In this report, you discuss, for example, the importance, development and consequences of your chosen topic/question. Specific for your company and the "business life" in general.

Part 3. This part of your PM is more speculative. Your insight from Romney et al. and other materials related to "digital tools" material: give a hint about some specific problems/solutions "your" company can meet about "the design and use of" digital-based Management Control System". Here you write "A short comment", max two pages (Times New Roman 12 ppt, space 1.5). Here references are less important.

Sources

Your sources to solve the assignment:

- Course readings
- "Your" company:
 - Website
 - Latest CMD
 - Annual Report 2021, including Corporate Governance Report & Sustainability Report.
 - Interim reports Q1-Q4 2022 (or latest possible).
 - Other – if you want, but you don't need additional sources.

The Process

STEP 1. SEARCHING

Start by getting acquainted with the primary companies web side by surfing around on the site. Choose one of the companies above as **your primary (A-company) company**. Choose another company as your "**alternative company**" (**B-company**). A company you will – in some question/s use for comparisons.

[Atlas Copco](#)

[Alfa Laval](#)

[Boliden](#)

[Epiroc](#)

[Essity](#)

[H&M](#)

[Munters](#)

[Electrolux](#)

[Sandvik](#)

[SKF](#)

[Volvo](#)

STEP 2. PROCESSING. QUESTIONS

1. Your primary company's **ownership structure**: existing and changes since 2017? Any differences – or about the same situation/development – compared with your B-company?
2. The "**Nomination Committee**" in the A- company? Who they are. Who do they represent? Who represents minority owners? Any changes since 2017?
3. A comment about **the structure of the company's Corporate board**: size, gender, specific competence, nationality?
4. "A- company's" CEO and CFO: **educational and professional background**. Internal or external? Number of years in the position?
5. The **level and structure of the Management team's compensation** (salaries & "other") 2021 vs 2017. A special focus on the CEO and CFO.
6. What is the **relation between** "Accounting Profit" & CEO Total compensation; "Share Price" vs CEO Total Compensation"? All yearly. Visualise the data! Comment it!
7. **Financial Goals and ACTUAL PERFORMANCE**: 2017 & 2021. Compare your A-company with your B company: Goals. Ambition Level and Success?
8. How do your "A company" discuss **Sustainability goals**? Scientific-Based Targets? Time Frames and success so far?
9. *Correlation* between A company's "**Accounting Profit**", **Dividend**, **Capex & R&D** development 2017-2021 (yearly). Any difference if you compare with Market Value (Share Price)?
10. **Identified Megatrends** and your company's approaches to these trends? Compare your A and B companies!

11. In your "A-company". Numbers and discussions (goals and performance) related to **Profitability strategies 2017-2022?** Result in latest interim report? A special focus on **"Pricing"**. If, how do they discuss this important question?
12. In your "A-company". Numbers and discussions (goal and performance) related to **Growth Strategy 2017-2022?** Result in latest interim reports? Organic vs M&A growth – how do they discuss these aspects of growth?
13. **Strategic Pillars?** Business Model? Difficulties and easiness? Any KPI related to these management concept?
14. **R&D ambitions:** level, direction and discussion in companies A and B.
15. Existence and content of **programs/projects related to "Cost Reduction"**? Ambitions and directions?
16. Try to identify your "Aa-company's" **"Capital sources" and "Capital allocation"** in 2021 according to the Credit Suisse- model! Any significant difference between your A and B company?
17. Compare the **Cash conversion cycle (CCC)**, for 2021, in your A and B company!
18. In your "A-company". Any **"Active Portfolio Management"** discussion? If so, why, how and about what?
19. Compare the situation in **"Working Capital" for 2021 compared to 2017**. Important differences? Problems? Possibilities? Compare the situation in 2021 in your A-company with that in your B-company. Any differences? Arguments?
20. Compare **debt policy, structure, and maturity profile** in A- company vs B-company.
21. **Ratings:** Financial and Sustainability. Any report/s from a rating agency? Message?

22. In your "A-company". Risk – **risk universe and risk materiality** (compare with presentation in Ericsson): Ratings?

23. **Ordertake vs Sales?** Level and lags? Discussions Time to Market (TTM), Time to Customer (TTC??

24. In A and B – company. Existence of the concept "**Resilience**" and how it is measured.

25. How they (the A – company) **discuss problems/situations** (choose one or two):

- in the global value chain
- Inflation
- Currency situation
- Energy
- War in Ukraine

STEP 3. OUTPUT

1. **Part 1. "Working material"**. One slide for each question. Each question should consist of a visualisation and an argument/comment. If possible, connect to course literature.
2. **Part 2. A (max) four-page report** on the most (from your point of view) question for your company. **Here it is important to connect to our course literature.**
3. **Part 3.** A (max) two-page (speculative) comment about digital tools.

Please – do not divide the questions among your group members! Your “long-term” learning will be increased if you avoid such short-term behavior!

UPLOAD YOUR ASSIGNMENT NO LATER THAN FEBRUARY 13, at lunch (12). ALL IN ONE PDF document!

There is no supervision in this assignment.

In our seminar, you will present/discuss your "most important question" (Point 2). Max 10 - minutes (Point 2).

Good Luck!

Jan