**FORMAT FOR WRITTEN CASE ANALYSIS 2**

**Apple Written Case Analysis 2 (Individual)**

In Written Case Analysis #2 (internal assessment), you will be submitting the Internal Appendix of a report. For Written Case Analysis #2, you are permitted to submit seven point-form, single spaced pages using 12-point Time New Roman font.

Submissions can be over-written until the deadline, submitted to the designated Canvas dropbox in the Assignments Folder.

Two of the pages are for the financial analysis. In both written case analyses, you will be evaluated on the appropriate use of the strategic tools from presented in class.

Company’s Internal Assessment

1. Financial analysis (2 pages max). Conduct a thorough financial analysis. Details on what to include in your financial analysis will be discussed in class.

2. Is the company able to seize market opportunities and nullify external threats (SWOT analysis)?

3. Are the company’s cost structure and customer value proposition competitive (Value Chain analysis)?

4. Is the company competitively stronger or weaker than key rivals (Representative weighted Competitive Strength Assessment)?

5. Identify “one” strategic issue you think merits front-burner managerial attention. The issues should be framed in a question format (How to…, What to do about …, and Whether to ….). Make sure you only identify one strategic issue. While there very well may be more issues that deserve managerial attention the focus of your report is going to be based on supporting only the one issue you identified.

6. Identify all of the relevant facts from your appendix that led you to conclude that the issue you identified deserves managerial attention. List these facts in this section by including the relevant reference from your appendix. You only have to use the numbered heading like (1.1). Every fact that you feel is related to supporting your issue choice should be identified. This section will ultimately become an outline for the analysis section of your report.

For each strategic tool you should provide a coherent analysis by integrating and synthesizing detailed facts available in the case as it relates to a particular strategic tool. You can’t provide a complete analysis for a specific tool if you don’t include all of the relevant facts from the case in your analysis. A part of your grade will be based on whether you included all of the available facts from the case. You must include a summary conclusion that identifies the strategic implications of a strategic tool analysis. Every strategic tool MUST have a summary conclusion identifying the strategic implications at the end of the analysis. You should continuously be asking yourself at the end of each assessment: SO WHAT? WHAT DOES THIS MEAN? WHAT ARE THE STRATEGIC IMPLICATIONS? 6

Do not use outside information, as there is more than enough material in the case to do a thorough analysis. Base your decisions and recommendations upon the information available to the company at the time of the case.

**Financial Analysis**

**Objectives**

The objectives of the financial analysis of a company in the case analysis are:

1. To establish the current financial health of the company using data provided in the case.

2. To use conclusions from the financial analysis as one of the metrics to establish whether the company’s strategy has been a success.

3. To draw conclusions from the financial analysis about whether the financials rate a constraint on future strategic growth or whether the financials are a facilitator for enhancing future growth.

**Analysis Format**

Your financial analysis must be done on no more than two pages and will be included in the first section of your Internal Assessment for the appendix. Your summaries and conclusions must be single spaced and done in point form. After you have completed your financial analysis you will identify the most strategically relevant conclusions and include them as support, if needed, for any analysis of a strategic tool. For example, you might want to include the strategically relevant financial conclusions to support your key performance indicator analysis in section 2 of the Internal Assessment. Your financial conclusions could be relevant to support your analysis of other strategic tools.

Analysis must not be for one-year (the last statements), but must consider all the years provided in the case (this is called longitudinal analysis). Various important data or ratios must be graphed (e.g. revenue growth or decline, gross margin growth or decline, net margin as a percentage of gross revenues, net income as a percentage of gross revenues, stock price if available and related price/earnings ratio, EBITDA as a percentage of capital employed (long term debt plus shareholder equity), various expenses as a percentage of total expenses, debt to equity percentage). In addition specific operational data may be included in the case to which ratio analysis can be applied. For example, number of stores or revenue generating locations (Average revenue/location, Average profit/location or Average cost/location), geographic locations (Country or regional revenues, profits and costs as a percentage of total revenues, profits and costs), segmented product sales data (Product sales as a percentage of total sales) etc.

Draw conclusions from the graphs. Remember some ratios are more important than others depending on the case. Undertake as many ratios as you can but be selective about which ones make the most sense given the potential issues in the case.

**Sources of Data**

When analyzing a case, only information and data provided in the case can be used for analysis. Pay particular attention to the exhibits in the case that contain operational statistics for use in undertaking ratio analyses. Do not use outside sources. 7

**Financial Analysis Skills**

If you wish to brush up on your financial analysis skills, any text on finance will have chapters on analysis. Investopedia is an interesting site for definitions and illustrations of tools for financial analysis, and there are many other sites.

**Ratio Analysis**

Profitability, Liquidity, Leverage, and Activity ratios are important, especially the Current Ratio, and Debt-to-Equity ratio. Different industries have different activity ratios that are important, for example: Retail – inventory turnover, sales/square foot; Airlines – cost/seat mile. Identify the activity ratio for the industry covered by the case. Other ratios that may be important: Dividend payout; P/E Some ratios are more relevant if you have the industry ratios.

**Conclusions**

You must provide detailed conclusions for your financial analysis and discuss what the strategic implications of these conclusions will have on the company.

Demonstrates clear effort and thoughtfulness

 Addresses all aspects of the assignment thoroughly

 Well-articulated

 Fully displays critical thinking and resourcefulness