INTRODUCTION During your career as an IT manager, you will be asked to conduct analyses to make well-reasoned financial decisions. It is important that you are able to not only complete an analysis but also communicate and provide support for your decisions to a chief executive officer (CEO) and board of directors. Your financial decisions will need to align with the mission and strategic goals of the company. Your responsibilities will likely include determining the budgets for the IT department, making financial decisions about IT projects and enhancements, and managing the procurement of technology resources. For Task 1 of this assessment, you will propose a new project that shows all the signs of propelling the company forward. You will then have to complete a Budgeted Income statement that shows if the company will be in an excellent position to afford this project over the next quarter. Then you will have to factor in the funding, financial risk, and profitability of your project to successfully pitch your idea. To start, you will choose a publicly traded company from the list provided in the scenario. Once you have chosen a company, you will download the company’s recent quarterly financials (10-Q) from the SEC EDGAR Company Filings web link. You will also need to read the attached "Financial Fact Sheet” for the company you choose. The “Financial Fact Sheet” for each company mirrors the Securities and Exchange Commission (SEC) guidelines for formatting the numbers. Each number in the fact sheets could be in millions, thousands, or dollars depending on the company’s 10-Q report. This fact sheet will provide you with the company’s strategic goals and the information you will need to determine any project budgets. You will select one strategic goal for your chosen company and decide on an IT project that aligns with that goal. Your IT investment project idea must include a software component or a software as a service (SaaS) solution and be based on the information provided in the company’s “Financial Fact Sheet” regarding the initial cost of the project. At this point, you will be able to create an IT project analysis and proposal report that describes the company’s financial position, determines the budgets related to the project, and outlines how you will fund your idea for the IT investment project. The skills you showcase in completing this report will be useful in your career when conducting analyses and making financial decisions. This report may also be added to your portfolio to show to future employers. SCENARIO You are the chief information officer (CIO) of one of the following publicly traded companies: A. Home Depot (ticker symbol: HD) B. Big 5 (ticker symbol: BGFV) C. Build-A-Bear (ticker symbol: BBW) You’ve been asked to propose a capital project for IT that includes a software component that will propel the company forward. As part of your responsibilities, the CEO has asked you to review the company’s financial statements and analyze the budget and cash flow for the IT department. Since the budget for Capital Expenditure projects has already been allocated, you will need to get the CEO and the board of directors to agree to spend more than they initially intended. Your project must not only be compelling but also show how the company’s 10-Q reports their profits or losses, as this may be a roadblock to moving forward. REQUIREMENTS Your submission must be your original work. No more than a combined total of 30% of the submission and no more than a 10% match to any one individual source can be directly quoted or closely paraphrased from sources, even if cited correctly. The similarity report that is provided when you submit your task can be used as a guide. You must use the rubric to direct the creation of your submission because it provides detailed criteria that will be used to evaluate your work. Each requirement below may be evaluated by more than one rubric aspect. The rubric aspect titles may contain hyperlinks to relevant portions of the course. Tasks may not be submitted as cloud links, such as links to Google Docs, Google Slides, OneDrive, etc., unless specified in the task requirements. All other submissions must be file types that are uploaded and submitted as attachments (e.g., .docx, .pdf, .ppt). Create an IT project analysis and proposal report that will be presented to the CEO and board of directors for your chosen company by doing the following: A. Describe your idea for an IT investment project, referencing one of the strategic goals for your chosen company. The project must be focused on an operational IT solution, not a consumer product or service, and it must align with this strategic goal and include a software component or a SaaS solution. B. Download the most recent 10-Q financial statement obtained from the “SEC EDGAR Company Filings” web link for your chosen company and review the attached “Financial Formula Sheet” and the chosen company’s “Financial Fact Sheet,” and do the following: 1. Describe the current financial position of your chosen company. The description must align with the company’s 10-Q financial statement and include all calculations, a justification for each of the ratios used, and the following components: • net income • retained earnings • two liquidity ratios • two solvency ratios • two profitability ratios • location of the data provided (e.g., tab, line, column) Note: Use the attached “Financial Formula Sheet” to determine which ratios to use for liquidity, solvency, and profitability. 2. Attach the company’s 10-Q financial statement obtained from the “SEC EDGAR Company Filings” web link to your submission as a spreadsheet. The 10-Q statement should be from within the last calendar year. Note: After searching for the company on the “SEC EDGAR Company Filings” web link, you can download the 10-Q statement by clicking “Interactive Data” and then “View Excel Document.” You can then save the spreadsheet to submit with your report. C. Compile the budgeted income statement using only the attached “Financial Fact Sheet” for your company. D. Describe your IT procurement plan based on your company’s “Financial Fact Sheet,” the budgeted income statement, and your IT investment project idea. Include a description of the decisions you made regarding the following points: • resources (e.g., software, personnel, hardware) • leasing versus buying components Note: You may need to adjust the description of your IT procurement plan after you have completed part E. 1. Justify the decisions you made regarding the resources and lease versus buy components in your IT procurement plan from part D, including the financial and technical benefits of each decision. E. Explain how your IT investment project idea will be funded based on the company’s “Financial Fact Sheet.” Include the following calculations in your explanation: • a detailed discussion of the marginal cost of capital (MCC) that supports your project proposal • weighted average cost of capital (WACC) • average rate of return (ARR) • net present value (NPV) F. Provide an executive summary of your findings and recommendations using the key points from parts A to E. G. Acknowledge sources, using in-text citations and references, for content that is quoted, paraphrased, or summarized. H. Demonstrate professional communication in the content and presentation of your submission.