

Module 06 - Measure Decision Performance Module 06 - Measure Decision Performance item options

November 1 - 11

1. Learning outcomes for this module
2. Evaluate the financial performance of a business
3. Interpret price and demand data to understand pricing power of a business
4. Explain cost structure of a business and a product
5. Develop key performance indicators and collect data to measure performance

Announcement -

Howdy,

Module six will be released momentarily. This module is designed to explain how a company's financial performance can be linked to a company's strategy. From this module, you will learn what financial indicators to focus on when analyzing the performance of a company's strategic decisions.

The first two lectures introduce the financial statement of a public company, and the the third lecture discusses how you can interpret the financial numbers to judge the performance of a company based on its strategy. The consistency between a company's performance and strategy can help you judge an organization's long-term performance while the revenue and profit directly show the firm's short-term performance.

The forth lecture discusses how you can measure the probability of an investment and what story does each economic indicator reveals.

The last lecture and the HBR article are about balanced scorecard. This is an OPTIONAL topic. If you want to learn more about performance management, you might find the topic insightful. However, you are not required to complete them.

You will observe that this module is relatively light and complimentary to some topics of TCMT 611. I hope that you will get some breathing time after exhausting your energy on the mid-term simulation and the strategy essay in the past two weeks.

We will have to sets of quiz: first due on 11:59pm Nov. 5th and the second due on 11:59pm Nov. 10th.

Also, we will have an assignment and it due on 11:59pm Nov. 10th.

Enjoy!

Yours,

Xiaomin

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Topic 1 - Introduction to Business Performance Measurement
[lecture](#) [Read transcript](#)

Duration about 1 minute. [Watch](#)

“In business, the idea of measuring what you are doing, picking the measurements that count like customer satisfaction and performance... you thrive on that.” **Bill Gates**

Recommended reading Attached Files:

SEC.gov | A Beginners' Guide to Financial Statement.pdf (270.997 KB)

Make sure you read this article before moving to the next unit.

Topic 2 - Financial PerformanceDuration about 12 minutes. [Watch lecture](#) [Read transcript](#)**Topic 3 - Financial Performance and Strategy Alignment**Duration about 18 minutes. [Watch](#)[lecture](#) [Read transcript](#)**Quiz 11** Time: 20 minutesDue: November 5

Assessment: Financial Analysis Due: November 11 (note: the stretched due date give you more time to complete the assessment. Please keep working on the remaining lectures during the week)

Objective: Pick two companies of your choice in the same industry. Ideally one is differentiation focused and the other cost leadership. Collect financial data from their annual financial statements and perform DuPont ROA analysis. **Deliverable:** Submit (in PDF format) a complete ROA analytical table including financial data, DuPont ROA analysis results and brief statements that clearly show the companies' business strategy.

Financial Analysis	Company Name	Company Name
Total Revenue		
Net Income		
Total Assets		
Profitability (Net Income/Total Revenue)		
Asset Turnover (Total Revenue/Total Assets)		
ROA (Net income/Total Assets)		
Strategy Statement		

There are only three measurements that tell you nearly everything you need to know about your organization's overall performance: employee engagement, customer satisfaction, and cash flow. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it." **Jack Welch**

Topic 4 - Profitability AnalysisDuration about 30 minutes. [Watch lecture](#) [Read transcript](#)**Course tool: Financial Analysis Tool**

Attached Files:

Financial analysis tools (24.688 KB)

This the financial analysis tool that I prepared for this course and used in my lecture. Xiaomin Yang

Topic 5 - Performance-driven Business DecisionsDuration about 10 minutes. [Watch lecture](#)[Read transcript](#)**Quiz 12** Time: 20 minutes

Due: November 10

Optional reading (Optional)

Attached Files:

HBR | The Balanced Scorecard.pdf (3.598 MB)

This article is complimentary material for the next optional topic, balanced scorecard. Reading is NOT required.

Topic 6 - Balanced Performance Scorecard (Optional)

This lecture is optional. Completion is NOT

required. Duration about 13 minutes. [Watch lecture](#) [Read transcript](#)

Quiz 13 (Optional)

Availability: Item is not available. It will be available after Dec 30, 2018 2:44

PM. This quiz is optional Time: 20 minutes

No due date.