

**Supply Chain Management**  
**Course Number: 29:799:491**  
**Course Title: Supply Chain Finance**

## **COURSE DESCRIPTION**

Senior executives of leading companies understand the value of the supply chain as a critical driver of shareholder value. In many firms the supply chain includes most of the assets of the firm such as the majority of the inventory, 60 to 70% of the cost, and is the foundation for generating revenue by providing outstanding product availability.

Firms tend to view the supply chain as primarily a cost center. However, supply chains make revenues possible, and properly developed and managed, can improve profitability. Supply chain organizations of the future must focus on far more than just driving cost and improving product availability.

As Supply Chain organizations evolve from back office tactical operations into strategic functions driving bottom line profitability and enterprise value, it is becoming increasingly more important for supply chain professionals to engage as business partners and “speak the language” of the CFO. It is no longer sufficient for the supply chain organization to only assure continuous supply and drive down costs. Inside world-class organizations the supply chain function is viewed by senior leadership as a critical success factor to achieving optimal “financial health” reflected on the P&L, balance sheet and funds flow statements. This necessitates that supply chain professional understand the financial impacts of their decisions and actions and are adept at “pulling the right levers” to improve the firm’s financial scorecard.

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## **COURSE MATERIALS**

- 1) Homework assignments (3) distributed by TAs
- 2) Business Cases [www.hbsp.harvard.edu/import/898512](http://www.hbsp.harvard.edu/import/898512)

### **Canvas:**

Students will be expected to visit the class Canvas site often. Readings and additional assignments throughout the term may be posted on the Canvas site. It is the student’s responsibility to buy the cases, all other readings will be placed on the Canvas site.

## LEARNING GOALS AND OBJECTIVES

The objectives of this course are therefore:

- 1) To provide an understanding of basic corporate accounting and the interrelation to supply chain actions and projects.
- 2) To decompose the supply chain elements which need to be designed and the related costs.
- 3) To understand the role of working capital across the supply chain and its impact on the financial statements of the business.
- 4) To understand the scorecard of the CFO and how the supply chain can help drive those metrics as well as how that view differs from what the CSCO measures.
- 5) To introduce tools and methods to enable both the identification of changes (i.e. strategies, investments, product flows, etc.) that add value, as well as the means to bring “economic justification” to those supply chain decisions and projects.

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## TEACHING METHOD

This course will combine lectures with case study discussions (you must prepare the case in advance), and readings and guest executives.

The course focuses on developing your understanding of the strategic elements of the Supply Chain which can be managed, as well as operational design issues. While some quantification is important, it is not a predominantly quantitative course.

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## ACADEMIC INTEGRITY

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

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## CLASS PARTICIPATION

Students will be expected to complete the assigned readings and case preparation prior to class. A large portion of the participation grade will be based on students' preparation for class and ability to intelligently discuss the readings and answer questions relevant to the assigned topics.

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## **PEER EVALUATIONS**

At the end of the semester, you will all submit a team peer evaluation. This evaluation allows each of you (individually) to provide me with feedback on each of your team members' contributions in preparing case analyses and the team topic presentation. This gives you an opportunity to inform me of any exceptionally strong or weak contributors on your team. Consistently negative or glowing assessments of a specific team member's contributions will be taken into account when finalizing the overall project grade.

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## **“SUPPLY CHAIN IMPROVEMENT” – CAPSTONE PROJECT**

Utilizing publicly available financial statements, you and a classmate will select a publicly traded company (any US exchange) to be the subject of your capstone project. Your choice of company is due to the Professor by the start of Week 4 to ensure that no two teams have chosen the same company. You will analyze the financial and accounting issues surrounding a public corporation's supply chain. A fair amount of detail and analysis is expected. It is expected that you will take a supply chain approach, examining at least the firm and two or more of its competitors for benchmarking purposes. If data is not readily available for a competitor, you will be allowed to make reasonable assumptions.

During the last weeks of the semester, we will conduct final presentations for all students. Here you should prepare a presentation deck (approx. 12 slides) with your proposed supply chain improvements, and thoughts on how to execute those improvement. All “Supply Chain improvement” presentations are to last no longer than 15 minutes and will be followed by short question and answer period from your peers. Evaluation (for your participation grade) will continue through the last presentation. You may contact Managers at your selected company if that enables you to gather more information about the proposed improvements.

Issues to be analyzed across the supply chain can include but are not limited to: profit improvement, total cost of ownership, cash conversion cycle, working capital, return on assets, economic value added, inventory optimization, hedging, risk management, international currency issues, Accounts Receivable and Accounts Payable analysis, financial network management, and other options if approved by the instructor.

**Given the above scenario, your assignment is as follows:**

1. Develop an analysis showing where you believe improvements to the company's supply chain may exist. Cite benchmarks, publicly available financial data and knowledge of the company developed from your research.
2. Develop the approximate or estimated value that you believe may be unlocked by making the improvements proposed to your company's supply chain.
3. Build a business case for going forward with your proposed changes
4. Describe the potential problems that could arise if the company were to adopt the changes you recommend and make investments into those changes
5. Outline the risk management strategies that might be employed to ameliorate the problems described.

**Students will turn in both their PowerPoint presentations 24 hours following the in class presentation so that they may incorporate feedback from the class in the final graded presentation.**

Do not copy material from the Internet without citing the source. If more than seven words in a row are found to be copied from an Internet or other source without citation, the student will receive a grade of "F" for both the project and the term. This assignment should be original work.

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## **TEAM CASE PRESENTATIONS**

Team-based case presentations are used to develop critical thinking and teamwork skills.

The process will work as follows:

The assigned presenting team will use the class as a sounding board and facilitate a discussion regarding their preliminary analysis and recommendations. The idea is for your team to vet your findings with the class and potentially alter your opinions accordingly. The final written case write-up will be due the following day (24 hours after the presentation). The deliverable is an executive level power point presentation with the following characteristics:

- 1) Be focused on core issues.
- 2) Incorporate well developed supported analysis.
- 3) Contain a limited amount of case fact restatement.
- 4) Clearly articulate recommendations and responses to posed questions.

The Grades for case presentations will be comprise both content and delivery components.

The TAs will post the rubric which will be used to grade the cases.

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## GRADING POLICY

Midterm Exam	30%
Case Facilitation & Analysis	20%
Capstone Project	35%
Homework	15%

<b>A</b>	= or >90
<b>B+</b>	87 - 89.99
<b>B</b>	80 - 86.99
<b>C+</b>	77 - 79.99
<b>C</b>	70 - 76.99
<b>D</b>	60 - 69.99
<b>F</b>	<59.99

Midterm may be curved at the Professor's discretion. However, the final grade will be strictly based on the mathematical average with NO ROUNDING.

Examples 89.99 is B+

86.99 is B

Grades for exam and case presentation become final one week after they become available

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## COURSE SCHEDULE

Week	<u>Session I</u>	<u>Session II</u>
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1		<i>Welcome Presentation, Syllabus, Expectations</i>
2	<i>The Case for Supply Chain Finance Capstone Project</i>	<b><u>Understanding the Income Statement</u></b>
3	<b><u>Understanding the Income Statement</u></b>	<b><u>Understanding the Balance Sheet</u></b>
4	<b><u>Understanding the Balance Sheet</u></b>	<b><u>Homework 1 due: re: IS and BS</u></b> <b><u>Capstone short form due</u></b>

<p>5</p>	<p><u>Understanding the Statement of Cash Flow</u></p>	<p><u>Understanding the Statement of Cash flow</u> <u>Homework 2 due: Cash flow</u></p>
<p>6</p>	<p><u>Financial Statement Analysis: Key Ratios</u></p>	<p><u>Team One: Apple Case</u>  <u>Homework 3 review : Key Ratios</u></p>
<p>7</p>	<p><u>Preparation for MidTerm</u></p>	<p><u>Mid-Term Exam</u></p>
<p>8</p>	<p><u>Review Mid Term</u></p>	<p><u>Benchmarking for Success – BIC analysis</u></p>

9	<u>Team 2: Thor Case</u>	<u>How to read a 10 -K</u>
10	<u>Team 3: Elizabeth Arden Case</u>	<u>Preparing ProForma Statements</u>
11	<u>Using ROI Logic for Business cases</u>	<u>A look at prior capstones</u>
12	<u>Team 4: Polar Sports Case</u>	<u>Workshop for Capstone Project</u>

13	<b><u>Capstone Presentations: Improving “Your Company’s” Supply Chain</u></b>	<b><u>Capstone Presentations: Improving “Your Company’s” Supply Chain</u></b>
14	<b><u>Capstone Presentations: Improving “Your Company’s” Supply Chain</u></b>	<b><u>Capstone Presentations: Improving “Your Company’s” Supply Chain</u></b>
15	<b><u>Capstone Presentations: Improving “Your Company’s” Supply Chain</u></b>	

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]