# HISCO Annual Report

## HISCO Summary Annual Report Template

This HISCO summary annual report template needs to be completed as part of your year-end activities. The due date is no later than Day 7 of Week 6 and is your final deliverable in BUS696. The HISCO summary annual report is worth 20% of your overall grade.

Our goal is to capture the essence of the *“Major”* sections of an annual report and provide an opportunity to synthesize your learnings from the simulation. This is the reason we refer to it as a summary annual report. You will simply not have enough detail to complete the typical nine sections. For example, you are not responsible for the Auditor’s Report. Naturally, you are encouraged to review real-world annual reports, which can be used as a strawman in preparation. Your HISCO Annual Report should be your own original work. Your recently completed Annual Operating Review in Week 5 should be very aligned to your Annual Report.

Preparing your HISCO summary annual report will be one of the most comprehensive assignments you will have completed during your MBA. You will gain an appreciation for the complexity and responsibility the senior executives continually face. Hopefully, you have experienced the holistic and competitive environment from the simulation. Your recently completed Annual Operating Review will provide the basics.

The information - qualitative and quantitative - in an annual report should provide current and prospective investors (as well as any stakeholder) a complete insight into the company’s historic performance and its plans for growth and improvement over the next few years, as defined by its strategy. Publicly traded companies are required by law to prepare and submit to many constituencies a variety of filings. The most well-known are the Annual Report to Shareholders and related Form 10-K. An Annual Report is technically an unofficial document. The Form 10-K will typically provide the most comprehensive summary of the company’s history, financials, risks and opportunities, and current operations. The Form 10-K is submitted annually to the U.S. Securities and Exchange Commission (SEC). Technically, HISCO is a private company (you may have sold equity to the venture capitalist) and only if it had publically trades debt would be required to file a Form 10-K.

As a future leader of a public or private company, you will learn the integrative nature of any business while you complete the HISCO summary Annual Report. This document can become an important part of your e-portfolio as you continue throughout the program. Your owner, Stanley Sloane, looks forward to reading your HISCO summary Annual Report. While details may vary state by state, even if your career leads to growing a small private business, you will need to file an Annual Report with The Secretary of State in your jurisdiction; another benefit to learning from our final activity.

The following page identifies specifics instructions for preparation for each required section. Please remember to save your work frequently. An on-line search will reveal innumerable sites devoted to annual reports.

## Required Sections in HISCO Summary Annual Report

We leave to your imagination, creativity, and perusal of real world Annual Reports as to what Financial Statements, Graphics (e.g., from the Business Intelligence Dashboard, Variance Walks, and all others in your model), Pictures, etc., to copy and paste (or alt-print screen, paste and crop) from the simulation model into the Word document below.

The minimally required sections are as follows:

### Cover Page

You can design your own cover page. It should be reflective of your corporate image and may include a picture and/or logo. At a minimum, it will include the name, [simulation year] HISCO Summary Annual Report, as well as your name and date. The cover page can only be 1 page.

### CEO Letter

The CEO Letter is designed to share the Strategy, Financial Highlight Summary, and Business Overview of the past year. It will typically also include the future growth outlook for the business (detailed in the Sales, Marketing and Industry pages below). *The CEO Letter can be a maximum of 3 pages.*

### The “Stan Sloane Letter”

HISCO’s owner, Stan Sloane, is very happy that he decided to hire you to help turn the company around. He is interested in having you stay on with the company. However, he will need assurance from you that you are committed to continuing to grow HISCO. Explain to Stan how you plan on running the company over the next two years. You should discuss the majority of the items you developed when you first came on with the company, including: whether you would make any changes to the SWOT analysis, whether you would change the company strategy, negotiations you would make with company stakeholders, future technology suggestions, growth expectations in general for the industry and specifically for HISCO over the next two years, any concerns that occurred in the past year that you would address, and any other information you believe would be relevant in order to reassure Stan that he has placed the company in the right hands. You will add this letter at the end of the standard Annual Report. This letter is not part of a traditional Annual Report. *The “Stan Sloane Letter” can be 3-4 pages.*

### Sales, Marketing, & Industry

This section should detail all aspects of HISCO’s Value Chain, from supplier to manufacturing to the customer. Products, NPIs, Pricing, in an industry perspective of competition should be elaborated on. A review of your SWOT would probably help as well as elements of your recently completed Annual Operating Review. An essential component is for current and prospective investors to understand how HISCO makes money and will be able to create growth and deal with risks. *The Sales, Marketing & Industry section can be a maximum of 5 pages.*

### Financial Statements

Financial statements are the heart and soul of the Annual Report. This is quantitative section that provides current and prospective investors a look into HISCOs financial performance. The financial statements consist of the Income Statement, Balance Sheet and Cash Flow Statement. We suggest you show a minimum of the past two years for the Income Statement, Balance Sheet and Cash Flow. Consider expanding the lines within each statement in the model. You will need to provide details on the Credit Line. *The Financial Statements section can be a maximum of 6 pages.*

### Management Discussion and Analysis (MD&A)

The Management Discussion and Analysis section provides the real detail on year-to-year performance. In your case this will be simulation year vs. prior simulation year. Topics will be both qualitative and quantitative around all aspects of simulation year relative to prior simulation year. MD&A will certainly include a complete variance analysis of performance and the successes and failures of your decisions for the year. It is the time you will delve into the details of your operating decisions. The MD&A section is typically devoted to the past (your future was described in prior sections). Reference to the Financial Statements and your recently completed Annual Operating Review is crucial. Graphics from your Business Intelligence Dashboard and your Variance walks on Income and Cash can provide visual insight into your performance. *The Management Discussion and Analysis (MD&A) can be a maximum of 6 pages.*

### Notes, Appendices and References

Any supporting documents, comments, information, glossary of terminology, and/or clarifications you deem relevant to your Annual Report to assist current and prospective investors should be included. *The Notes, Appendices and References can be a maximum of 2 pages.*

## Cover Page

## CEO Letter

## The “Stan Sloane Letter”

## Sales, Marketing, & Industry

## Financial Statements

## Management Discussion and Analysis (MD&A)

## Notes, Appendices and References