

## Requirements for SMA Inc. assignment

You are a consultant to SMA Inc and have been asked by the VP Finance to write a report to the EMT providing:

- a) An analysis of the company's current strategic position considering both strategic and financial information (you should utilise appropriate models and frameworks of your choice to aid your analysis and explanation to the EMT);
- b) A calculation of the potential additional operating profits that could be achieved following the acquisition of Data Analytics Limited (you should express this as the net present value of the potential benefits);
- c) Recommendations as to other strategic issues that should be considered when evaluating the potential acquisition;
- d) An evaluation of target costing as a tool to aid the successful launch of new products;
- e) Balanced Scorecard
  - (i) Demonstrate how the Balanced Scorecard (BSC) could be utilised to monitor both the Agriculture and Turf division and the Construction and Forestry division by preparing an example showing objectives, measures, appropriate targets, and initiatives under each perspective of the BSC.
  - (ii) Briefly discuss the benefits and drawbacks of using the Balanced Scorecard as a performance management tool.

State any assumptions made.