

Requirements SMA Inc

You are a consultant to SMA Inc and have been asked by the VP Finance to write a report to the EMT of SMA Inc. 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 recommendation as to the potential purchase price required to acquire Data Analytics Limited (provide any supporting calculations). State any other considerations the EMT should consider when making the offer;
- c) Customer profitability analysis:
 - (i) Produce an analysis of the relative customer segment profitability for the Agriculture and Turf division;
 - (ii) Critically evaluate the analysis and discuss any observations or concerns that you have about the accuracy of the analysis you have been able to undertake and the way the costs have been allocated to customers, or whether you consider that certain cost categories should not be included in the analysis. Where appropriate suggest an alternative basis for allocating costs to customers;
 - (iii) Briefly discuss whether you feel that the customer segment analysis undertaken is appropriate or whether alternative forms of customer profitability analysis are appropriate and why;
- d) An analysis of the potential strategic and financial implications of the Nigerian Government contract based on the information provided in the scenario and considering the potential profitability of the contract;
- e) Briefly discuss the costs of quality and the benefits of monitoring these types of costs given the recent product recall of the compact series 7 tractor. (Note it is this type of tractor that will be sold to the Nigerian farmers).

State any assumptions made.