



CAREER CLUSTER

Finance

CAREER PATHWAY

Corporate Finance

INSTRUCTIONAL AREA

Financial Analysis

BUSINESS FINANCE SERIES EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you demonstrate the 21st Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

- Identify project benefits and costs.
- Calculate capital investment (e.g., payback)
- Explain the nature of capital investment.
- Extract relevant information from written materials.
- Identify ways that technology impacts business.

EVENT SITUATION

You are to assume the role of the financial analyst for RED SHIELD INSURANCE COMPANY. The vice president of finance (judge) has hired you to perform an analysis and determine the payback period for a potential investment.

The vice president (judge) has been meeting with the controller and other accounting personnel to discuss the performance of repetitive tasks. Examples include setting up a vendor in accounts payable and preparing an explanation of benefits to send out to members. The vice president (judge) would like to improve these processes by incorporating Robotic Process Automation (RPA). RPA takes everyday repetitive transactions and develops bots that perform those transactions. The accounting personnel will need to manage the bots to make sure the process does not get stuck. Bots can perform the transactions 24/7. On average it costs \$4,000 per year to run the bot.

After some initial analysis, RED SHIELD has found that to develop one process to enter vendors in accounts payable using RPA is estimated to cost \$7,000. It is estimated that that the accounts payable clerk spends 5 hours per week entering vendors in the accounting system. The accounts payable clerk earns \$45,000 a year which includes the taxes and benefits. The accounts payable clerk works 2,000 hours per year. The vice president of finance (judge) wants you to determine the payback period for this investment. You are to:

- Calculate the annual cost savings of using RPA
- Calculate the Payback Period (Initial Investment in RPA/Annual Cost Savings from RPA)
- Discuss the results and make a recommendation.
- Discuss how this technology might impact employees.

You will present the information to the vice president (judge) in a role-play to take place in the vice president's (judge's) office. The vice president (judge) will begin the role-play by greeting you and asking to hear your ideas. After you have presented the information and have answered the vice president's (judge's) questions, the vice president (judge) will conclude the role-play by thanking you for your work.

JUDGE INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21st Century Skills and Performance Indicators
2. Event Situation
3. Judge Role-Play Characterization
Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
4. Judge Evaluation Instructions and Judge Evaluation Form
Please use a critical and consistent eye in rating each participant.

JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of the vice president of finance for RED SHIELD INSURANCE COMPANY. You have hired a financial analyst (participant) to perform an analysis and determine the payback period for a potential investment.

You have been meeting with the controller and other accounting personnel to discuss the performance of repetitive tasks. Examples include setting up a vendor in accounts payable and preparing an explanation of benefits to send out to members. You would like to improve these processes by incorporating Robotic Process Automation (RPA). RPA takes everyday repetitive transactions and develops bots that perform those transactions. The accounting personnel will need to manage the bots to make sure the process does not get stuck. Bots can perform the transactions 24/7. On average it costs \$4,000 per year to run the bot.

After some initial analysis, RED SHIELD has found that to develop one process to enter vendors in accounts payable using RPA is estimated to cost \$7,000. It is estimated that the accounts payable clerk spends 5 hours per week entering vendors in the accounting system. The accounts payable clerk earns \$45,000 a year which includes the taxes and benefits. The accounts payable clerk works 2,000 hours per year. You want the financial analyst (participant) to determine the payback period for this investment. The financial analyst (participant) must:

- Calculate the annual cost savings of using RPA
- Calculate the Payback Period (Initial Investment in RPA/Annual Cost Savings from RPA)
- Discuss the results and make a recommendation.
- Discuss how this technology might impact employees.

The participant will present information to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear about his/her ideas.

During the course of the role-play, you are to ask the following questions of each participant:

1. Is it important or not to get our board of directors' thoughts on bots before we move ahead?
2. What is the biggest risk involved with this venture?

Once the financial analyst (participant) has presented the information and has answered your questions, you will conclude the role-play by thanking the financial analyst (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

SOLUTION

- Calculate the annual cost savings of using RPA
 - Current annual costs of entering vendors in the system
 - Number of hours the A/P clerk works on entering vendors $5 \times 50 = 250$
 - Percent of time spent entering vendors $250/2,000=12.5\%$
 - Current dollar cost entering vendors $\$45,000 \times .125 = \$5,625$
 - Annual Cost savings = $5,625 - 4,000 = 1,625$

- Calculate the Payback Period (Initial Investment/Annual Cash Flows or Cost Savings)
 - $7,000/1,625 = 4.31$ years

- Meet with the vice president to discuss the results and make a recommendation. Discuss how this technology might impact employees.
 - It will take 4.31 years to recoup the costs of developing the RPA bot. This does not include the continued savings that would be generated after the end of the payback period. The bot will allow the A/P clerk to focus on other tasks that require more judgement, and the A/P clerk will still need to supervise the bot to make sure it is running correctly.

EVALUATION INSTRUCTIONS

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



**BUSINESS FINANCE SERIES
2023**

JUDGE'S EVALUATION FORM
District Event 2

Participant: _____

INSTRUCTIONAL AREA:
Financial Analysis

ID Number: _____

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Identify project benefits and costs?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Calculate capital investment?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Explain the nature of capital investment?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Extract relevant information from written materials?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Identify ways that technology impacts business?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
21st CENTURY SKILLS						
6.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
7.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
8.	Communicate clearly?	0-1	2-3	4	5-6	
9.	Show evidence of creativity?	0-1	2-3	4	5-6	
10.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
TOTAL SCORE						