

Kroger Project: Linking Business Decisions and Financial Outcomes

Instructional Goal: Store managers will adopt critical thinking strategies that will have a positive impact on business results.

Learning Objectives:

- Managers will identify the components of financial statements. (Labels and facts)
- Managers will define the connections that impact market share, sales growth and EBITDA. (Bodies of knowledge)
- Managers will differentiate thinking patterns. (Cognitive strategy)
- Managers will apply analysis techniques to identify opportunities to impact business results. (Intellectual skill)
- Managers will evaluate store performance and make proposal for improvement. (Intellectual skill)
- Managers will formulate business plan that synthesizes the concepts and principles. (Intellectual skill)

Task Analysis	Lesson Plan	Comments
Phase One. Key concepts to be mastered. <ul style="list-style-type: none"> • Business strategy • Competition • Working capital (ordering and inventory) • Structure of the income statement • Structure of the Store Operating Statement • Structure of the EBITDA department statement • Structure of the EBITDA store analysis statement 	Prework. Participants read the most recent quarterly report for Kroger and begin to answer questions for business analysis project. Module One. Expanding Perspective <ul style="list-style-type: none"> • Market Analysis • Competition • Setting the Context Module Two. Year One of the Simulation <ul style="list-style-type: none"> • Examining Kroger inventory Module Three. Year One of the Simulation Improvements <ul style="list-style-type: none"> • Structure of the income statement: gross, EBITDA, net • Structure of the Store Operating Statement • Structure of the EBITDA department statement • Structure of the EBITDA store analysis statement 	Beginning of individual project and business analysis 8:00 a.m. to 9:00 a.m. 9:00 a.m. to noon Ordering reports, 709, Gross Profit 1:00 p.m. to 3:00 p.m. Use of individual store operating statement and department statement Adding research data for business analysis of their

		department/store
Phase Two. Key principles to be mastered.	Module Four. Year Two of the Simulation <ul style="list-style-type: none"> • Margins • Markdowns • Merchandising • Shrink • Fixed and Variable costs • Incremental Sale 	3:00 p.m. to 5:00 p.m. Homework assignment: Begin to identify areas of need for their specific department
Phase Three. Assessment of Key Concepts and Principles.	Multiple choice assessment	Can be administered in class from 5:00 to 5:30 or taken as open book test that evening
Phase Four. Business Analysis	Module Five. New Ways to Think <ul style="list-style-type: none"> • Big Picture Thinking • Critical Thinking • Managing Paradox Module Six. Year Three of the Simulation. <ul style="list-style-type: none"> • Allocation of Labor • Customer 1st Strategy • Analysis Techniques Module Seven. Custom Application <ul style="list-style-type: none"> • EBITDA Statement • Simulation Connection • Impacts • Scenarios 	8:00 a.m. to 10:00 a.m. 10:00 am. to noon 1:00 to 5:00 p.m.
Phase Five. Business Impact	Module Eight. Insight and Evaluation	8:00 a.m. to 3:00 p.m. Individuals complete assessment of their department

Phase Six. Synthesis.	Module Nine. Business Plan to Improve Contribution	Individual completion. Scored test.
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