

[Tesco Finance ‘Initiative for the Future’ Challenge: Schools’ Package.](#)

Background.

This sheet briefly outlines the documents included within the Schools’ Package. This challenge was created for students taking part in a Tesco Finance virtual work experience, ran in association with Speakers for Schools in April 2021. The challenge involves the creation of an investment business case, and accompanying presentation, within a number of fictitious retail scenarios. The aim of this challenge was to enhance the following:

- Understanding of tasks typically carried out by Finance functions within business, and particularly Retail
- Understanding of the breadth of roles available within Finance
- Understanding of the requirements of an office-based work environment
- Technical finance and numeracy skills
- Problem solving ability
- Comprehension, communication, presentation, and other general ‘work’ skills

‘1) Student Activity Workbook – School’s Package’.

This workbook can be given to students. It is split as follows:

- 1) Pages 2 – 3, an introduction to Tesco and to the Tesco Finance function, including its primary goals and how it supports the business.
- 2) Pages 4 – 8, An outline of the job description areas within Tesco Finance / Finance more broadly. This section covers what the given area is, what a typical month looks like, and some skills that help with each role.
- 3) Pages 9 – 16, the Finance challenge section, including instructions and the business scenarios themselves that underpin the challenge.

Pages 11 – 12: outline the challenge and recommended submission, in line with the task that was set during the work experience week. This can be adjusted to suit your needs and is just a recommendation.

Pages 10, 13 – 16, outline the wider scenario (Finance director asking for advice on future business investment opportunities), and the fictitious investment opportunities for appraisal. These sections include links to web pages that provide context and can help with constructing a business case. Scenario 2 entitled ‘**Store Spacing**’ is the example scenario that has been walked through in the video file: ***‘3) Video Tutorial – Store Spacing Scenario.’***

- 4) Page 17 – 19, a glossary section that defines all technical terms within the workbook, (denoted in the previous pages by a blue underline)

‘2) Project Scenarios – Handout’.

This pdf sets out the project scenarios outlined in the activity workbook in one place in an easier to read handout form.

‘3) Video Tutorial – Store Spacing Scenario’.

We have completed the business case for one of the challenge scenarios and recorded a step by step tutorial of this. The primary aim of this video is to show how students may go about tackling the financial components of the business case. It also demonstrates how the investment case excel form works and best-practice in terms of its completion.

‘4) Blank Business Case Template’.

This is the blank template in which the business case should be completed. It is split into Financial, Non-Financial and Recommendation sections.

The Financial section requires the input of costs and benefits split over a three-year period. The template then calculates whether the given initiative will generate a profit or a loss for the business. The challenge for students is to identify financial costs and benefits within the scenarios and to enter them here. See the video tutorial mentioned above for a step by step tutorial on how this section should be populated. There are also tips provided within the Excel sheet itself to guide students.

The Non-Financial section requires written input. Often the non-financial impacts of an initiative are as important (if not more) than the financial impacts. It is essential that Finance considers all aspects of a given initiative before making a recommendation – this section encourages students to do just that. Here students may be encouraged to do their own research or make use of the links to articles within pages 13 – 16 of the ***‘1) Student Activity Workbook – School Package.ppt’***. to aid with input.

The Recommendation section is looking for the answer to the question set out by the UK Finance Director within the scenario emails: ‘*...conclude by recommending whether we should, or should not, go ahead with the initiative*’. Here the challenge is looking for students to weigh up the financial and non-financial implications of the given scenario and to arrive at a reasoned ‘go’ or ‘no-go’ recommendation based upon this assessment.

'5) Scenario Example Answers.

This excel contains example Finance section answers to each of the given scenarios. These are just examples and there are multiple ways students could approach each given scenario. What is provided here can be thought of as 'minimum' answers, in that they incorporate in some way all the financial information provided within the scenario.

Importantly, these answers could be more or less sophisticated based on additional assumptions or interpretations made of the scenario information. As discussed above, the primary aim of the challenge was to demonstrate some of the tasks undertaken by Finance, and also to promote the problem-solving mindset helpful for them. As such, total accuracy, on what are at times tricky financials, was not paramount to this particular challenge.

Simplifying steps have been made in the set up and answering of these scenarios, for example all of the answers are assumed to be dealing with Operating expenditure rather than Capital expenditure so as to minimise complexity.

Watch Outs.

Based on the submissions we received from the students who took part in the challenge earlier this year, the following appear to be the trickiest components of the task:

- The correct application of Inflation (e.g in a consecutive manner)
- Working out the correct financials for one store but then not multiplying by the number of stores the scenario asks for
- Entering units into the Excel incorrectly (should be full numbers entered)
- Trouble with application of Excel formulas
- A minimal focus on the non-financial side of the investment (which should be considered as important as the financial side)
- Not writing the recommendation / presentation as though presenting to the Finance Director (as per scenario)

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