



IB Business Management: www.BusinessManagementIB.com

The Research Proposal – Marks on offer: $\frac{3}{25}$

ACTIVITY ONE: GETTING STARTED

- i. Find a local business with whom you have very good **channels of communication** with at least one, but preferably two or three (maximum), of the **key** people in that business – owners, partners, directors and/or senior managers. These must be people with whom you feel confident in asking for and receiving half an hour of face-to-face time now and again
- ii. Find a local business who will provide you with important **financial information** in regards to that business (balance sheets, income statements, cash flow statements, etc.), subject to strict confidentiality agreements
- iii. Make your initial approach to the business to explain what you are doing and how important it is to your final Business Management grade (**25% of two year's work! No one, NO ONE, gets a good BM mark without a great IA**).

Checklist



Part One: The Research Proposal

Ask them to help you with coming up with **the research question**.

This is super important! You need a nice, tightly focused and uncomplicated research question that:

- Is relevant to the business **going forward** (i.e. it must be current and not have been previously resolved or likely to be resolved by the business over the course of the project).
- Takes the form of “**Should** _____?”
- Lends itself to a **quantitative** and qualitative cost benefit analysis.
- Is a decision that involves a choice between two options “Should _____ **or** _____?” and if not between two options, have clear, identifiable opportunity costs associated with the decision.
- You can research, **answer** and **justify** using a range of different business analytic tools (at this stage only concern yourself as to whether you can incorporate **financial analysis** – costs and returns).

Checklist



- iv. **Research the business** and prepare a list of questions that can be emailed to your contact people that will enable you to receive an excellent **overview** of what the business is, who the business is, what it does, how it does it and how well it does it.
- v. Email this list of questions, wait for a reply and follow up with a very brief list of questions to qualify any further clarifications you feel are important (keep records of all of this – they will be included in your final report).
- vi. **Book an interview** time with the central players in that business.
- vii. **Conduct an interview** where you will gain an outstanding overview of what the business is and what it does with the owners/partners/senior managers. Perform a SWOT and a competitor's analysis with them (keep records of this – they will be included in your final report).
- viii. Ensure that the SWOT points to the research question – this will enable you to provide the **rationale** for the research project.
- ix. Now, you can write the **research proposal**.

Checklist



Checklist



Part One: The Research Proposal

ACTIVITY TWO: THE RESEARCH PROPOSAL

Use this template to create your 500 word Research Proposal.

RESEARCH PROPOSAL

Research Question:

Should Company X finance the construction of the new mall through a bank loan or through increasing share capital?

Rationale:

Company X is commencing planning for the production of a new mall and are unsure how best to finance the investment. Carrying out this report will enable Mrs X, owner/partner/director/manager, to examine the effect the two options will have on the financial performance and position of the company and see how each may impact future planning and decisions, enabling her to make a more informed decision.

Key Areas of Syllabus

- 3.1 Sources of Finance
- 3.4 Forecasting
- 3.6 Ratio Analysis
- 1.6 Organisation Planning Tools

Theoretical Framework:

Both quantitative and qualitative techniques will be used in order to provide a sound recommendation, however, **the topic in question being a financial matter, emphasis on financial techniques will be apparent.** Non-financial techniques examined will include a SWOT **in order to get a feel for the business and to examine both internal and external factors that may influence the decision** and Force Field Analyses to **identify the driving and restraining forces associated with each option.** Financial techniques utilised will include ratio analysis to **evaluate the expected impact each option will have on the financial performance and position of the firm.** Forecasting will be **used to examine the predicted financial situation each option will instigate.**

Checklist:

- "should"
- "or"
- financial analysis

Checklist:

- What the decision is
- Why your research report is important

Checklist:

- Emphasis on financial analysis
- Use of financial analysis **justified**
- SWOT and FFA as qualitative techniques
- Qualitative techniques **justified**

Part One: The Research Proposal

Methodology:

Primary Research:

- Interview owner/partner/director/manager of Company X in order to obtain information regarding the business, the impending decision and the current and predicted financial position of the business.
- Interview owner/partner/director/manager in order to obtain a second perspective on the matter, opinions as to the ideal capital structure and financing options, and to attain second quantitative and qualitative forecasts to see whether they correlate with those of the first interviewee.
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Secondary Research:

- Review Company X's Annual Reports to examine, using **ratio analysis**, their **current financial position**, any **apparent trends over time**, and enable investigation as to how the financial situation of the firm will be affected by each option.
- Interview a BNZ Banker to obtain a prediction regarding future interest rates on loans; enabling analysis of options in light of interest rate changes.
- Review a range of textbooks and credible websites related to sources of finance, especially regarding the advantages and disadvantages of each source of finance to be examined to this business.

Problems likely to be encountered:

Possible Problem:	Potential solution:
Biased responses from interviewees	Verify opinions with those of others from differing businesses
Hesitancy to share financial information	Create and sign a confidentiality agreement
Interview questions too limiting	Ask both open and closed questions and ask if there is any other relevant information to add
Limited perspective as only two managers interviewed	Acknowledge in report

Checklist:

- Interviews fulfil the requirement of primary research
- Ensure that the some parts of each interview are targeted at different areas
- Make sure they are **justified**

Checklist:

- Source of **financial** information identified
- What you will do with the financial information
- Establish what you want from your other secondary research
- **Justified**

Checklist:

- Common problems and solutions
- There may be specific problems associated with your business and research

Part One: The Research Proposal

Action Plan:

Date:	Task:	Modifications:
January	Topic selection	
15/12/13 – 20/12/13	Write initial proposal	
20/12/13 – 20/1/13	Begin secondary research Write interview questions Confirm interview time	Secondary research begun 20/2
25/1/13 – 30/2/13	Conduct all interviews	
21/4/13	Submit Draft Research Proposal	
27/5/13	Submit Research Proposal	
15/5/13 – 1/7/13	Write First Draft of Report	
1/7/13	Submit First Draft	Submitted 8/7
8/7/13 – 30/8/13	Refine Draft	Deletions (over word limit)
30/8/13	Submit Final Report	

Word count: **499**

Checklist:



- The date is the **timeline**
- The date and task are a **plan** for all the activities you will need to complete
- Modifications are **best left to date changes** but **some modifications** need to be shown

Checklist:



- Word count stated
- Between 490 and 500
- If less, work on **justifications**

Criterion A: Research proposal

This criterion assesses the extent to which the student presents a research proposal that gives an effective direction for the project, with all the required elements.

Marks: **3**

- The research proposal with all the required elements is appropriate, detailed, clear and focused.
- Be appropriate, clear and focused
- Have a clearly identified and explained methodology and theoretical framework