

Purchase and read the book. As you are reading, create a list of the chapters that you think will be most useful for your analysis. As you will discover, Warren uses most all the chapters to discover whether the company in question has a durable competitive advantage. For the project, you are asked to use 10 indicators (10 chapters).

Step 2:

Once you have tentatively identified the indicators that will enable you to decide whether a company has a durable competitive advantage, you will need to select the company you will analyze (to chapter 3.) You **cannot** select any of the companies Warren has invested in – they are mentioned throughout the book. Before finalizing your choice, I recommend that you locate and review a company's financial statements. To perform your analysis, you will need to review a minimum of 3 years of financial data. (5 years would be better – Warren uses 10 years of data. If you get you started - <https://www.investopedia.com/ask/answers/119.asp>) Locating a company's financial statements will be a learning experience for some. I will provide some tips going forward.

Step 3:

As soon as you have selected the company, respond to the questions in the forum (soon to be posted). You will identify the company you have chosen and state your preliminary opinion (just a hunch!) about the company's durable competitive advantage. **Once a student selects a company, and discloses that choice in the Forum, that company is taken and not available to another student to use for analysis.** Once you have replied to the post, you can't change your selection; therefore, don't wait, but don't rush your choice either. All students should verify that the company is not taken by another! To receive full points, your reply must be uploaded by 10/9. Don't wait until the deadline to reply – once you have selected a company, claim it! **Before you take next steps, I will confirm that the company you have selected is suitable and available.**

Step 4:

In this step, you will be re-reading the book, focusing on the chapters that you think will be the most useful for your analysis. In a Blackboard assignment, you will upload a Word document (a template will be provided) in which you will answer a few questions about your work, including identifying 5 of the 10 chapters you will include in your analysis. (To complete the project, you will need to use a total of 10 chapters, with this stipulation: a minimum of 3 income statement items, 3 balance sheet items, and 1 cash flow statement item. You'll have to use more than the minimum to complete this stipulation is designed to make sure that you don't select all chapters from one financial statement.) This part of the assignment will be due on 10/22. Also, by this date, you will be uploading the financial statements for the company you have selected. Details about this step will be discussed going forward.

Step 5:

You will have approximately 6 weeks to perform your analysis, in which you will have used the tools identified in a total of 10 chapters, to make the case that the company does - or does not have a durable competitive advantage. You will upload a Word document (a template will be provided) in which you will provide a brief rationale for selecting the company as well as the results of your calculations.

The purpose of the analysis is to determine if the company has a durable competitive advantage, which you may not know until you have completed your analysis. If it turns out that the company that doesn't have a durable competitive advantage, that is fine. You are not being graded on your ability to select a company that does, instead you are being graded on completing the analysis on time, and using the tools to perform the analysis. This part of the assignment is due on 12/3.

Here is a quick summary of the project timeline and outcomes:

	Action	Due Date	Points
Step 1	Purchase and read book.	ASAP	N/A
Step 2	Select company you will analyze and obtain company's financial statements.	ASAP	5
Step 3	Reply to my post in Forum, in which you will identify the company you have selected. Additional details about your reply will be forthcoming.	10/9	5
Step 4	Identify 5 of the 10 chapters you will use for your analysis. Upload company financial statements in Blackboard.	10/22	20
Step 5	Perform analysis using tools in 10 chapters to formulate your opinion: does the company have a durable competitive advantage?	12/3	70
			100