

YOUR AUTOMATED FEEDBACK REPORT
September 2021 Common Final Examination
(CFE)
Day 1 – WDI V2

Day 1 WDI Version 2

Candidate Number:

Enclosed is your Automated Feedback Report for the Day 1 portion of the September 2021 Common Final Examination (CFE). This Report is provided to all candidates who received a failing status on Day 1 of the CFE. Commentary on the Day 2/3 portion of the exam is not provided in this Report.

The automated feedback in this report highlights the aspects of your response that were either missing or did not meet the minimum standard for demonstrating competence as established by the Board of Examiners. Since each Day 1 case is unique and includes different issues, you are strongly encouraged to use this report to identify the high-level weaknesses in your approach to responding to Day 1 rather than on your performance on the specific issues that are unique to this simulation.

Using the marking data collected, this feedback report is automatically generated based on your response. You will notice that the feedback comments are general in nature, as they were developed to describe the main deficiencies exhibited by most candidates. Therefore, while this report is provided to help you identify the key deficiencies in your response, it is important to note that some subtleties of your particular response may not be captured in this generalized report. To obtain feedback more tailored to the specifics of your particular response, a personalized Performance Analysis Report (PAR) can be requested for an additional cost. Contact your provincial body for more information.

SUMMATIVE ASSESSMENT OPPORTUNITY #1 – Situational Analysis

Your response to this Summative Assessment Opportunity met the Board of Examiners' minimum standard for competence, and therefore, this Automated Feedback Report does not include any specific feedback concerning this aspect of your response.

SUMMATIVE ASSESSMENT OPPORTUNITY #2 – Analysis of Major Issues

AO#2 Qualitative Section

Response to the Landfill Sale or Biogas Upgrade AO lacked sufficient qualitative breadth

You did not identify and discuss a sufficient number of the case facts that were provided in the simulation. For example, you were provided with the following case facts that were relevant to this investment alternative and that could have been included in your response:

- USWM has offered to purchase both of WDI's landfill sites in Nova Scotia. If WDI agrees to sell these landfills, WDI must still fulfill its existing waste management contracts. This loss of vertical integration could result in increased costs and upset customers.*
- The risk of leachate contamination is increasing because the landfills are aging. In addition, government regulations are increasing. Therefore, owning these landfills has never been riskier for WDI. If WDI sells the landfills to USWM, the company will avoid these increased risks.*
- The biogas upgrade will help to reduce costs and help to restore WDI's reputation within the community. This aligns with the company's mission and vision of using sustainable methods that respect the environment.*

It is important to read the case carefully to identify the case facts that are relevant to the decision that you are required to analyze. Relevant case facts include both the macro-level considerations that are a part of the entity's overall situation (SO#1) as well as the case facts that are specific to the alternatives that you are required to assess. It is important to include and discuss both types of case facts within your analysis of the major issues.

AO#3 Qualitative Section

Response to the NSU Research Proposal AO lacked sufficient qualitative breadth

You did not identify and discuss a sufficient number of the case facts that were provided in the simulation. For example, you were provided with the following case facts that were relevant to this investment alternative and that could have been included in your response:

- *The collaboration with NSU is the quickest way for WDI to enter this niche market that is expected to grow quickly – this will help to ensure that WDI’s investment in this area proves to be profitable given that the company will not be required to create its own team of researchers to develop a new type of material.*
- *Once WDI has access to the intellectual property produced through the partnership, the company can become experts at recycling it – this would provide WDI with an additional source of revenue and an expansion of the company’s services that utilize environmentally responsible and sustainable methods.*
- *The proposed arrangement with NSU, as well as the potential revenue stream that would result from the collaboration, are both quite different from WDI’s current offerings. Since WDI is relatively unfamiliar with this type of project, it may increase the investment’s risk as well as the time required to effectively begin the operation.*

It is important to read the case carefully to identify the case facts that are relevant to the decision that you are required to analyze. Relevant case facts include both the macro-level considerations that are a part of the entity’s overall situation (SO#1) as well as the case facts that are specific to the alternatives that you are required to assess. It is important to include and discuss both types of case facts within your analysis of the major issues.

Response to the NSU Research Proposal AO lacked a sufficient discussion of a crucial decision factor

You did not discuss a crucial aspect of this strategic investment decision to the level of depth required. Given the large impact that they may have on the outcome of an investment decision, certain case facts are more important than others and should be discussed in depth.

For this AO, an adequate response required that the following important decision factor be identified and discussed in depth:

From both a qualitative and quantitative perspective, WDI needs to obtain more information about the potential collaboration with NSU before an adequate analysis and recommendation can be made. Qualitatively, WDI should clarify its role and expected responsibilities that are part of the proposed collaboration. Quantitatively, WDI should clarify how and when the company would earn a return from the collaboration.

AO#4 Qualitative Section

Response to the Acquisition of Pendleson Incorporated AO lacked sufficient qualitative breadth

You did not identify and discuss a sufficient number of the case facts that were provided in the simulation. For example, you were provided with the following case facts that were relevant to this investment alternative and that could have been included in your response:

- Jim has been in business for a long time and has expertise that could help WDI improve its operations. Jim's expertise may provide WDI with the additional benefit of more effective operations within WDI's existing services.*
- A current trend within the industry is for larger companies to acquire smaller, locally-owned waste management companies in order to gain efficiencies. The acquisition of PI will nearly double the size of WDI. This horizontal expansion within the industry may help WDI remain competitive.*
- PI's landfills are nearing capacity. Given the reduced capacity limits that have forced many local landfills to close earlier than expected, WDI should assess how the acquisition of PI will affect WDI's current landfill operations/capacity.*

It is important to read the case carefully to identify the case facts that are relevant to the decision that you are required to analyze. Relevant case facts include both the macro-level considerations that are a part of the entity's overall situation (SO#1) as well as the case facts that are specific to the alternatives that you are required to assess. It is important to include and discuss both types of case facts within your analysis of the major issues.

Response to the Acquisition of Pendleson Incorporated AO lacked a sufficient discussion of a crucial decision factor

You did not discuss a crucial aspect of this strategic investment decision to the level of depth required. Given the large impact that they may have on the outcome of an investment decision, certain case facts are more important than others and should be discussed in depth.

For this AO, an adequate response required that the following important decision factor be identified and discussed in depth:

The acquisition of PI would allow WDI to take advantage of synergies that appear to exist between the two company's operations. Given that PI's recycling plants have been upgraded, if WDI acquires PI, WDI would likely be able to offer recycling services again. Moreover, WDI may be able to expand its existing consulting services by providing those services to PI's current customers.

AO#5 Quantitative Section

Response to the Electronic Waste Facility AO did not challenge or question the quantitative data that was provided within the simulation

You did not challenge or question the Town's estimated net income projection to the level of depth required. Given that the financial projection was provided by the Town, the information contained could be biased, and the expenses associated with the project may be incomplete. An adequate response would have questioned the validity and accuracy of The Town's projection. For example, the projection did not include fixed costs. These costs may have been erroneously left out. Also, in the simulation, it was mentioned that WDI would incur increased compliance and certification costs associated with the project, however, these costs appear to be absent from the projection.

AO#6 Qualitative Section

Response lacked an adequate discussion of Peter's actions relative to the leachate spill that was discovered at one of WDI's Nova Scotia landfills

Although you identified and discussed the leachate contamination issue within your response, you did not provide an adequate depth of discussion or recommend a course of action for WDI to take with respect to the breach of protocol associated with Peter's inaction. As a senior employee and board member of WDI, Peter should have followed the established protocol for responding to the discovery of a leachate contamination. An adequate response would have identified and discussed the inaction of Peter and how WDI should address the implications of a senior employee not following the company's established protocols. You did not discuss this issue to the level of depth required and therefore, your response lacked value.

S2 Cash Constraint Discussion Section

Response within S2 (Analysis of the Major Issues) did not address WDI's cash position to the level of depth required

Within the simulation, it was made clear that WDI was in a cash constrained position. Given the significant impact that this would have on the company's ability to make strategic decisions, this case fact should have been incorporated into your discussion of each strategic alternative that was available to the company. Within your analysis, you did not discuss this issue to the level of depth required and therefore, your response lacked value.

SUMMATIVE ASSESSMENT OPPORTUNITY #3 – Conclusions and Recommendations

The conclusions and recommendations provided violated the cash resources available to WDI

Within the simulation, it was made clear that WDI had limited cash resources/financing available to make strategic investments. The recommendations that you provided did not consider this constraint as the investments you suggested required more cash than what was available and therefore, your response lacked value because you advised the company to take a course of action that was not possible.

Response did not discuss the company's overall strategic direction to the minimum standard required

In the case, you were asked to comment on WDI's overall strategic direction based on what you thought would secure WDI's long-term success. Your response did not adequately discuss this component of the simulation, and therefore, your response lacked value.

One example of an overall strategic discussion that would have been applicable to WDI was the split between the traditional services of the waste management industry and the new emerging opportunities that had developed. The larger industry competitors were more focused on getting bigger through horizontal integration whereas the smaller companies were able to remain competitive in niche areas such as hazardous waste disposal and consulting services. This aspect of the industry's macro-level environment could have been integrated within your response to satisfy the company's request for your comment on its overall strategic direction.

OVERALL PERFORMANCE SUMMARY OF MAJOR DEFICIENCIES

The qualitative analysis component of the response did not meet the minimum standard

Overall, your qualitative analyses were not strong enough to meet the minimum standard.

In order to achieve an adequate qualitative analysis, it is important to identify and discuss a wide breadth of case facts that are relevant to the decisions that you are analyzing. In addition, you should focus on providing an adequate level of depth by detailing the implications of the case facts you choose to include in your analysis and by focusing on the issues that are the most influential and relevant to the decision at hand. It is important to read the case carefully in order to identify the most important issues as they relate to the decisions and recommendations that are required.

The response did not discuss the company's cash constraint/lack of available financing to minimum standard required

In order to provide an adequate response, it is important to acknowledge and discuss any significant constraints that the company is challenged with throughout your analysis and when you make recommendations. Your response did not meet this requirement. WDI's cash constrained position combined with the company's inability to access further debt financing should have played a significant role in your analysis of the major issues as well as within the recommendations that you made to WDI.

The response did not provide an integrated and summative conclusion to the minimum standard required

The final step in your response to a simulation should be to provide an overall conclusion that is consistent with your analysis and that integrates the main elements of the simulation. In your conclusions and recommendations, you failed to consider the implications of the main objectives and constraints that were present in the simulation and therefore, your conclusions lacked value.

In an adequate response, the overall conclusion/recommendation that you provide would have integrated the crucial considerations that were present within the simulation. In this simulation, the integrated conclusion would have focused on whether to move forward with each of the strategic options that were present while also considering the pervasive issues of the cash constraint and/or advice pertaining to the long-term strategic direction of the company. This summary would have considered whether WDI had enough cash to pursue the recommendations that were provided and otherwise provided advice on how to overcome this limitation. The overall conclusion/recommendation should have also addressed the company's overall strategy direction. By providing an integrated conclusion, the ability to step back and see the larger implications that your recommendations would have on the company is demonstrated.