

15/05/20
Daniel Wilcox

Management & Sustainability MSX01176

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13:00

Page 1
of 8

Year	A	Cum	B	Cum
0	44000		33000	
1	14000	30000	11250	21750
2	18000	12000	9750	12000
3	26000	+12000	12000	0
4	8000	+20000	16000	+16000

a Payback a: 2 years 6 months

4/4

Payback b: 3 years 0 months

b Accounting rate of return = $\frac{\text{Profit}}{\text{Average Capital Employed}} \times 100$

$$A = \frac{20000}{44000} \times 100$$

$$B = \frac{16000}{33000} \times 100$$

$$B = 48.5\%$$

$$A = 45.5\%$$

2/3

Year	13%	A	B
0	1	44000	33000
1	0.885	12390	9956.25
2	0.783	14096	7634.25
3	0.693	16632	8316
4	0.613	4906	988
Total		68020	35714.5

Present
Value £ 4020

£ 2714.5

7/7

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15/05/2020

13:00

Page 2
48

1d Project B had greatest ARR However
Project A has greatest present value but more money
invested. I would choose Project A as it has greatest
present value to investment.

e Internal Rate of return when discount rate α that would
equal NPV at 0.

$$A = \frac{P}{(1+R)^T}$$

$$0 = 66000(1+R)^4$$

$$\text{Cumulative} = 20000$$

$$\frac{\sqrt[4]{20000}}{\sqrt[4]{66000}} = R$$

$$\frac{\sqrt[4]{20000} - \frac{1}{4}}{\sqrt[4]{66000}} = R$$

$$R = -0.1789 = -18\%$$

f When making Capital investment

2 major factors are Business confidence so
previous success of investment and market share and
profits.

Also Motives for investment to meet legislation and
even the latest competition from competitors.

External factors could be considered like exchange
rates and world market.

Daniel Wilcox
1802007

Management & Sustainability MSX01176

15/05/2020

13:00

Page 3 5
of 8 a

types of sponsorship. Sponsorship is about gaining awareness of the brand in the target audience.

- Programme sponsorship like TV, film & product placement is about having your product or brand being linked and associated with the show. For example product placement in the James Bond films means brands like Aston Martin are seen by the public as stylish, sophisticated and sexy, like the main character so Aston Martin have gained awareness.

- Arts sponsorship is about sponsoring venues like Or Music venues. The brand or product becomes associated to the public's hobbies and therefore highly regarded for sponsoring such venues and competitions.

- Events sponsorship is like sponsoring music festivals or could be linked to sports by ~~for~~ ^{sponsor} ~~sponsorship~~ seasons. Like arts, the brand is associated as ~~being~~ supporting the target audience's favourite events therefore highly regarded. However part of sponsorship is impact. If a brand sponsors one event it could be quickly forgotten.

- ~~truly~~ Individuals could be sponsored to be seen as a desirable brand. If you sponsor a major athlete your brand will be seen as sporty and even healthy.

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15/05/2020

13:00 56 Situation

Page 4 Objectives

of 8 Strategy

Tactics

Action

Control

Situation - This is looking at where the team is now financially and competitively. Where in the Championship do they predict to finish.

Objectives - is ~~where~~ what is the aim. What sort of funding is available. Look at similar teams and the funding behind them.

Strategy is how do you complete the aim. Develop a Sponsorship plan and ~~organise~~ predict how much coverage can be gained so sponsors know it's worth while.

Tactics is details. Plan Contracting Potential Sponsors Refine figures of value in Sponsorship.

Action is completing the above Contracting Potential Sponsors Explain the benefits and why it's worth the money and the risk of damaging reputation.

Control is monitoring the Sponsorship. Are they happy with impact of Sponsorship is it a Positive Image.

6/9

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Management & Sustainability MSX01176

15/05/2020

13:00

Page 5 S

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Other elements of the marketing mix could include Licensing and Merchandising. If the team is successful and people aspire to be like the team then the use of merchandising can continue to spread brand image out of the target audience and create greater profit for the team to continue with greater investment.

Spread Product Placement could be used in the team to continue the sponsorship usage. For example if the team is sponsored by an energy drink then when the driver or even team members have a drink make sure the public see that it is the sponsored energy drink.

Advertising on TV could include the sports team so the brand are seen as being successful or even extreme and sporty in the example of energy drinks.

6
8

18
25

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15/05/2020

13:00

Page 6 7
of 8

1 When dealing with new employees and external consultancy companies the team should use non disclosure agreements. These agreements are to protect trade secrets of the team. These agreements should also prevent the members and companies from copying or adjusting the design to produce a near identical version of their own. It is illegal to reveal a trade secret.

2

a To protect logos and images, the team should use copyright. Copyright protects images, text and even font. If as well as the logo the team had a slogan this too couldn't be covered under copyright. The copyright lasts the lifetime of the owner. Other than the owner no one should make profit from the logo.

b Wheel design should be protected under patent. The wheel should be able to be patented so long as the design is original and novel and not been done before. If the patent is accepted then the design should be protected for 20 years. This wheel design should not have been published before filing for a patent.

↓ Continued on page 8

Daniel Wilcox
1802007

Management & Sustainability MSX01176

15/05/2020

13:00

Page 7 2
of 8 4

and KERS

If the transmission ~~trunk~~ is truly novel a patent would cover the design. However, if the ~~pa~~ transmission ~~box~~ is designed to fit a pre existing KERS system and is included in the design it will be more complicated. If the KERS system is also unique and owned by the team then it could be included in the same patent. If the team do not own the rights to the KERS system then the patent should only include the transmission and the output shaft and maybe mounting points to the KERS.

The team need to make the judgement that the transmission can pay back the ~~taxes~~ fees invested to get a patent. They also need to make sure the transmission isn't obvious otherwise the patent may not be accepted.

6
8

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1802007

15/05/20

13:00 7₂

Page 8
of 8

a A logo should be ~~for~~ Trade Marked as it is the symbol of the brand. Trademark is used to protect brands logos as the logo is the image of the brand and they don't want it mis used or devalued.

b The wheel design is Copy right protectable. If the wheel isn't novel or revolutionary but unique a patent won't cover it but Copyright will ~~can~~ protect the design from copy. Copy right protects images, text and art which the wheel can be claimed as and should prevent anyone copying the design for profit.

73%

19/25