

Consultancy on Financial Management of GAP

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objective

- The consultancy starts from the internal analysis of the group, which supports the further analysis of financial management by setting a tone of the internal value, culture and control of the group, then to the budgetary control, financial policies, financial planning to diagnose any potential deficit exists in the group. Lastly, after considering and consolidating all available information, the consulting report will be drafted to give opinion on the current status of financial performance in GAP Inc, as well as potential changes to be made to enhance the financial performance of the firm.

project

- The aim of this project is to provide solution to address on the current problem on financial management of GAP Inc. To address the problem, the first step is to analyze the internal condition of GAP Inc as well as the condition of the retailing industry to set a tone of the group's internal culture and value and its position in the market. The second step is to analyze GAP's financial statements in the annual reports which is the core area of the analysis. Thirdly, is to identify the potential financial problem hidden in the financial statements, such as financial ratio analysis, the efficiency of the working capital management, dividend policy and accounting issue interpretation. The potential suggestion could be made after communicating with those charge with management to address those problems identified.
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research methods

- This article will mainly use qualitative and quantitative data and data collection through second-hand surveys, which can be used for rapid and large-scale information collection (Panek et al., 2013). The main qualitative information includes the company's basic information, strategic information, current main operating conditions, and even professional and evaluation and customer feedback. The quantitative-based information mainly includes the company's stock price, financial status, and so on. This research method and the information collected can help this report to conduct in-depth investigation and analysis of the company, for example, it can help with EESTEL analysis, five-force model analysis, and financial analysis.

literature support

- The consulting object in this document is GAP Inc, the headquarter of which is located at San Francisco, USA. The group mainly expand through opening local stores, franchising its brand to foreign countries, and selling on the online website. Geographically, GAP Inc has penetrated in markets in United States, Asia, Europe, Canada, Africa. The franchising strategy prompts the group to develop rapidly globally, which is a strategic advantage in the apparel industry (GAP,2020). However, in the global retailing industry, the cost of entrance is relatively low, especially in the modern technology-advanced background it is convenient and cost-saving to start an e-commerce. Given the high competition in the industry, it is important to enhance the internal management process to achieve strategic advance in the industry (Annual report of GAP, 2018).

Conclusion

- This project would provide GAP Inc with advises on the changes to be made on financial management aspect, which means that GAP Inc's financial performance will be improved after applying those changes. The possible areas of changes to be made are capital structure, operation, dividend policy, and working capital management. The result of the project would give GAP Inc benefit of performing effectively and efficiently in the future

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