



THE CENTER FOR ENTREPRENEURSHIP
Small Business Institute
College of Business and Economics
800 N. State College Blvd.
Fullerton, CA 92831

SMALL BUSINESS INSTITUTE
Client Case Guidelines and Forms
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Client Case - General Consulting Information

Choice of Case:

Your instructor will give you case choices early in the semester. When you pick a case, you will receive four documents: (1) **Client Information Sheet**, (2) **Client Worksheet (Student Project Use)**, (3) **Project Milestones**, (4) copy of the client's **Request for Consulting** form, (5) any background information available on the firm, (5) **Consulting Tips I: Consulting**, an introductory consulting manual and (6) **Small Business Institute – Client Case Guidelines and Forms**.

Initial Interview:

You will have an initial interview with the client. The whole team will attend this first meeting. The Professor and Volunteer Mentor will also attend. You will document the Initial Interview with a **Progress Report** and on the **Time Log**. (See **Exhibit II Progress Report (Sample)** and **Exhibit III for Time Log (Sample)**).

Letter of Engagement:

After the Initial Interview with the client, your team will prepare a **Letter of Engagement**. It will include a confidentiality statement and an **Outline of Work** you plan to do for the client. This engagement letter will identify in writing the specific problem/opportunity area(s) you will address, the activities you will undertake to solve these challenges and the conditions surrounding the consulting relationship. The client **MUST** agree with the problem/opportunity area(s) as defined.

You must review the letter of engagement with the client. Each member of the team must sign the letter of engagement (See **Exhibit I for Letter of Engagement (Sample)**). Please note – placement of **Outline of Work**. The client must also approve and sign.

The original letter of engagement **MUST** be delivered to the **Small Business Institute** by your instructor, unless instructed otherwise. A copy of the signed letter of engagement must be placed in the final report.

Documentation of Project Work:

During the project, you will document your work using two documents – a **Progress Report** and a **Time Log**. During the semester, one or more team members will visit the client a minimum of six times. During these visits, team members will spend a minimum of 12 hours in direct client contact providing consulting advice. The term "consulting advice" refers to identification of specific management problem/opportunity areas, and work to develop and set up an attendant plan of action. You will document each visit with a **Progress Report** and on the **Time Log**. The visits documented may include the initial interview and the exit interview. If more than one team member attends a visit, each team member's time with the client (hours) counts toward the 12 hours.

Team members will **ALSO** compile a *cumulative* **Time Log** for their team. They will include this time log in the final report. (See **Exhibit III for SBI Time Log (Sample)**).

You must accumulate and document **All** time spent working on the project on this time log. For example:

- A. Duration of all client meetings during which you provide consulting advice.
- B. Duration of all telephone conversations with client during which you provide consulting advice.
- C. Preparation hours. Preparation hours include time spent by each team member: (1) researching the client's problem/opportunity area(s), (2) discussing the client's problem/opportunity area(s) with team members or other business experts, (3) and preparing the report document itself. **Example:** If three team members meet for one hour to discuss the agenda for the next meeting with the client, you will record three hours on the time log.
- D. Travel time to and from client meetings.

Exit Interview:

At the end of the semester your team and the professor will have an exit interview with the client. The purpose of the exit interview is to discuss your findings with the client and to answer the client's questions about your findings. Your team will have **photographs** taken of the client(s) with the team at the exit interview. Original prints of these photographs are a required part of your final report. Instant Photos (Polaroid) or color photocopies of photographs are not acceptable. Digital photos printed on photographic paper are acceptable. Your school and the national awards program will use these photographs for publicity purposes.

Report Preparation:

You will follow the **Case Final Report – Format Guidelines**.

Delivery of Consulting Report:

During finals week you will deliver the consulting report to the client. This may be done earlier at the exit interview if the report is completed then. When you deliver the report, you will require the client to sign a receipt. **(See Exhibit IV for Case Final Report Letter (Sample)).**

Best Case Competition and Cash Prizes:

The Small Business Institute National Association (SBI) conducts a nationwide best case competition each year. CSUF'S CBE's Small Business Institute competes every year against over 250 colleges and universities.

CBE cases have won at the regional level (top ten in the nation) and at the national level (first in the nation) many times. SBI awards certificates of outstanding performance to the team members. Each time a team wins a SBI award, the school awards the prize to the team at the Annual CBE awards ceremony in May. Donations from CBE supporters allow us to provide a cash award to the CBE's winning teams.

Teams receive \$1,000 for a CSUF local win, \$2,000 for a national third or second place win, and \$3,000 for a national first place win. If more than one case wins at a level, the prize is split between the teams. The supervising faculty member receives 25% of the award and the balance is split equally among the team members. Every student member on a winning team receives at least \$100.00.

Please note that the judging is done during the summer. As a result there is a time lag before you will know results. For example, case prizes given in May 2007 are for winning cases completed in Summer 2005, Fall 2005, and Spring 2006.

Exhibit I – Letter of Engagement (Sample)

Date

Client Name
Company Name
Address

Re: Letter of Engagement

Dear Client Name:

Thank you for the opportunity to work with you as student consultants to your venture. A cooperative agreement between California State University Fullerton (CSUF) and the Small Business Institute Director's Association (SBIDA) allows us to serve you for a small fee. Of course, the views and opinions we share with you will not be the official position of CSUF or SBIDA. They will be our own, based on discussions, observations, investigations and analysis of your venture's operations and environment. It is our hope you will find our recommendations valuable, both now and in the future. We look forward to your response concerning our suggestions.

The information you provide us concerning your venture will be held in the strictest confidence. Based on our discussions with you, we have identified the following areas on which we will work: [Note to students: Place your **Outline of Work** here. Explain each item on the outline briefly. Name who will do each item.]

We will visit your business a minimum of six (6) times during the coming weeks to work on the above outline. At the end of our academic term, you will receive a written final report that will be discussed with you during our final presentation. Your fee for student consulting is \$____. [Note to students: The fee is a sliding scale fee based on business size: (a) \$995 if my last years revenues are less than \$999K; (b) \$1,595 if my last years revenues are between \$1M and \$2.9M; (c) \$2,295 if my revenues are between \$3M and \$4.9M; (d) \$2,995 if my last years revenues are over \$5M. Refer to the Request for Consulting. Check the client's answer to: "What were your revenues last year?" Use this figure to determine the appropriate fee.] The fee is due upon signing of this engagement letter. You will be invoiced directly by CSUF's Small Business Institute.

Sincerely yours,

[Note to Students: All members of student consulting team must sign this letter]

Team Leader

Team Member

I acknowledge the receipt of this letter and agree to its terms.

Client name, Title
Venture Name

Reviewed and approved by:

Instructor

Exhibit I – Letter of Engagement (Sample) - Continued

Example wording of **Outline of Work** for a fictitious cookie baker:

I. ADVERTISING & MARKETING

Task Description:

1. Team member Adams will set up a short-term & a long-term advertising budget as well as promotional plans that will provide specific schemes and methods to effectively boost sales. The sales promotion and market expansion plans will include:
 - Use of free publicity, printing catalogues, use of media, fax order sheet, 1-800-Cookies, outside sales, "top cookie of the month"
 - Local area marketing, customer tracking
2. Team member Ball will research and propose a sub-leasing plan
3. Team member Ball will set up advertising and marketing models for franchisees

II. WORKPLACE ORGANIZATION & PERSONNEL

Task Description:

1. Team member Clover will review and recommend improvements in your internal layout. Clover will consider the overall arrangement of a number of variables to maximize productivity including:
 - Machines and equipment
 - Materials handling, work stations and work flow, aisles
 - Service areas, inventory control--storage areas (minimize storage cost)
 - Employee training, motivating, communicating, job delegating
2. Team member Clover will set up internal layout models for franchisees

III. RECORDKEEPING & ACCOUNTING

Task Description:

1. Team member Dallas will prepare budgets that outline the company's future operations and cash flow requirements:
 - Capital budgeting--ratio analysis, operating budget, financial statement organizing etc.
 - Computerize bookkeeping technique
 - Minimize cookie box printing & shipping cost (local manufacturer vs. Florida printing company)
2. Team member Dallas will set up models for franchisees.

Exhibit II – Progress Report (Sample)

Progress Report

| | | | |
|-----------------------|----------------|---|---|
| Team members present: | Travel Time | Date: _____ | Report # _____ |
| _____ | _____ | _____ | Team: _____ |
| _____ | _____ | Name of client | Total elapsed time for this meeting: |
| _____ | _____ | _____ | _____ |
| _____ | _____ | Name of client's company | _____ |
| _____ | _____ | _____ | start-finish-duration |
| _____ | _____ | Next scheduled meeting: date, time and place | _____ |
| _____ | _____ | _____ | _____ |

PURPOSE OF MEETING WITH CLIENT

AGENDA

WHAT HAPPENED AND HOW

DECISION/ACTION ITEMS

| | | |
|------|----------------|----------|
| Item | Who will do it | Deadline |
|------|----------------|----------|

NEXT STEPS (procedure for following through on decisions/action items)

Exhibit IV – Case Final Report Letter (Sample)

Date

Client Name
Company Name
Address

Dear Client Name:

Attached please find your copy of our final consulting report. It summarizes our work for your company. Please acknowledge your receipt of our final report by signing and dating this letter in the space provided below.

Thank you,

[Signature]

Name of team member delivering report

I acknowledge having received your team's final consulting report on behalf of my company. I have had the opportunity to discuss its contents with members of the team and/or the team's instructor.

Signature of authorized representative

Date

Print name: _____

Case Final Report – Format Guidelines

Format of the Consulting Report will vary depending on the needs of your client. You may review reports prepared by student consulting teams in previous semesters to get ideas on content and format. Contact your instructor or the Small Business Institute, LH321A if you wish to do this.

Mandatory Contents

The Consulting Report **MUST** include the following:

(1) **A cover with the company's logo.** Report covers (front and back) will be cover weight such as cover stock, index stock, card stock, or heavy vinyl. The front cover will display the client company's logo (preferably in color). It will be protected by a clear vinyl outer cover (6 mil minimum). Report covers will not exceed 9½" by 12." Report volumes will be securely bound using spiral binding, velo binding or perfect binding. Two- or three-ring hardback notebooks are not acceptable. You should clearly label the cover as follows:

SBI Consulting Report for

Company Name

Note that laser printer toner smears when printed directly on heavy cover stock. If you use a laser printer to print on your report covers, immediately cover the printing with a clear, plastic address label to protect it.

(2) **A Title page** formatted as follows:

SBI Consulting Report for

Client Name(s)

Company Name

by

Student Names

(3) **A table of contents.** This table of contents will list titles, describe and give page numbers for all chapters, sections, figures, tables, exhibits, and appendices.

(4) **An introduction page.** The introduction page will give a brief history of the firm and describe the circumstances leading up to the need for the present study.

Case Final Report – Format Guidelines - Continued

(5) **An Executive Summary.** The summary will be no more than three pages long. It will outline the problem(s)/opportunity (ies) identified, methodologies used, conclusions reached, and recommendations made.

(6) **A section that defines the business' problem(s)/opportunity (ies)**

(7) **Section(s) or chapter(s)** that describes in detail the problem(s)/ opportunity (ies), the analysis of each, the conclusions reached, and recommendations for action. A financial analysis section or chapter is mandatory. As part of the financial analysis you must make financial projections for the client. At a minimum, these will include detailed monthly projections for the first year, including: sales forecasts, purchases, expenses, accounts receivable, accounts payable, cash and inventory. You will summarize these projections in pro forma profit and loss statements and cash budgets.

(8) **A Conclusion** that describes (1) "**Solutions Recommended and Implemented**" and (2) "**Solutions Recommended But Not Implemented.**"

(9) **Footnotes and bibliography.** Please use American Psychological Association format. Abbreviated citations in the body of the report may refer to the complete bibliography citations. For example, if the bibliographical citation is Ames (2005) Small Business Success, the citation in the body would be at the end of the sentence. [Ames, 2005]. If the citation is for a direct quotation from page 25, the citation will include the page number. [Ames, 2005, p. 25]

(10) **Exhibits.** Exhibits are full-page graphs, charts, tables, questionnaire response summaries and the like. Your team creates exhibits to support your arguments. You may insert compact figures and tables in the body of the report. However, inserting lengthy exhibits will break the flow of your discussion. Exhibits that are full-page or longer should be placed here, after the body of the report.

(11) **Appendices.** Copies of materials from other sources, original survey forms, brochures, articles you want the client to read, and the like belong in appendices. If bulky, these background materials should be bound in a separate Volume II.

(12) **Materials required for grading and competitive judging.** The following materials must appear at the very end of your report, in the order listed, and just in front of the back cover. If your appendices are bound in a separate Volume II, the following materials should be bound at the back of Volume I, the volume that contains the text of your write-up. The following materials are essential for fair review of your work. They will be referred to by your instructor as he or she grades your consulting report. They will also be referred to by judges in the best case competition. **HOWEVER, THEY SHOULD NOT BE INCLUDED IN THE CLIENT'S COPY OF THE REPORT (Copy 1)).**

- (A) **A letter to your instructor** highlighting the main issues and recommendations concerning the case. Include this letter in Copy (2) of the report only (the "instructor's copy").
- (B) **A copy of the "Request for Consulting"** form that has been signed by the client. You will either be provided with a signed copy of this form at the beginning of the semester, or you will be asked to have your client fill out and sign this form during your first meeting. If the latter is the case, return the original of the signed form to the SBI director immediately. The director will make photocopies for you that you will include in copies (2), (3), and (4) of your consulting report.
- (C) **A copy of the signed letter of engagement.** After your initial contact with the client your team will prepare a letter of engagement that includes an outline of work you plan to do for the client. This letter must be reviewed by the client early in the semester and signed by all team members and by the client. A copy of the signed letter of engagement must be placed in copies (2), (3) and (4) of the final consulting report. **Exhibit II** provides the format for the letter of engagement. Note the place in the format where you insert your outline of work.
- (D) **Any correspondence received from the client** indicating satisfaction with your work.
- (E) **Progress Reports.** Copies of all progress reports must be included in copies (2), (3) and (4) of your report. Progress Reports describe direct client contacts during which one or more team members provide consulting advice. The term "consulting advice" refers to identification of specific management problem/opportunity areas, and work to develop and set up an attendant plan of action. The visits documented may include the entry interview and the exit interview. If more than one team member attends a visit, each team member's time (hours) counts towards the 12 hours. Each visit, including the exit interview, should be documented with a **progress report** and a time log entry. The final drafts of all progress reports must be typed. (**Exhibit III** provides a blank progress report that you may photocopy).
- (F) **A Cumulative Time Log.** Team members will compile a *cumulative time log* of the team's work on the project. This time log will be included in copies (2), (3) and (4) the final report. A time log form and instructions for filling it out is provided in **Exhibit IV**. Include on this time log:
- i. All client meetings during which consulting advice is provided.

- ii. All telephone contacts with client during which consulting advice is provided.
- iii. Preparation hours. Preparation hours include time spent by each team member: (1) researching the client's problem/opportunity area(s), (2) discussing the client's problem/opportunity area(s) with team members and other business experts, (3) and preparing the report document itself. Example: if three team members meet for 1 hour to discuss the agenda for the next meeting with the client, **3 hours** will be recorded on the time log. **All** time spent working on the project should be accumulated and included on this log.
- iv. Travel time to and from client meetings.

Keep your time log up to date during the semester. Make your entries when time spent is still fresh in your mind. You must calculate page totals and cumulative totals of time spent, as indicated on the time log. The cumulative totals on the last page of your time log should sum to the total time spent throughout the semester by all team members.

- (G) **Acknowledgement of Receipt**. When you deliver the client's copy of the Consulting Report to the client, have the client acknowledge receipt of the report by signing an acknowledgement of receipt. **Exhibit IV** presents the format for the acknowledgement of receipt. **Hand carry** the original of the signed acknowledgement of receipt to your instructor. Include a copy of the acknowledgement in copies (2), (3) and (4) of the report (can be loose leaf). Your report cannot be processed until we receive the original, signed acknowledgement of receipt and there is a photocopy in copies (2), (3), and (4) of the report.
- (H) **Photograph of the student team with the business owner**. Preferably, this photograph will be taken in front of the company sign. The instructor can take the photograph at the exit interview using your camera. Instant "Polaroid" photos are not acceptable. **Affix** an original 3" x 5" color print of this photograph to the last inside page of copies (2), (3), and (4) of the report (Volume 1). Color photocopies are not acceptable. Include a caption that identifies each person in the picture. (i. e. L to R, John Adams (MBA student), Pauline Boston (owner), Jan Clark (MBA student).

Case Final Report – Printing Procedures

All consulting reports will be printed, double spaced, on a laser printer.

Pages must be standard 8½" by 11" paper. All pages of text must be printed on white paper.

Pages must not be laminated or placed in sheet protectors.

Do not include valuable items in the report. Include copies rather than important original documents.

Quality reproductions, including photocopies and/or halftones, are acceptable. No items are acceptable that have been pasted on/attached to pages within the report.

Scrapbooks and loose or bulky exhibits are not acceptable.

Required number of copies:

You will make **THREE (3)** color copies of your report & submit **ONE** electronic copy.

| | |
|-------------------------|---|
| Copy One | You will give Copy One to the client . This copy will include items (1) through (11) listed in Format Guidelines. (Color Copy) |
| Copy Two & Three | You will give copies two & three to your instructor for submission the Small Business Institute Student Consulting Project of the Year Competition . These copies will also include items (1) through (11) listed in Format Guidelines and all the items listed under (12) above except the cover letter to the instructor. All reports that are completed and receive a passing grade will be considered for the competition. (2 Color Copies) |
| Copy <i>*(optional)</i> | You will give Optional Copy to your instructor for grading. This copy will include items (1) through (11) listed in Format Guidelines and all the items listed under (12). Instructor can use copy three for grading & return to SBI for archiving. Optional at instructor's discretion. (Color Copy) |
| Electronic Copy | You will send an electronic copy to the Small Business Institute for archiving. Send to entrepreneurship@fullerton.edu . |

Best Case Competition – Evaluation Criteria

As you prepare your consulting report, please keep the following documents – **Best Case Competition – Client Evaluation Form** (sent to your client by the Small Business Institute after your consulting work is completed) and **Best Case Competition - Judge’s Rating Sheet** used by the judges to score your team’s consulting report.

In addition, your instructor will consider the following criteria when grading your work, and other criteria, as he or she may specify:

A. Neatness of Presentation. Is your report carefully edited for errors, in a double-spaced, typewritten format with well-constructed supporting exhibits?

B. Effective Use of the English Language. Is your report written in a concise, businesslike style, which clearly presents your analysis and conclusions without spelling errors or incorrect sentence structure? Your report should speak to the client directly. For example, "We recommend that you ...," "We believe you have an opportunity to ..."

C. Significance of Findings. Have you developed analysis and concrete conclusions that will be of significant benefit to the client?

D. Relevance of Supporting Exhibits. Have you found information that backs up your conclusions in the report? Have you organized this supporting evidence in exhibits that are understandable and useful to the client?

E. Thoroughness of Research. Have you researched alternative solutions to the client's problems adequately? Have you tried to verify that the solutions you are recommending to the client are the best ones for the client?

F. Implementation. Is the client using your ideas and/or will the client use them in the future? (Where possible, you should document implementation with letters from the client. etc.)

G. How well did your team present the report to the client? Your team will have an "exit interview" with the client. All members of your team must be present and participate. During this interview you will give a presentation on your findings. The instructor will be present at this exit interview to evaluate your presentation.

Exhibit V - Best Case Competition - Client Evaluation Form

CLIENT EVALUATION

Date

Via Facsimile:

Note
This page will be sent by the Small Business Institute at the end of the semester.
No student/professor action is required

Dear:

Recently you participated as a client in a student consulting project ("case"). A student team from California State University Fullerton worked with you over a school term to help make lasting improvements in your venture's operations. The students' names:

We need to learn if you were well served. If so, your student team can compete for cash prizes up to \$3,000. Please take a minute or two now to complete the following short survey and fax it back to us. Your views will be of great use to independent judging teams. Any suggestions you have to improve the program are also welcome. Please fax us your evaluation by _____ to insure your student team qualifies to compete. If you have any questions, telephone me at (949) 644-4541

Thank you,

Our Fax number is (657) 278-7858

John B. Jackson, Director

CLIENT EVALUATION

- 1. Was a final copy of the report presented to you by the school team?
2. What was your impression of the student team -- were you pleased with the way they carried out their work with you?
3. Did the student team address themselves to the tasks assigned, and did they offer worthwhile data, analysis and practical solutions?
4. To what degree have you started to implement, or do you plan to implement, the team's suggestions?
5. Did your venture benefit significantly from this consulting project or do you expect it to benefit significantly soon?
6. How would you rate this venture improvement project?
7. Would you recommend this program to others?
8. Any other comments?
9. Do you want further assistance from another student team?
10. Would you be interested in a student intern to help you with implementation of report recommendations?

Exhibit VI - Best Case Competition – Judge’s Rating Sheet

Small Business Institute (National Association) Field-Case of the Year Competition JUDGE’S RATING SHEET

Directions: Pay particular attention to the classification of the report you are judging. A comprehensive case report analyzes three or more improvement areas for the client. Specialized reports focus in-depth on one or two areas such as marketing or management. Points in each category may range from zero to the maximum indicated. Try not to let a halo effect of liking or not liking a particular section influence your judgment on another section.

CONTENT

- 1. Thoroughness and Depth of Analysis of Subjects Covered:**
Does the analysis completely analyze every option in depth including strengths and weaknesses, cost-benefit, comparative analysis, advantages-disadvantages, etc.? Creative development of unique approaches to improving the firm should be included. Analysis of positive aspects of the firm should be included along with those needing improvement.
15 points
- 2. Value to Client:**
What is the total value to the client of this project? It may be difficult to determine, but the intent is to identify how much the project may change the effectiveness of the firm.
15 points
- 3. Logic of Analysis and Relationship to Recommendations:**
The overall report format should flow from one section to another with a clear logic. Sectional logic should be easy to understand and relate directly to the recommendations.
15 points
- 4. Clarity and Justification of Recommendations—including Impact:**
Each recommendation should be fully justified by the analysis and the totality of the recommendations should have a significant potential/actual impact. Each recommendation should be an action statement that is clearly justified in the analysis.
15 points
- 5. Clear Implementation Procedures for Each Recommendation:**
Each recommendation should have a clear procedure specified to implement the recommendation. Some implementation procedures may include multiple recommendations.
15 points
- 6. Effective Executive Summary (max 4 pages):**
The executive summary should not exceed 4 pages (7 pt penalty) and should be effective in motivating the reader to read the report as well as communicating the central issues of the analysis.
5 points

FORM

- 1. Packaging, Lean Content, Substance:**
The packaging of the report should be professional and appealing. The content of the report should be substantive and not embellished for the apparent purpose of building volume. The totality of sections covering history of the firm, economic conditions, textual type information, etc. should be dwarfed by the direct analytical content. Appendices must be directly related to the analytical content and should normally be small relative to the body of the report. If the appendix is substantial relative to the body of the report, it should be separately bound. **10 points**
- 2. Grammar, Spelling, Business Style Writing:**
Spelling and grammatical errors quickly diminish the value of the report and should be eliminated. The report should be written in the third person addressing the client and not the instructor. It is understood the report is to the business and about the business. For example, instead of “The analytical team recommends XYZ company increase its emphasis on professionals in its target market” a more appropriate style would be “The current target market should be increased to include professionals”. The report should never have the word “they” in the report when addressing the firm being analyzed because the report is to them. **10 points**