

Capstone Paper

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1 Introduction

1.1 Choosing Rushmore

The first assignment as I started my MBA at Rushmore was to write my personal profile. Included in my profile are thoughts about why I chose Rushmore for my MBA.

“With only the skills and experience that I currently have, the potential for meeting my goals is limited. Achieving my MBA will add the credibility to my experience that is needed to open the doors of opportunity to allow me to reach my goals. Of the options available for pursuing an MBA, enrolling in a full time, classroom based program was not desirable or possible. The distance learning option provides the flexibility I need for balancing employment, home and learning. Rushmore University offers a broad range of courses from which to choose, so that a total MBA curriculum can be tailored to my specific areas of interest. This, along with the strong business background of the faculty, made Rushmore the right fit for me.”

1.2 Faculty

One of the reasons that I chose Rushmore for my MBA studies was its faculty members. I could not fully appreciate the depth of experience and knowledge that they have until I began to work with them in my practical course work. Unlike the limited interaction and help from professors I had during my undergraduate work, the professors at Rushmore are responsive, helpful and open to communication with students. They also have practical industry experience in addition to their academic credentials. Many professors have been published and their books were used in several courses of my curriculum.

1.3 Editor

Writing has never been my strong suit – as a mechanical engineer, I was not required to develop and test my writing skills. In business, I have been able to express myself in written form adequately but, looking back at things I have written, not without the inherent errors that came to light as my papers were edited.

Laurel Barley is the Associate Director Editing Services and edited all of my course papers. Warren Seetahal, a recent MBA graduate of Rushmore, wrote an excellent account in his capstone paper of his experience with the editing of Laurel Barley. I concur with what Warren wrote – my experience was equally as favorable and I am

appreciative of the professionalism and help that I received from Laurel. Her constructive comments help the student understand the ‘why’ and not just the ‘what’ of the corrections she suggests. I must admit, though, that I continued to make some of the same mistakes in several papers, which was a little embarrassing. Laurel never criticized me for these repetitive mistakes, however, which I appreciated.

1.4 Timing

When I started my MBA program at Rushmore, I set an aggressive goal of completing my course work in one year. During that first year, several factors in my life prevented me from reaching that goal. Business situations with the company for which I worked caused two job changes and I had to move my family from Dayton, Ohio to Indianapolis, Indiana. The flexibility of the Rushmore program allowed me to respond to these life changes. Had I been attending a traditional classroom institution I would have had to drop out for a semester or two.

2 Curriculum

One of the advantages that Rushmore University offers is the flexibility in tailoring the curriculum to the student’s interests and goals. Initially, I studied the broad list of courses and selected those courses that I wanted to study. As I progressed through my courses, it became clear to me that there was some overlap in courses that I had chosen. I decided to focus more on the management-related courses and not to incorporate some of the operations-related ones that I had originally selected. In the end, I was satisfied with the curriculum that I chose and completed.

COURSE	Subject Area	Title	Type of Paper	Date Completed	Hours Spent	Grade	Credits
BUS 1001	Foundation	Self-Directed Learning	Basic Writing	06/01/02	84	n/a	1
BUS 1002	Foundation	Ten Natural Laws of Time and Life Management	Book Review	07/28/02	77	A	3
BUS 1003	Foundation	Venture Capital and IPOs	Research	10/15/02	113	A-	3
1111	Core Practical	Web Development	Practical	05/31/03	44	A	2
3065	Management/Statistics	Business Statistics – Regression Analysis	Practical	07/13/03	71	A-	3
2157	Management/Project Mgmt	Verma on Project Management	Research	02/08/03	85	A	3
2148	Management/Negotiation	Cohen on Negotiation	Research	05/18/03	57	A-	3
2002	Management/Strategy	Hargrave on Strategic Planning	Practical	02/16/04	91	A	3
2053	Finance	Siegel on Finance	Practical	10/23/03	106	A	5
2035	Innovation	Michalko on Innovation	Research	12/29/03	74	A-	3
BUS 1005	Foundation	Capstone Paper	n/a	02/24/04	10	A	1
TOTAL CREDITS					812		30

Foundation Courses

I chose Hyrum Smith's book, *The Ten Natural Laws of time and Life Management and What Matters Most*, for the course using the Book Review approach, which includes applying Adler's 15 questions for analytical reading. This proved to be a reinforcement of what I had learned and practiced in business. Although beneficial in learning about the different aspects of reading and review of written material, the book review approach was abandoned by Rushmore and replaced by the practical approach. In my opinion, this was a good change and created more emphasis on applying the subject matter to real world problem solving.

Research methods taught me valuable lessons about how to test information. Questioning and checking the credibility of the author of information that is found in research is very important. Some Internet articles and information do not reveal the author of the material. The validity of the site must then be checked – is it an association, institution or other entity that can be trusted to know what it is talking about?

From learning the art of research through this foundation course, I gained a real appreciation for and enjoyment in doing research. I found myself anticipating the research part of each course with enthusiasm – it was like a treasure hunt. As the written part of my papers progressed, I continued to fall back on research of the subject, wanting to present the most credible supporting information possible.

The subject of my research paper was IPOs and Venture Capital. I had no knowledge of what an IPO was, why companies pursued an IPO and how the process worked. I spent many hours doing research on this subject, including learning about current IPO activity and trends for IPO activity over the last several years. By the time I had completed this paper, I had formed my own opinions about the subject of IPOs and Venture Capital – some of which Professor Zieg disagreed with.

2053 Finance

I was looking forward to this course as I began my MBA studies because I have held positions that involved the financial side of operations. It didn't disappoint me, and proved to be a good learning experience. Professor Livingstone was my advisor and I used his book, *The Portable MBA in Finance and Accounting*, as the primary reference for this course. His book will be available on my bookshelf for quick reference in my future work.

I learned about the connection between the income statement, balance sheet and cash flow statement. This is imperative for every MBA student to learn – not to become a company accountant but to be able to analyze the health of a company. I did extensive research of several companies by reading their annual reports and their associated indicator ratios. These give me insight into the growth trends and what the companies have done to improve their financial situation. I learned that cash flow is the key to a

company's on-going ability to achieve its goals and satisfy its investors. I applied what I learned in this course to creating the financials for my last course, 2002 Hargrave on Strategic Business Plan. The 2053 Finance course made it easier to create the financial data for my theoretical company, SDES.

Companies that get in trouble financially need help to keep their business alive. I once worked for a company that could not meet its covenants with the banks and investors. A 'workout' team was called in and took control of the company for nine months. The team's focus was on cash flow – improving the cash flow also meant improving the revenue available to pay off its debts. While researching companies that provide this 'workout' type of service, I found the book *Corporate Intensive Care* by Larry Goddard. I used some of Goddard's ideas in my paper to explain how companies can look at certain financial indicators as an early warning system before getting into financial difficulty. I highly recommend this book and *How to Read a Financial Report* by John A Tracy, which I used to gain a better understanding of the interactions between the three financial statements.

1111 Web Development

I probably would not have created a website had it not been a requirement by Rushmore – not due to a lack of interest in web development but because it was not one of my priorities. I am glad that it was required because I learned the basics of how to create web pages, how to get a domain name, how to choose a viable web host, and how to get the site onto the Internet. The cost for a domain name and monthly charge for the hosting company was not exorbitant, and I had a real feeling of accomplishment when I first saw my website on the Internet (www.michaeldschmidt.com).

Knowing HTML code is not a requirement for creating a website. My website was put together using MS-Word, which can be used to produce a web page format. I delved into the HTML code once my index page was finished, and learned the basics of how it is used. It would be advantageous to know HTML for creating more sophisticated and complex web pages. I applied what I learned from putting my website together in creating our church's website (www.gracechapelanderson.org).

3065 Business Statistics

This course was not planned for in my original curriculum. However, a situation at work provided the impetus for learning how to apply statistics to historical data to predict future outcomes. I had worked with Professor Mark Spence on a previous course, but I did not realize how much he knew about statistical applications until he reviewed my course paper. Professor Spence found that I had switched the x and y variables and suggested that I change them and resubmit my paper. He was right, and the changes produced better and more usable results. I was able to apply what I learned to my work

situation, and submitted the prediction for number of hires vs. job orders to my boss as part of the business forecast.

2002 Strategic Business Plan

This was one of my favorite courses. I included this course in my curriculum from the very beginning of my studies at Rushmore. Not only was the course highly recommended by Dr. Cox, but also learning how to create a strategic business plan from Professor Lee E. Hargrave, Jr. was of great interest to me. I consider his book, *Plan for Profitability!*, to be one of the most straightforward and instructional books on this subject that I reviewed during my research.

Mr. Hargrave's book explains the eleven elements of the strategic business plan. These elements are similar to what other authors present on this subject, but the other authors seem to put more emphasis on the structure of the plan than on the content. Mr. Hargrave presents the best details about 'how' to put a strategic plan together, including several tools that he uses to help in the analysis process during the preparation of the plan. His *Principle of Linkages* is a very useful tool in organizing the process that leads to identifying and selecting the strategies, programs and goals for the company and its competitors.

The final element of the strategic plan is to develop the financial projections. These projections use the data from the previous elements of the plan to quantify the company's revenue performance. The financials take time to assimilate the results of the iterative process because of the interaction between the three statements. I chose to make this course comprehensive by creating the financial statements for my theoretical company, SDES. By including the financials, my learning experience was more valuable – I look forward to learning the finer details of the statements through future work experience. Data used for SDES was a combination of actual customer and competitor information, plus my best guess for filling in the blanks. The financials for this start-up company shows a net income loss for the first year, which is understandable, and positive growth, net income and cash flow in the second and third years of operation.

I should have done this course earlier in my studies, when our company was putting budgets and business plans together for the next fiscal year. With the knowledge gained from Mr. Hargrave's book, I would have been better equipped to create more meaningful market segment and competitor information for the plan.

2157 Project Management

Organizing Projects for Success, by Vijay Verma, was the main reference I used for this course. Many books are available that focus on the traditional aspects of project management and the tools used by a project manager. I chose Verma's book because he looks at project management from a human resources perspective. Project management

is about people – people determine the success or failure of a project. Another critical factor of successful projects is organization – developing the proper organizational structure to create synergy with the human resource dynamics of the project.

James P. Lewis wrote *Team-Based Project Management* and compares a project manager to a parent who is responsible for nurturing his/her children. A good project manager will help each team member grow and develop, which is nurturing. He/she will be coach, mentor, cheerleader, and counselor in some instances. He/she is expected to stand up for his/her team against those on the outside who would have a negative impact on the team. This is an important point that I learned – the human resource skills of a project manager are essential; even more important than technical skills.

2148 Negotiation

The goal of a negotiator is to achieve a win-win result. Being prepared for the negotiation is most important – understanding as much as possible about the position of your opponent and determining your ‘walk-away’ point and alternatives (BATNA). BATNA (**B**est **A**lternative **T**o a **N**egotiated **A**greement) is a concept developed by Roger Fisher and William Ury and presented in their book *Getting To Yes*. This was a new concept to me and one that I will use in all future negotiations in which I am involved.

I applied what I learned about negotiation in my work soon after completing this course. I negotiated the fee that a customer would pay for the direct hiring of an engineer, working with our recruiter. We knew the going market range for markup, the engineer’s pay requirements, our fixed costs and the minimum acceptable markup (18%). We estimated the customer’s threshold for markup (22%) and position of wanting to hire this person and make the deal work. The actual negotiation took little time and we agreed on a 20% markup. This was a simple example of the application of negotiation skills, but the win-win result made this a good start to achieving successful outcomes of negotiations in the future.

2035 Innovation

My nature is to be too thorough, too detailed and too perfect. Because of this, the hours I spent on certain courses were over the 20 hours per credit standard at Rushmore. My 2035 Innovation course also taught me that I am not a free (creative) thinker. I am a structured person and deal with details very well but typically I do not think too far out of the box. Maybe that is why I enjoyed the finance-related courses more than the other courses.

I learned about the roadblocks to personal creativity and that many companies do not encourage creativity and innovation. Companies must understand the characteristics of

creative people and develop a working environment that promotes creative thinking and allows time for employees to develop their ideas.

The two books used for this course were very informative and presented good ideas and tools: *Thinkertoys* by Michael Michalko, and *Imagination Engineering* by Paul Birch and Brian Clegg. I have always been in job positions that involve supervising people, and I will be implementing many of these ideas and using these tools in the future.

3 Conclusion

I am very gratified by completing my MBA. The distance learning approach is difficult because it requires dedication, perseverance and the maintenance of a positive attitude. I have always been able to learn through self-study, which is a benefit in being successful in distance learning. I am satisfied with the degree of knowledge gained in the subject matter studied and my improvement in writing skills.

It was disappointing to learn, after starting my MBA at Rushmore, that the university is not accredited. My disappointment did not compel me to quit my studies at Rushmore because there were many positive reasons to continue. If present or potential employers question the validity of my MBA, I have a portfolio of written evidence of my course work and knowledge. As stated on the Rushmore website:

“Your writing, more than anything else, will show employers or customers that you are a serious thinker. It will set you apart from your competitors. You will be an author while others will display just another degree on their résumé. Your status as an author, earned through writing and publishing one or more of your papers on your website or in a journal or magazine, will give you much more recognition and credibility than someone relying only on a degree. Learning to structure your thoughts as you write will also improve your public speaking skills.”

[\(Rushmore website\)](#)

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