# Exhibit 2: Steps to Fast and Simple Sanity Checking

The following is a summary of simple steps for sanity checking financial information. The first step takes seconds as we usually will spend very little time checking a reputable source. If the initial sanity checks are not passed, progressively more rigorous tests are taken to check the source.

1. Is there anything odd? This step takes seconds.
    a. Is the grammar correct?
    b. Do incentives align?
    c. Do the claims makes sense with my experience?
    d. Is the format easy for decision makers to use and understand?
    e. This step must be extremely quick because we will not spend more than seconds questioning a recognized expert like Warren Buffett.
2. If there was something odd ask: What is the chance the claim is correct? Do simple tests.
    a. For a model, change key variables (like sales). Do the results make sense with the world we know?
    b. Do key inputs (like LT FCF growth rate) make sense?
    c. Does this model produce results that will make sense to my boss or to investors?
    d. Find the hard evidence of a problem that others can observe and test.
3. If the above simple tests are not passed, checks may be appropriate at the detail level
    a. Find the hard evidence of a problem that others can observe and test.
    b. Examples: Are formulas linked correctly? Are values hard coded without a flag to indicate it?

4. Finally, convince those who hold the opposite view to support your view or change your mind after hearing them and adopt their view.
    a. If the opposing view ends up agreeing with you, you are probably correct.
    b. Sometimes there is a middle ground.
    c. The boardroom is involved at step 4
        i. Directors will ask: What do you recommend?
        ii. Directors will challenge you with experts holding a view opposed to yours.
        iii. It is best to get to an agreement in a win-win way (though not always possible).

# Exhibit 3: Application Exercise and Teaching Notes

## Application Assignment

To begin utilizing soft skills to build a network, we leave the academic environment and apply your newly found skills to a real situation. This situation is to attempt to engage decision makers at your selected firm to review your proposed operational change and obtain constructive feedback concerning your proposal. Attaining the goal requires you to broaden your network by contacting real-world executives.

Begin this exercise by watching the video, **Networking.** It discusses ways students have networked in the past. Prior students indicate it is best to start early in the semester as executives can take many days or weeks to reply to emails and similar electronic exchanges. They also want us to share two important points:

- There is a trade-off. Network for real or spend time doing assignments about networking.
- Build your network for real using this class project to potentially help your career.

For this assignment you are required to spend time attempting to network with executives at your chosen firm. We recommend you spend your time beneficially and add valuable executive contacts to your network. Otherwise, the time you spend on this assignment will provide little future value. Provide proof of your attempts to make connections by posting your communications to the designated drop box.

The following describes the ways most prior teams have successfully networked:

- Prior students have found that applying Dale Carnegie's 30 Human Relations Principles to all communications with executives markedly increased their chances of success.
- LinkedIn has often resulted in strong connections for student teams. The Chief Engineer for Trucks at Toyota, the global products manager at Caterpillar, and the Chief Marketing

Officer for Regal Entertainment have all responded and provided strong feedback. You can see the "form" LinkedIn message and advice for future students from one of our teams in Exhibit 4. You will see that this team recommends starting early to do networking. Many teams have found that executives take can weeks to respond to their initial email. One team received the CEO of Ruby Tuesdays' offer to critique their presentation but it was 3 days before the semester ended. Finally, Exhibit 5 shows a complete communication chain starting with a LinkedIn message through obtaining feedback from the Chief Engineer of Toyota and the team's summary of how they applied the Dale Carnegie principles. This team used the same approach to simultaneously gain feedback from a global products manager at Caterpillar.

- Personal contacts that you know well can help build your network. For example, one student wanted to contact General Motors (GM). One of his long-time customers in his current job was married to an executive at GM. After a series of exchanges taking some weeks, he made contact with the executive who provided feedback.
- University's alumni are often going to help if they are in your selected firm. Some alumni are executives. Your school maintains contact with many of these executives and they often want to help students.

Teaching notes for the application assignment are as follows:

At the same time students are doing the case study, we suggest the instructor task them with contacting executives at a firm of their choosing. This simultaneous assignment helps motivate students to seriously engage in the case study discussion. Instructions and guidance for networking to executives are provided in Section 4 of the paper. Student teams post their communication trail (email, text, LinkedIn, etc.). Generally, an honest effort at engaging an

executive garners a top grade; however, many teams actually succeed in making contact with an executive they did not previously know. We find there are a number of executives who recall their school days and want to give back.

We note that an instructor can easily expand their network to executives in the professional community by showing an interest in students' communications with executives. If students establish rapport with an executive, they are often delighted to include their professor in their final meeting with that executive and his/her team.

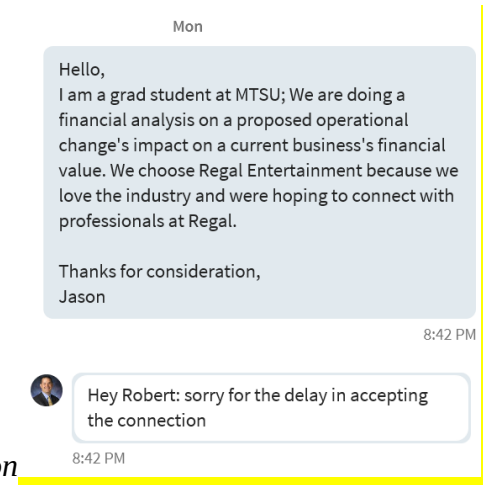
# Exhibit 4: A Template LinkedIn Message for Initially Contacting Executives

The following email chain was addressed to an instructor, Greg, and gives the background to one team's effort to contact executives at a global movie theatre company, Regal Entertainment. The team member responsible for connecting to executives goes by Jason, but his first name shows up as Robert on many communications. Jason's email follows:

*Greg, the original LinkedIn message was the same "form" message (see below) that we sent out to everyone else at Regal, and we sent the request about a month ago. I would like to think that Ken Thews (Regal's Chief Marketing Officer) accepted because he found it intriguing, or because he had an interest in the university, which we made sure to highlight in the first sentence, but this might be a case where he checked my contacts and noticed a Regal director, Jawed Khan, was in my network and connected based on his connection.*

*If I had the assignment to do again, I probably would have sent out more connection request sooner rather than trying to connect from the bottom up since we were unable to permanently connect to any Regal employees at the General Manager level.*

*On another positive note, I'm positively blown away that a C-level executive would take the time to respond. I will let you know if Regal is interested in the project.*




*Thanks, Jason*

## Exhibit 5: Communications with the Chief Engineer of Toyota

The following string of communications show how one team went from knowing no one at Toyota to obtaining meaningful input from the firm's chief engineer, Mike.

Initial Contact via LinkedIn

*Hi Mike, I am an MBA student at Middle Tennessee State University, as a project for our MBA class, our team was assigned to choose a company and propose an operational change. I am hoping you would have a few minutes to give us your professional feedback on our project. Hope to hear back soon!-Tyler*

Tyler replied to Mike with the following message

*Hi Mike, Thank you for accepting my LinkedIn invitation. As a project for our MBA class, our team was assigned to choose a company and propose an operational change that we think would increase their stock value; our team chose Caterpillar. Over the last several weeks, we have been working on our proposal of a partnership between Caterpillar and Toyota to develop a light-duty diesel engine as well as design a CAT edition truck.*

*While we certainly understand your time is valuable, we are eager to share our proposal with you and would greatly appreciate your professional opinion and feedback on the matter.*

*We have high hopes for the potential benefit of this proposed partnership, and we truly believe that you will find our proposal intriguing. Please let us know if you are willing to set aside a few minutes to take a look at our proposal and schedule a call or meeting to discuss your feedback.*

*Again, we appreciate you taking a few minutes out of your busy schedule to hear about our proposal. We hope to hear back from you soon!*

*Many Thanks! Tyler, Taylor, Gehan*

Mike sent the following message

*Tyler I am happy that you and your team are getting this great opportunity to develop a operation proposal. I had a similar experience and it was a great way to understand practice vs. book work.*

*With that said, I am not sure I am the correct person to assist you in your assignment. Let's talk and I will see what I can do. Please note that I am traveling frequently and my availability may be limited.*

*Best regard, Mike*

Tyler replied with the following message

*Mike, I agree, this project has really been a good experience for us and has taught us stuff that we couldn't have learned in a book. It's pretty cool you got do a similar project when you were in school. Hopefully with what we learn in this program along with some hard work we can be in a position like you some day.*

*We understand your availability is limited, and we would appreciate any advice you can give us. If it works for you, we can setup a time and take a few minutes to go over the project*

*with you. If you would like to get familiar with it before hand, I can send you our PowerPoint for you to look over. We are completely flexible, and I can personally make time this weekend or next week to talk about it. Please let us know what you want to do.*

*Thanks, Tyler, Taylor, Gehan*

Mike sent the following message

*Tyler, I am Japan at this time. Please email your doc to my work email. I will look it over. Then let's set up a time to talk.*

*Chow, Mike*

Tyler replied with the following message:

*Thanks Mike, it is on the way. I sent it from my school email with the subject "Operational Change Project." Enjoy your time in Japan, and we look forward to hearing back from you soon!*

*Thanks, Tyler, Taylor, Gehan*

Tyler emailed his team's presentation:

*Hi Mike, Here is our presentation. It is geared more towards CAT executives, but it talks about the Toyota-Caterpillar relationship throughout. Just a note, if you look at it in "normal view" you will be able to see our notes about each slide to give you some background. Please look over it and let us know when you have some time to discuss the project further. Again, thank you for taking a few minutes out of your busy schedule to help us out with this.*

*Thanks, Tyler, Taylor, Gehan*

Response from Mike:

*Guys, Thank you for sharing your project with me. I appreciate the effort put forth. I hope that this has been a very valuable learning experience for you. I would like to make a few suggestions as shown below: …*

*NOTE: Mike's suggestions were extensive and he did them on his own time around midnight.*

Thank you email sent back to Mike:

*Mike, To start off, we cannot thank you enough for taking time out of your busy schedule to give us feedback on our project- it truly means a lot and has been an extremely valuable learning experience for us. Your feedback is taken well and will really help us when putting together our final project and also to help us see what executives look for in a presentation like this. You brought up some great points that we either didn't think about or overlooked which is why your feedback is really beneficial to us. We have learned a lot from this project, and you have helped expand that by offering insight that could only come from someone in your position. Again, thank you for your time and feedback both, which we know are very valuable, it has been a true pleasure to work with you and hopefully we will be able to again in the future.*

*Sincerely, Tyler, Taylor, Gehan*

Summary of the assignment from Tyler, Taylor, and Gehan:

The team summarized their experience for their instructor as follows: We used several Dale Carnegie principles throughout the communication with Mike. The summary of DC principles is really just to be friendly and accommodating to who you are communicating with. Here are some of the principles we used throughout our communication with Mike:

Principle 2. We gave Mike honest, sincere appreciation throughout all communications with him.

Principle 3. We aroused in him an eager want to help us with our project.

Principle 9. We made him feel important.

Principle 13. We began all conversations in a friendly way.

Principle 17. We tried honestly to see thing from his point of view.

Principle 22. We began with praise and honest appreciation in all communication

Principle 28. We gave him a fine reputation to live up to

Principle 30. We made him happy about helping us out.