



CAREER CLUSTER

Finance

INSTRUCTIONAL AREA

Operations

FINANCIAL SERVICES TEAM DECISION MAKING EVENT

PARTICIPANT INSTRUCTIONS

- The event will be presented to you through your reading of the 21st Century Skills, Performance Indicators and Case Study Situation. You will have up to 30 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 15 minutes to make your presentation to the judge (you may have more than one judge). All members of the team must participate in the presentation, as well as answer any questions.
- You will be evaluated on how well you demonstrate the 21st Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

21st CENTURY SKILLS

- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions and solve problems.
- Communication and Collaboration – Communicate clearly and show evidence of collaboration.
- Creativity and Innovation – Show evidence of creativity.

PERFORMANCE INDICATORS

- Explain the nature and scope of purchasing.
- Discuss the importance of utilizing ethical purchasing methods.
- Explain the impact of the purchasing process on productivity.
- Identify quality-control measures.
- Resolve problems with suppliers' quality issues.
- Demonstrate problem-solving skills.
- Use appropriate assertiveness.

CASE STUDY SITUATION

You are to assume the roles of the purchasing manager and the financial specialist for TRUE SPORT, INC., a company that produces custom clothing for professional basketball teams. The CEO (judge) wants you to explain the increase in production costs and identify a plan to resolve the issue.

TRUE SPORT has been sourcing fabric from a local supplier, POLYSPORT FABRICS, for a few years, but the quality of the fabric has deteriorated leading to a high usage of material during the manufacturing process. The manufacturing department has shared with the purchasing team that the fabric has lumps and discoloration in spots. These imperfections were not present in prior bundles of fabric, but the lumps and discoloration have been a problem with the past three orders. In addition, there have been delivery delays from POLYSPORT FABRICS that resulted in very low inventory levels, which is risking the timing of production.

Below is a summary of the financial implications of the poor-quality product from POLYSPORT:

- The standard cost of material is \$4/yard, actual cost was \$4.20/yard
- The standard usage of material is 5 yards/item, actual usage was 8 yards/item
- Last month, the actual usage of materials was 8,000 yards. As such, the cost variance for the most recent period was \$1,600 unfavorable*
- Last month, 1,000 units were produced. The efficiency variance for the most recent period was \$12,000 unfavorable**

*cost variance formula: (actual quantity x actual cost) – (actual quantity x standard cost)

**efficiency variance formula: (standard cost x actual quantity) – (standard cost x standard quantity)

The CEO (judge) has asked your team to analyze the issues with the supplier and create a plan for meeting with POLYSPORT FABRICS. The following items must be discussed during meeting:

- Discuss the current ethical purchasing methods used by TRUE SPORT
- Describe how the purchasing process may impact the overall quality of the final product
- Identify two quality control measures currently in place and identify one that you plan to implement to prevent future issues with suppliers
- Provide a plan for how to resolve the issue with the current quality issues from the supplier

You will present your analysis and plan to the CEO (judge) in a meeting to take place in the CEO's (judge's) office. The CEO (judge) will begin the meeting by greeting you and asking to hear your ideas. After you have presented your ideas and have answered the CEO's (judge's) questions, the CEO (judge) will conclude the meeting by thanking you for your work.

JUDGE INSTRUCTIONS

DIRECTIONS, PROCEDURES AND JUDGE ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21st Century Skills and Performance Indicators
2. Case Study Situation
3. Judge Characterization

Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant team.

4. Judge Evaluation Instructions and Judge Evaluation Form
Please use a critical and consistent eye in rating each participant team.

JUDGE CHARACTERIZATION

You are to assume the role of the CEO of TRUE SPORT, INC., a company that produces custom clothing for professional basketball teams. You want the purchasing manager and the financial specialist (participant team) to explain the increase in production costs and identify a plan to resolve the issue.

TRUE SPORT has been sourcing fabric from a local supplier, POLYSPORT FABRICS, for a few years, but the quality of the fabric has deteriorated leading to a high usage of material during the manufacturing process. The manufacturing department has shared with the purchasing team that the fabric has lumps and discoloration in spots. These imperfections were not present in prior bundles of fabric, but the lumps and discoloration have been a problem with the past three orders. In addition, there have been delivery delays from POLYSPORT FABRICS that resulted in very low inventory levels, which is risking the timing of production.

Below is a summary of the financial implications of the poor-quality product from POLYSPORT:

- The standard cost of material is \$4/yard, actual cost was \$4.20/yard
- The standard usage of material is 5 yards/item, actual usage was 8 yards/item
- Last month the actual usage of materials was 8,000 yards. As such, the cost variance for the most recent period was \$1,600 unfavorable*
- Last month 1,000 units were produced. The efficiency variance for the most recent period was \$12,000 unfavorable**

*cost variance formula: (actual quantity x actual cost) – (actual quantity x standard cost)

**efficiency variance formula: (standard cost x actual quantity) – (standard cost x standard quantity)

You have asked the purchasing manager and the financial specialist (participant team) to analyze the issues with the supplier and create a plan for meeting with POLYSPORT FABRICS. The following items must be discussed during meeting:

- Discuss the current ethical purchasing methods used by TRUE SPORT
- Describe how the purchasing process may impact the overall quality of the final product

- Identify two quality control measures currently in place and identify one that you plan to implement to prevent future issues with suppliers
- Provide a plan for how to resolve the issue with the current quality issues from the supplier

The participant team will present information to you in a role-play to take place at the office. You will begin the role-play by greeting the participant team and asking to hear the information.

During the course of the role-play, you are to ask the following questions of each participant team:

1. At this time do you think we should consider testing new suppliers to replace POLYSPORT? Why or why not?
2. If the cost of materials continues to rise, what other options do we have?

Once the purchasing manager and the financial specialist (participant team) have presented information and has answered your questions, you will conclude the role-play by thanking the purchasing manager and the financial specialist (participant team) for the work.

You are not to make any comments after the event is over except to thank the participant.

POSSIBLE SOLUTIONS

Action plan to address supplier quality and delivery practices

Competitors will create their own unique action plans for how to address the supplier quality issues as well as poor delivery practices. A few items they may consider:

- Create an agenda. Make a clear, organized list of the issues to address, ensuring you highlight both the quality concerns and the late deliveries.
- Stick to the facts. Include specific instances of poor quality and delivery delays with supporting documentation (photos of defects, timelines of missed deadlines).
- Set goals for the discussion. Be clear about what you want to achieve—improved quality, better delivery times, or compensation for the problems caused.
- Schedule a formal meeting. A phone call or in-person meeting is preferable to email, as it allows for real-time negotiation and understanding. Ensure key decision-makers from both sides are present.
- Address the key issues:
 - Quality: Explain how the supplier's materials are not meeting the agreed-upon specifications or standards, using examples. Discuss how this is affecting your business, such as production delays or customer dissatisfaction.
 - Late deliveries: Reference specific delivery deadlines that were missed and how this has impacted your timelines, increased costs, or caused further disruptions.
 - Ask for explanations: Invite the supplier to explain the reasons for these lapses. Sometimes, they may be facing challenges that could help inform how you address the problem.
- Negotiate terms for improvement. Propose solutions such as more frequent quality checks, earlier production starts, or even penalties for missed deadlines or subpar materials.
- Request guarantees. If possible, ask for written commitments to ensure higher quality and punctual deliveries in the future.

- Consider renegotiating the contract. If the supplier is critical to your business, you may need to adjust the terms of your agreement to ensure they can meet your needs, perhaps with more stringent terms around penalties for poor performance.
- Offer a probationary period. Give the supplier a set period (e.g., three months) to improve their performance. During this time, track their deliveries and product quality closely.
- Regular check-ins. Even after resolving the current issues, schedule regular follow-ups with your supplier to maintain a good working relationship and ensure standards continue to be met.

EVALUATION INSTRUCTIONS

The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event. The maximum score for the evaluation is 100 points. The presentation will be weighted twice (2 times) the value of the exam scores.

Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participants demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participants demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 th percentile of business personnel performing this performance indicator.
Below Expectations	Participants demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 th percentile of business personnel performing this performance indicator.
Little/No Value	Participants demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps the participants should seek other employment; would rank in the 0-49 th percentile of business personnel performing this performance indicator.



FINANCIAL SERVICES TEAM DECISION MAKING 2025

JUDGE'S EVALUATION FORM ASSOCIATION EVENT 1

INSTRUCTIONAL AREA: Operations

Participant: _____

Participant: _____

ID Number: _____

Did the participant team:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Explain the nature and scope of purchasing?	0-1-2-3	4-5-6	7-8	9-10	
2.	Discuss the importance of utilizing ethical purchasing methods?	0-1-2-3	4-5-6	7-8	9-10	
3.	Explain the impact of the purchasing process on productivity?	0-1-2-3	4-5-6	7-8	9-10	
4.	Identify quality-control measures?	0-1-2-3	4-5-6	7-8	9-10	
5.	Resolve problems with suppliers' quality issues?	0-1-2-3	4-5-6	7-8	9-10	
6.	Demonstrate problem-solving skills?	0-1-2-3	4-5-6	7-8	9-10	
7.	Use appropriate assertiveness?	0-1-2-3	4-5-6	7-8	9-10	
21st CENTURY SKILLS						
8.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
9.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
10.	Communicate clearly and show evidence of collaboration?	0-1	2-3	4	5-6	
11.	Show evidence of creativity?	0-1	2-3	4	5-6	
12.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
TOTAL SCORE						