CFO PROJECT - Netflix

For the CFO project, the company chosen for this report from the Fortune 500 list in **Netflix**, Inc.

Your mission is to develop a comprehensive report to your CEO based on the topics covered in the course. Your task is to analyze the company in this context and provide recommendations. You decide how each topic should be addressed, and include research to make/support your strategy/policy recommendations. Your report should include an assessment of your company's corporate governance "readiness" and provide suitable recommendations to ensure compliance with the Sarbanes-Oxley Act of 2002 and new regulations published by the regulatory bodies.

In the spirit of a Forensic Financial Analysis, You should conduct an analysis of the firm's financial statements and policies as a risk management exercise for the benefit of the company CEO. Look for any "bodies" buried in the statements and associated notes, as well as the types of information disclosed to the public (e.g., pro forma earnings). Your goal here is to identify any areas where the firm is vulnerable to SEC action (fraud or otherwise) and report these to the CEO as a preemptive risk mitigation action. The required text *Financial Shenanigans* should be used as a reference to guide your approach in this area. I recognize this is a difficult task, given the short exposure to forensics financial analysis and the restricted information available to you. Do the best job you can.

For your Corporate Governance Assessment, you are should assess the integrity and rigor of the firm's corporate governance structure (Board, Audit Committee, stock options policies, pension fund policy, etc.) to identify any weaknesses you can find and provide recommendations to strengthen governance policy. The corporate governance readings and recommended text, *Building Public Trust: The Future of Corporate Reporting* provide a good framework for your analysis and research. I recognize this is a tall order, given the complexity of the task and your limited access to relevant information; however there are a number of databases UMUC subscribes to that can be of use to you. In addition to the article databases, such as ABI/INFORM and Business Source Complete, we have:
1. D & B Key Business Ratios provides business ratios for industries in areas of solvency, efficiency and profitability searchable by industry name and SIC code with reports that can by printed in spreadsheet format.

2. Business and Company Resource Center has industry rankings, financial data, and investment reports including company profiles, products and brand information, investment reports, statistics, company financial overviews, financial ratios, and business events and trends. Some sources from 1985 to the present.

3. Business and Industry has business, finance, strategy, planning, marketing, and international business journal articles from 1994 to the present.

4. Mergent Online has directory data, financial information from 1991 to the present, histories for companies worldwide, and industry reports for the North American, Asian, and European regions from 2003 to the present. Corporate and municipal bond, UIT, and dividend information. Comparative industry financial information and ratios.

You may also use topic areas covered in *eCFO* lecture notes posted at the links in the course schedule as target areas for improvement in your company, as well as topic areas for the sessions listed in the schedule. For example, you may address two topic areas from the *eCFO* lecture notes and two topic areas from the *session topics* as the focus of your analysis and improvement recommendations.

Your report should be between 15-20 double-spaced pages, not including attachments. See the course schedule for the submission date.