

Alliance University
Master of Business Administration

Submitted to: *Professor Joseph Reid*

Submitted by: *Bibi Booth*
173 West Blvd
East Rockaway, NY 11518
Work Phone: (347) 399-5877
Home/Cell Phone: (347) 399-5877
Email: boothb@allianceu.edu

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CERTIFICATE OF AUTHORSHIP:

I certify that I am the author of this paper and that any assistance I receive in its preparation is fully acknowledged and disclosed in this paper. I have also cited any sources from which I used data, ideas, or works, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

Student's E-Signature:

X

Accounting and Financial Services

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Capstone Project Committee: Professor Joseph Reid

Capstone Advisor

Professor Strain, MBA Director

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Executive Summary

The executive summary in the business plan is always the first section after the table of contents and title page. It is a brief yet comprehensive summary of the overall business plan. Typically, the executive summary will be one to two pages and will include such items as a summary description of the concept and business; opportunity and strategy; target market, profit margins, and projections; competitive advantages; team; and funding requirements (Timmons & Spinelli, 2012). As with all types of research, this initial section should set the stage for the subsequent detailed sections of the entire study (business plan).

Although there are many forms and iterations for presenting business plans, the Capstone project business plan will be prepared in the model format presented by Timmons & Spinelli (2012, p. 256-266). This primer is based on that model and is intended to provide an overview of the required sections. Specific details for each of these sections are further defined in that text. The ability to perform the necessary research, analytics, and evaluation is presented throughout the master's journey in the various core and concentration course offerings. Additionally, three seminars are conducted to assist in the development of the Capstone project proposal, as well as the project itself. Fundamental research methods are presented in a separate course offering which will also assist in developing the proposal and ultimate project.

Mission, Vision, and Core Values

Providing Accounting, Auditing, Financial, and Tax Services for companies by certified public accountants adhering to FASB and the AICPA. Expert services will be provided to clients to be compliant with the regulatory and governing bodies applicable to their firm's financial framework.

Mission Statement

Servicing our clients to excel in their business with accounting, auditing, financial, and tax services provided by our dedicated accounting team. Providing financial services in compliance with regulations and laws and advising clients on market volatility and industry projections will be done diligently. Successful client leads to company growth with the result of a healthy economy.

Vision

Providing services to our clients to excel within the market and industry through our dedicated accountants with the perception of enhancement and confidence. Our staff's adherence to FASB and the AICPA will also prepare our staff to provide more concise advise on current market behavior and industry conditions for our client decision-making. Knowledge is power. By keeping our clients informed and compliant, our clients will succeed in decision-making and performance with the result of a growing economy.

Core Values

Grow your business with our RELIABLE financial advisors and accountants.

Figure 1



Responsible

Our staff is responsible for performing services to our clients to excel in their business within the applicable authoritative financial framework.

Ethical

Our business is built on ethical and moral standards in compliant with all regulatory and governing bodies.

Liable

Our staff is liable to our clients and governing bodies within the industry.

Innovative

Our staff enhances themselves for license requirements and to advise clients on market and industry volatilities.

Accountable

Our staff is trained to be compliant with all work performed by clients and governing bodies.

Balanced

Our business is built to work together as a team, to provide excellent services to our clients, and to excel and expand our client business.

Loyal

Our team performs their duties and obligations faithfully and respectfully to achieve our client's vision.

Expert

The experience and knowledge our staff brings with constant enhancement provides excellent services in various markets and industries.

Industry Description

The accounting and financial services industry has a huge amount of institutions and generates a significant amount of revenue. This industry provides a lot of services, such as auditing, preparing financials and maintaining records, tax return preparations, payroll preparations, and management services. This industry is highly regulated especially with the fall of Enron and Tyco in the early 2000s. MCI, formerly Worldcom, was acquired by Verizon after it filed bankruptcy about the same time. These events led to Congress passing the Sarbanes Oxley Act which was created to require officers and management from companies to certify the accuracy of provided financial information. The Sarbanes Oxley Act then created the Public Company Accounting Oversight Board (PCAOB) to oversee the audits of public companies. In less than a decade, Congress passed the Dodd-Frank Act, too big to fail. This came after the failure of several large institutions including Lehman Brothers and to prevent capital funding from tax dollars. The result of those increasing regulations is an increase in demand for ethical and certified accountants and financial advisors. The rules created by those governing bodies, need to be interpreted correctly to implement fair and accurate financials. Investors and stakeholders are also inclined to invest in companies that have certified accountants and advisors to prepare and audit their financials.

Proposed Company

To start up an accounting and financial services business, an LLC (Limited Liability Company) may be the most beneficial. The advantage of forming an LLC is that the owners are protected. A Sole Proprietor has the most liability exposure to the owner and is therefore the riskiest business. A Corporation, on the other hand, has shareholders and the ownership is divided into shares. The amount of shares one owns determines the percentage of ownership. The shareholders, owners of a Corporation, are protected making the corporation fully liable for debts and obligations. However, a Corporation has double taxation in the form of taxes being paid at the corporate level and shareholders level upon receiving dividends. A Corporation can either be an S-Corp or a C-Corp. S-Corp is usually smaller in size with a maximum of 100 shareholders and limited to only common stock. A Partnership can be formed when there are more than 2 individuals. The general partners manage the partnership but are liable for all liabilities and the limited partners are only liable for their capital contribution extension. Partnership tax obligations are passed down to the members to include in their tax returns. After considering the formation possibilities for a start-up business, the most advantageous one would be an LLC. An LLC has the benefit of a partnership whereby the taxation is pass-through to the owners based on their percentage of ownership. The other benefit of an LLC is that the partnership's owners and members are protected because the liability exposure is limited to the LLC.

PESTLE Analysis

Pest analysis is a comprehensive assessment of a business industry. The accounting and financial services industry is a highly regulated industry. Regulatory changes are usually affected by the sitting President and political party. Since the overall industry involves outsiders, investors, and stakeholders are other people's monies, they have to be protected to

avoid the previous collapse of companies. Pest analysis is the external factor that affects a business. Business does not only take into consideration internal factors but also external factors. Internal factors affecting business are controllable and can be modified to reach the business's strategic goal. External factors, however, are uncontrollable events affecting the business. The external factors have to incorporate into the business plan, since they are unmodified, for companies to achieve their business goals.

Table 1

PEST Framework

Political	Economical	Social	Technological	Legal	Environmental

Political

“The motive in back of regulation has been the protection of the public at large” (Wright 1973). Most businesses got funding from outsiders, investors, or stakeholders which is the public. To protect the public from the monies they invested in companies, the government set rules and regulations. Companies that used public monies have to adhere to these rules. With the collapse of a large corporations such as Enron and accounting firm Authur Anderson, the Bush Administration enacted the Sarbanes-Oxley Act of 2002 in law. “This law says to honest corporate leaders: your integrity will be recognized and rewarded, because the shadow of suspicion will be lifted from good companies that respect the rules. This law says to corporate accountants: the high standards of your profession will be enforced without exception; the auditors will be audited; the accountants will be held to account. This law says to shareholders that the financial information you receive from a company will be true and reliable, for those who deliberately sign their names to deception will be punished. This law says to workers: we will not tolerate reckless practices that artificially drive up stock prices and eventually destroy the companies, and the pensions, and your jobs. And this law says to every American: there will not be a different ethical standard for corporate America than the standard that applies to everyone else. The honesty you expect in your small businesses, or in your workplaces, in your community or in your home, will be expected and enforced in every corporate suite in this country” (Holt, 2007). The US has additional governing bodies, such as the AICPA and PCAOB that respectively applies to private and public companies auditing. In addition, Congress passed the Dodd-Frank Act in response to a financial crisis in 2007-2008. During the Trump Administration part of this Act was repealed to lift some of the requirements companies had to comply. And most recently, the Biden Administration repealed a few changes that were made by the Trump

Administration. This is to show that the accounting and financial services industries are heavily affected by Politics.

Economical

The accounting and financial services industry is affected by economical events. Accounting and financial events are measured in monetary. Depending on the cycle of the economy, there can be monetary expansion or contraction. At the peak of an economy, the government will implement a monetary contraction to dampen the economy. During an economic through, the government can implement monetary expansion by injecting cash through purchases of securities and lowering the interest rate. These economic cycles have an impact on business because of the fluctuation of interest rates, unemployment, prices, and the value of the currency. Business activities can shrink during an economic cycle of thorough, recessions. During a peak economic cycle, businesses can outperform. Accountants and financial advisors need to understand the economic cycle in order the understand the business behavior to make good judgments.

Social

The social impact on the accounting and financial services industry is large. Accounting and financial services should protect and create value. Accounting and financial services do not only provide services for a large corporations but can provide services to small companies and individuals. Small companies can be companies that are struggling or companies in low-income neighborhoods. Small companies are not only valued by the amount of revenue but also by the number of employees. Tax services can be provided for personal income taxes regardless of their income.

Technological

The accounting and financing industry need to be technology savvy. Most Accountants and Financial Advisors use software to generate reports or statements. To be efficient and effective, updated and user-friendly software and networking need to be used. Most of the services and documentation are electronic. To be compliant with regulations, most financial information needs to archive for 5 to 7 years.

Legal

Since the accounting and financial service industry is heavily involved with public monies, all regulations need to be followed to be compliant. Most of the regulations come from Congress and sometimes need attorneys to interpret them for an accountant to implement. Although most accountants and financial advisor tries to be compliant with ethical and regulatory principles, there can be some error and potential lawsuit from clients or stakeholders.

Environmental

With technology, today, most accounting and financial services work is done electronically, and this reduces paper documents. This is very environmentally friendly. The little amount of printing and mailing will be reduced to a minimum which will be extremely beneficial for the environment.

References

Wright (1943). *The effect of the regulations and decisions of the Securities and Exchange Commission on accounting principles and practices*

Holt (2007). *The Sarbanes-Oxley Act: Costs, benefits and business impacts*. Butterworth-Heinemann.