SPI Assignment

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Intra-firm comparison of economic

**Intel Company: Economic and financial performances**

Intel is a leading manufacturer and designer of technology circuits which mainly comprises of chipsets and microprocessors. It would be agreeable that the company performs its operations in line with social responsibility in mind. But just like any other company, it struggles to strike a balance between measuring and balancing its CSR with the business side. The fact that the company has a hard time balancing its programs with sustainability, it does not always mean that the firm does not have strategies in place to help it in communicating its values to the society. The company has had a lot of goals which it has set where it focused on reducing the cost associated with environmental cases and settling of disputes.

The company has been using integrated technology which provides quarterly, semiannual and annual reports about their CSR. The company has been having struggles balancing its economic performance as detailed in the GAAP report. Over the past seven years, the company has been moving in hard rocks, and it anticipated that in 2016 it would make a significant turnaround through stimulated growths and anticipation that the world economy will boost the growth. The economic challenges experienced in China and Australia has led to reduced demand for its products and services. In the K-10 report, the company indicated that the revenues fell short of what analysts had predicted. The company heavily relies on outside markets for its income, and that is why it is very cautious when it comes to economies of other countries such as China and the rest of Australia.

The company experienced a weathered slide in the sale of Personal computers over the last four years which depended on the demand for the processors which is the primary component in computers. The economic concerns caused alarm on the companies which preferred to hold back their purchase of computers (Intel, 2015). The company being a leader in U.S technology worked hard to stimulate sales, and in the year that ended December 2015, the company reported earnings that were below the anticipated results. The company continued to depend upon the CSR with the aim of attracting the confidence of the investors amidst the tough global economy (Synovus Securities, 2015).

Intel is high-tech Company that presents itself as one that has failed to break the shackles of depending on one side for its revenues which are the PC market. The company generates 60% of its income from the PC market, but the report indicates that the market is shrinking every day as new technologies and players enter the field. The sale of data centers slowed down, and the noted increase was 5.3% in the fourth quarter which was a limit of 11% growth rate for the year. The company had managed to attract a growth of 18% in the year that ended 2014.

The company reported a fall in the share price by 9.1% which is described as one of the second biggest impacts that the firm has had after the 2008 word depression which stood at $29 at the closing of the stock exchange in New York. The general value of the stock at the NASDAQ was little at 2.7% which resulted in Intel losing 5.1% of its value in the year that ended 2014.

The company projects that its revenues will grow by $500 million. As per the fourth quarter, the company managed to generate $3.6 billion which translates to about 74 cents per share. Analysts had projected that the earnings would be 63 cents per share out of the anticipated $14.8 billion according to Bloomberg. The Gross margin which represents the profitability of the company was at 64% in the fourth quarter, and it is forecasted that it will contract to 56% in the year 2016. Gross margin can be defined as the remaining part of the sales after deducting the cost. From this report, it shows that the company had an economic sustainability as compared to the environmental sustainability.

**Environment performance**

The company has strived to ensure that it fits into the environmental constraints within the society that it operates. The company has been efficient in the use of energy since 2008 where all the operations within the 14.5 million sq. Feet of plant entirely run on green power which complies with the US. Environmental Protection Act. The company has saved 3.19 kWh of energy at its facilities worldwide. The company also boost of being the owner of the biggest private solar plant in U.S. In addressing the impacts of the changing global climate change the company in 2015 adopted a new source of energy which would saw them reduce their carbon footprint to the lowest level. The company also performs all its operation in-house without outsourcing it so that every product reached the market within the shortest time possible and it also enables them to optimize their operations.

The company ensures as much as possible that its action cause as less as possible adverse impacts through efficient use of the resources. All the company expansion operations are within the strict adherence to the carbon footprint. Through the company's code of conduct, the company can ensure environmental sustainability and follow-up of all its operations. The company's site selection criteria involve an assessment of the environmental impact with a close evaluation of the positive and the negatives associated with entire company's operations. The company runs processes that require a lot of water and energy and the company have invested significant amounts of resources on water and energy conservations. The company allocates an approximate $30 million in the preservation of resources within the community that they operate in. It is true that the company has been transparent in its environmental sustainability as it can be seen from the many awards that it has received over the years. To build this as part of its organizational culture the company continually rewards its employees who have helped the company through their innovation in reducing the impact that the firm has on the environment.

***Conclusion***. Intel has strived to strike a balance between the economic, environmental and financial performance. The company financial performance indicator was as follows; a low point of 2.8; transparent performance of 2.8 and transparency of 100%. The environmental performance indicator for the company was; the low point was 3.3; the seamless performance was 3.1, and the transparency was 94%. The income performance indicator for the company was 3.5. The company had a low economic performance compared to its environmental and financial performance. On the other hand, the company had a lower economic transparent performance in comparison to its environmental and fiscal performance. To be part of the global economy the company has continued to gain an international footprint despite the market being volatile the company has continued to post impressive revenues over the last six years. The company has had low economic performance in comparison to its financial and environmental performances. Regarding environmental performance, the company has been leading the run where the corporation entirely runs its plants on green energy and recycling of water which is every essential in its processes. From the report from Intel, the economic score was three which shows the company was transparent in its reporting of the current year. The environmental score was five which indicates that the firm gave multiple data about its trend over the years. The company's environmental score is positive which shows the company is transparent in its reporting. In general, the company had a higher transparency in the environmental performance than in its economic.

3M Company

The company has always believed that the reputation of the company has not been defined by the implementation of the budget but also in the way it runs its business and the way it develops its strategies. The company encourages its employees to take 15% of their time in personal projects which they feel free. This corporate policy has helped the company in moving forward and in breaking obstacles along the way. The company has ensured its economic success based on corporate performance inventiveness which aims at improving the production quality through the six sigma process. As part of its commercial success, the company has been investing its resources in opportunities and through the acceleration of growth and the production of sustainable products that meet the international standards. The company serves the customers better through the productivity platform that allows the customer to save and get more benefits. The company also sources its services and products at more competitive prices.

As a way of overcoming certainties within the company business operations about the global economy, the company has a goal of generating 30% of its revenues from the new products or which have been modified in the past four years. The company is built on dozens of technologies as it reports in it K-10 report of 2015. The company competitiveness in the market is one that is more active and healthy where it assumes a comfort zone in participating in the global economy whereas on the other end the company continues to practice strict policies that give it a competing edge. To ensure that the company continues to stay afloat in the global economy it uses technology that is unique to them and which will not cause law violation issues in the industry.

To ensure that it is ahead of the competition the company invests heavily in R & D. On average the company spends $3 billion in Research and Development which drives the company forward. The company has also been making acquisitions which increase its pool of expertise and knowledge and helping in cost sharing. The company has been having a quiet time paying its dividends to its shareholders over the past 50 years. The company goals are based on longer term success rather than short, and that is why the company continues to reinvest its profits in growth. The company adapts the idea of keeping one eye on the telescope and the other one of the microscope. In the telescope view, the company can develop strategies that will strengthen it in the future. Through the lens, the company can deliver the day to day expectations.

The company's sustainability strategies are the satisfaction of the consumer and the commercial success of the company within the constraints of social, economic and environmental values. The company manages to meet the society's expectations and those that they have a concern for the environment and striving to improve it considering the nature of their operations which is mining and manufacturing. To ensure environmental sustainability, the company uses health and safety management systems that protect the environment and the people living in the area that they operate. The company uses its resources to conserve the environment and reduce adverse impacts of the products and the manufacturing processes. The company also avoids penalties for their carbon emission through developing better technologies and products that are environmentally friendly. The other way the company interacts with the community is through being socially responsible through the involvement of the local people in employee attraction and retention process. The company also empowers the communities from where they operate so that they become part of the environmental conservation expedition.

As a way of addressing the various changes that take place in the society and the ecosystem, the company launched the EHS system which was for the service of the community. The company also continues to get involved in taking care of the environment now and in the future through its commitment. An overview of the environmental progress will help in visualizing how far the company has achieved environmental sustainability. The company has increased its energy efficiency by 22% with a reduction of waste by 22%. The company has also managed in reducing the carbon footprint from 93% to 49% within the past 15 years.

***Conclusion***.3M is a diverse company that mines and manufacturer's products and services to meet the different market needs. The economic performance indicator of the company was 2.9; the transparency performance was 100%. The environmental performance indicator of the company was; a mean point of 3.6; a transparent performance of 3.5 and the transparency was 97%. The financial results indicator was 1.7. Concerning the average, the economic performance of the company was lower as compared to its fiscal and environmental performances. The company, on the other hand, had higher economic performance compared to its environmental and financial performance. In environmental reporting, the company has a score of 1 which shows the company had brief reporting on its global performance. In the environmental performance, the score was three which indicates that the firm gave the numerical date for the current year only. The environmental transparency of the company was flat with facts pointing out that the business has had some penalties for failing to operate within the recommended carbon footprint in America.

CISCO Company

CISCO had been identifying its full potential through investing in the human potential and abilities. The company focused its operations in serving people with information and creating opportunities for them to thrive. The company spent more funds and resources in helping the poor and potential young people in achieving their full potential. The company has been globally accepted because of its significant move to work with the community in general. The company focused on basing its success on the future rather than in investing in the current markets.

Since the company entered into the market is has been performing very well globally as it can be seen in its stock prices which have been assuming an upward trend. The company has been transparent in sharing its financial earnings with the public, and it has always been proud to do so. An instance is how in 2008 the company noticed the reducing number of orders that were coming from the automakers which were a clear warning of the financial crisis that hit the industry and the globe in general. In the following year, 2009 CISCO reported that it was experiencing a recovery as everything was beginning to stabilize. The stiff competition in the market has led to the company losing 21% of its value as reported in the K-10 report of 2015. The company's efforts to diversify into other markets has had mixed results. The stock prices have been very unstable despite the company's efforts to trying to stabilize it. The company warned its investors of lower revenues which make it a more transparent company. The revenues continued to decline by 9% in the last quarter of the financial year, and the projected dividends per share will be 46 cents. The current share price is $21 which shows that the company is doing badly in the global market.

With the changing climate, it possesses a significant risk to the company, and that is why it is engaging itself in innovative technologies that are aimed at empowering the younger generations whom the company believes will change the fate of the enterprise. The recent declines in the financial performance of the company have been attributed to the macroeconomic factors. As analysts suggest that the company can turn its fate by investing or buying its ways into the diverse growing global market. The company has been having one storm after the other and more are still to come as analysts are predicting. The emerging economies affected the financial stability of the enterprise, and this was apparently reported in the reports. The rise of China as a super economy country has significantly affected the revenues of the company because the country is changing its policies which are not friendly to the business operations and products. The sabotaging of the company's efforts to export its telecommunication products to the China market has significantly affected its performance. The economic performance of the company has been worse, and it is anticipated to worsen in the coming years.

The company has focused on connecting the people to create a pool of information that will ensure all the parties benefit more mutually and change the lives of individuals around the globe. The company has built many centers to empower people and provide them with the necessary ICT knowledge that they require to innovate their idea. The company has been doing this to help the people be part of the environmental conservation and ensuring that projects are initiated by the community and not them.

CISCO is focused on incorporating environmental sustainability programs into its culture and functional processes. The company invests in conserving the environment as part of its strategy in creating business value for its customers and the community in general. The company has moved its efforts from reducing its carbon emission not only through its operations but also in ensuring that their suppliers do the same. The company adopted a green energy initiative throughout its plants which will promote self-sustenance and reduce 1100 metric tons of carbon emission every year. The company required its suppliers to provide their GHG emission. The company is not only being environmentally sustainable in its operations but also producing products that reduce the carbon emission y 70% while they are in use. They design circuits that are more energy efficient and which can help the customers alike reduce the carbon emission index. The company goes further in being responsible for the end products, and that is why they emphasize the reuse of the components and recycling the plastic and metal elements. The company also engages itself in environmentally friendly practices that improve the reputation of the company as well as opening new opportunities. As a way of recognizing its efforts, the company has received several awards for being part of the environmental conservation program and encouraging the supplies to take part in the process.

The economic slowdown in the company has been mainly attributed to the company's dependency on emerging economies and in developing countries such as Africa who depend on imported technologies and whose access to data centers is restricted. The company has been forced to use aggressive marketing strategies that will enable it to penetrate the deeper markets, hence strengthening its market share. As indicated in the economic performance indicator in term of transparency of 89% the company has been experiencing tough times. The company has opted to limit its numerical data and information regarding its economic performance so that it can build the investor confidence. Investor trust is important in keeping a company afloat because if they sense danger, they can withdrawal their funding which may lead to the bankruptcy of the enterprise. The company is buying its stock so that it can have enough stock which it can dispose in the future at a higher price which will ensure economic growth of the company. For CISCO it a business that is stuck and it would require more effort to get it out of the critical situation.

***Conclusion.*** The mean point for CISCO's economic performance was 3.1; its environmental performance was 3.8 whereas that for its finances was 3.7. The company's economic performance was lower in comparison to its environmental and financial performance as it stood at 3.1. The environmental performance was higher compared to its financial results where it stood at 3.8 whereas that of its financial results was at 3.7 which is a 0.1 difference. The financial transparency of the company was 89% compared to its environmental transparency at 97%. The financial transparency of the company was lower compared to its environmental transparency. The financial transparency of the company regarding weighted mean was 2.8 whereas its environmental transparency was 3.7 which is higher.

Inter-firm comparison

**Economic performance**

The economic performance of the three case study companies was different. The performance mean point for the 3M, CISCO and Intel were 2.9, 3.1, and 2.8 respectively. Regarding weighted mean 3M, CISCO and Intel had 2.9, 2.8 and 2.8 respectively. In the expression of the transparency regarding percentage the three companies 3M, CISCO, and Intel had 100%, 89%, and 100% respectively. Among the tree companies the company that had the highest transparency level in its economics was 3M and Intel. What can be noted here is that the corporation with the highest mean has the least transparency. CISCO has information on its report which shows that the company is not sure of it and economic status which can be attributed to the reason that the business is performing poorly globally. In the transparent performance 3M reported clear information about its financial performances, and on the other hand, CISCO and Intel had similar reporting points. 3M and Intel were the most transparent companies as they gave enough details of their economic performance through their reports in the 10-K report. For CISCO Company it provided little information, and this showed that it was not transparent enough in presenting its financial performance to the readers of the report. In summary 3M and Intel had high economic performance compared to CISCO.

**Inter-firm comparison of the Environmental performance**

Regarding the environmental performance the transparent performance for 3M, CISCO and Intel were 3.5, 3.7 and 3.1 respectively. In the transparency expressed as a percent, the percentages were 97%, 97% and 94% for 3M, CISCO, and Intel respectively. When comparing the companies concerning transparent performance the company that had impressive results was 3M where it was 0.1 point ahead of the other companies. The company bases its operations on manufacturing and mining and hence it needs to give more information and numerical data about its environmental sustainability because it is in the spotlight of the matter. Comparing the three companies by transparency the company that trailed behind was Intel because it is a high-tech technology company it provided little information of how it is concerned about the environment. The other two companies CISCO and 3M prove to be transparent in their reporting because a lot of information and numerical data was provided. 3M and CISCO companies shared the transparency percentages whereas Intel provided less information. 3M and CISCO had higher environmental performance compared to Intel which made the companies perform well their environmental sustainability programs. In summary 3M and CISCO had the high environmental performance compared to Intel.

**Inter-firm Comparison of Financial Performance**

In comparing the financial results of the three companies, it shows that CISCO is taking the lead. The transparent performance of 3M, CISCO and Intel was 1.7, 3.7 and 3.5 respectively. There is a huge margin between the financial returns for 3M with the rest of the other companies. As pointed out in the report 3M has been having significant economic challenges, and that is why it is not providing information and mathematical statistics which can help the investors and the shareholders in determining the ultimate fate of the company. For CISCO and Intel, they have a slight difference, but they are both transparent in their performance. Based on how the mean is calculated it shows that CISCO was the company that was doing well in the financial results as it gave as much information compared to 3M and Intel. CISCO provided excellent reporting of its financial ratios as well as the business documents such as the balance sheets and the income statements which can help in accessing the company's financial position and how well the company is dedicated to growth or the strategies the company is using to propel the business to long-term. In summary, CISCO had the highest financial performance compared to Intel and 3M Company.

**Overall comparative rank**

In listing the three companies based on the economic performance indicators, 3M would be top followed by CISCO then Intel. In listing the companies based on environmental performance indicators 3M would take the top position, then Cisco and Intel will be the last one. In ranking the companies based on financial performance indicators, CISCO would take the top spot followed by Intel then 3M will be closing the list. In comparison the company that did well in the transparency was 3M, followed by Cisco then closing the list is Intel. CISCO had the highest economic performance compared to Intel and 3M Companies as it can be seen from its economic mean point which stands at 3.1. When it came to transparency in the financial performance indicator 3M, and Intel took the lead because they provided as much real information. In the environmental performance indicator, CISCO registered the highest mean point of 3.8 as well as the transparent performance was at 3.7 which shows the company gave more information and numeric date to support its report compared to Intel and 3M. On the other hand evaluating the companies by transparency 3M and CISCO performed very well as they gave more information and numeric data that matched the real state of the company's position. Analyzing the three companies' financial indicators performance, it shows that CISCO was taking the lead compared to 3M and Intel this shows the company being more open in its finances compared to Intel and 3M. In summary, Intel and 3M had high economic performance compared to CISCO. In the environmental performance, 3M and CISCO had high environmental performance compared to Intel. In financial results, CISCO had high financial performance compared to Intel and 3M.

***Conclusion***.3M provided more information on its economic performance indicators compared to its environmental and fiscal indicators. CISCO Company provided more details and numeric date on its financial indicators than the economic and environmental performance indicators. Intel, on the other hand, provided more information and details on its economic indicator than its ecological and fiscal performance. Comparing the three companies based on both economic and ecological performance indicators 3M provided more details and numerical data at 98% compared to Intel and CISCO which tied at 95%.