CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Revolutionizing Air Drop Deliveries

A graduate project submitted in partial fulfillment of the requirements

for the degree of Master of Business Administration

By

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Dedication

Every piece of this thesis is dedicated to my husband, Shengyu Ding, whose support and encouragement is my motivation to finish every mission; to my dear parents; my father, Guoguang Zhou, whose hard work and earnest and tireless teaching is the light on my path of learning; to my mother, Wenlan Shen, who is my first teacher and whose conscientiousness and love has strengthened my steps in this journey; to my son, Ethan J. Ding, who is a continuation of my life.

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Abstract

Drones in Humanitarian Action

By

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Master of Business Administration

The overall purpose of this graduate project was to examine and address the business needs of our client. The client has a unique delivery product, and needed a robust financial model to support capital-raising activities. Our client had limited knowledge and expertise regarding how to leverage the product's uniqueness and finance initial production.

This project assesses an undefined industry still in its infancy and identifies the client's position within that industry. As a team, we shared responsibilities and project work equally. The information gathering process required that we access primary and secondary sources for our research. Our communication was open, and disagreements were moderate. The maturity and work ethic of our group were the primary drivers of our project's success. This thesis is the product of our shared findings and writing

responsibilities. The conclusions and recommendations are proprietary to the client and shall remain confidential.

Individually, I explored the Freight Forwarding Agency & Brokerage and UAV manufacturing industries. Then, I analyzed these industries using Porter's Five Forces to determine the long-term feasibility of the client's business. Also, I created a financial model to analyze the company and estimate the Weighted Average Cost of Capital (WACC). The WACC was then used in a Discounted Cash Flow (DCF) model to calculate the total enterprise value. I proposed an implementation plan as well, and designed a Gantt Chart for taking recommendations into actions. Ultimately, this thesis has served as an excellent case study to research an emerging industry that has immense growth potential.