INTRODUCTION

Different strategic motives drive M&As such as horizontal expansion, vertical integration, diversification, economies of scale, and/or manager ego (to name a few). Often, financial pre- and post M&A valuations do not suggest value creation. Balancing what makes long term strategic vs. short- to medium term financial sense in the context of uncertainty is complex, as it depends on the stakeholders’ perspective.

The sessions are going to be run like business meetings where the participants are grouped into management and investors. Specific M&A cases will be analyzed and discussed from a strategic and financial point of view. Furthermore, you will learn about crucial aspects concerning the preparation (pre-M&A) and integration (post-M&A) of such projects that help to contain uncertainty.

These meetings will develop your ability to assess & evaluate the financial implications of and to think strategically about M&As in a variety of situations.

AIMS

First of all, this course will provide participants with a global view of M&A activity and the factors which determine the strengths and weaknesses of their competitive position.

Secondly, the course aims to provide the ability to apply appropriate capital budgeting techniques, to project relevant cash flows and terminal values, to accurately compute and choose discount rates (WACC vs. ROIC), and to determine funding requirements and their implications for a firm's capital structure.

Finally, course assignments, presentations and debates aim to improve participant's managerial skills in the area of professional communication. By the end of the course, the participant should be able to: identify and understand the roles of the different players; go through the process of identifying, screening, selecting and valuating a M&A candidate; understand the different approaches to M&A's; plan for the integration issues of post-M&A operations.

METHODOLOGY

The course will follow a dynamic based entirely on personal participation. Participants play an active role in the development of their own personal abilities and teamwork capabilities. The case method shall be thoroughly used throughout the course, supported by discussions and technical notes on relevant theoretical background.

The course deals with the application of ideas and concepts to company problems within the context of real-world business. Theoretical explanations are reduced to a minimum. Therefore, participants must thoroughly study reading materials and prepare cases before attending each session, thus being ready to share and support their analysis, inferences, and proposals.
EVALUATION

Each participant will be evaluated according to the acquired knowledge on the pertinent subject and the quality and consistency of their participation. 40% of the final grade will depend on the final exam. Another 40% will be based on the quality and consistency of the participation and 20% on a group project. No matter how high the evaluation on both participation and the group project may be, in order to get a passing grade on the subject, the participant needs to pass the exam.

BIBLIOGRAPHY

- Recommended Text for Review only: Financial Management - Theory and Practice; Ehrhardt, M.C., Brigham, E.F.; 13th edition; South-Western CENGAGE Learning, 2011