

**FACULTY COUNCIL  
SCHULICH SCHOOL OF BUSINESS**

A meeting of the Schulich Faculty Council for the 2017/2018 academic year will be held on Friday December 15<sup>th</sup> 2017 at 10:30am in SSB X106.

**AGENDA**

	<b>Pages</b>
1. <b>Welcome &amp; Chair's Remarks</b>	
2. <b>Enquiries &amp; Communications</b>	
a) <b>For Information:</b> Senate Synopses (2017.09.28, 2017.10.26, & 2017.11.23)	<b>3-9</b>
b) <b>For Information:</b> <a href="#">Senate Enrolment &amp; Complement Update – Fall 2017</a>	
3. <b>Dean's Remarks</b>	
4. <b>PhD/GBC/UBS Initiatives</b>	
5. <b>PhD Program Committee</b>	
a) <b>Motion:</b> Proposal for Changes to the FINE Field of the PhD Program ( <i>L. Ng</i> )	<b>10-15</b>
6. <b>Master Programs Committee/Programs Coordinating Committee</b>	
a) <b>Motion:</b> Discontinuation of the 3-year MBA/JD Option as of Summer 2018 ( <i>M. Biehl</i> )	<b>16-18</b>
b) <b>Motion:</b> Course Evaluation Questions for Non-Lecture Format ( <i>M. Biehl</i> )	<b>19-20</b>
c) <b>Motion:</b> New Course Proposal for FINE 6710 3.00 – Crowdfunding ( <i>L. Ng</i> )	<b>21-40</b>
d) <b>Motion:</b> New Course Proposal for SGMT 6200 3.00 – Strategy, Technology and Organization ( <i>A. Madhok</i> )	<b>41-62</b>
7. <b>Adjournment</b>	

**CONSENT AGENDA**

*A consent agenda item is deemed to be approved unless, prior to the commencement of a meeting, a member of the Council of the Faculty of the Schulich School of Business advises the Chair, James McKellar, of their request to debate it.*

	<b>Pages</b>
8. <b>BBA/iBBA Program Committee</b>	
a) <b>Curricular Changes:</b>	
1. ACTG 4200 3.00 – Contemporary Issues in Accounting ( <i>integration of mandatory research participation</i> )	<b>63-79</b>
2. FINE 4800 3.00 – Options, Futures & Other Derivative Securities ( <i>pre-requisite</i> )	<b>80-93</b>
3. PUBL 4000 3.00 – Business & Government ( <i>title &amp; description</i> )	<b>94-116</b>
9. <b>EMBA Program Committee</b>	
a) <b>Curricular Changes:</b>	
1. EMBA 6050 2.00 – Mergers and Acquisitions ( <i>title &amp; description</i> )	<b>117-129</b>
2. EMBA 6290 2.00 – Management in a Data Driven Environment ( <i>title &amp; description</i> )	<b>130-140</b>
3. EMBA 6490 2.00 – IT Strategy and Digital Transformation ( <i>title &amp; description</i> )	<b>141-149</b>
b) <b>New Course Proposals:</b>	
1. EMBA 6035 2.00 – Mergers, Acquisitions, and Other Reorganization Methods	<b>150-197</b>
2. EMBA 6045 2.00 – Business-to-Business Marketing	<b>198-204</b>

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| 3.  | EMBA 6600 2.00 – Human and Machine Intelligence  | 205-212 |
| 10. | <b>Master Programs Committee/Programs Coordinating Committee</b>   |         |
|     | a) <b>Curricular Change:</b> FINE 6860 3.00 – Retirement Income Planning Models<br>( <i>retirement</i> ) | 213-216 |
| 11. | <b>Nominating Committee</b>  |         |
|     | a) <b>Updates</b> to the 2017-2018 Nominating Slate  | 217-223 |
| 12. | <b>Minutes of the Last Meeting:</b> 2017.10.13   | 224-229 |

If you are unable to attend the meeting, please send regrets to Emily Rush at [erush@schulich.yorku.ca](mailto:erush@schulich.yorku.ca).

**The 638th Meeting of Senate  
held on Thursday, October 26, 2017**

**Remarks**

The Chair of Senate, Professor Lesley Beagrie of the Faculty of Health, greeted continuing and new Senators. She spoke of the celebration and inspiration characterizing Fall Convocation ceremonies and the installation of the President, welcomed new Vice-President Finance and Administration Carol McAulay to her first meeting of Senate, and expressed condolences on the passing of Professor Michael Michie, fondly remembered for his dedication and good cheer. A recent meeting of the Council of Ontario University Academic Colleagues reinforced the sense that York's collegial governance was a model of openness and positive interaction, and she encouraged Senators to preserve and enhance the space that has been created. Senators were encouraged to attend a roundtable sponsored by Enable York at 10:30 a.m. on Tuesday, November 7 in Room 519 Kaneff Tower

The President of York University, Rhonda Lenton, also recalled Professor Michie, stressing his contributions to Atkinson College and support for her when she served as its Dean. Recent incidents that have touched the University community, including a vehicular accident that claimed the life of a York graduate student, served as reminders that we need to be mindful of the safety and wellbeing of others.

President Lenton gave thanks for the enthusiasm and community spirit that made her installation so memorable and heartening. Pointing to the monthly Kudos report, she offered highlights that included the largest CFI grant ever received by the University, the election of alumnus Jagmeet Singh as leader of the federal NDP, and recognition garnered for new buildings on campus. Following up on questions raised in September, the President confirmed that York is working closely with the management of the new Quad residences to ensure the implementation of appropriate security protocols consistent with University norms, including coordination with the University's security team and Toronto Police Services.

Now that the Ministry of Advanced Education and Skills Development has signed Strategic Mandate Agreement II, it is time to consider how best to influence system-wide metrics for the next round while developing indicators that tell York's compelling story fully and well. York is a partner in three of the ten Canadian Innovation Supercluster Initiative applications approved for the final selection round, and the University is in talks with the Ministry of the Environment and Climate Change on the possibility of locating a new facility on the Keele campus, one that should have benefits for research activities and could be an anchor tenant for a research park. York has indicated interest in Toronto's Amazon bid, but in any event should assess and pursue opportunities in the areas of Artificial Intelligence and STEM disciplines.

The monthly "Kudos" report on the achievements of members of the York community can be accessed with other documentation for the meeting.

## **Academic Colleague to the Council of Ontario Universities**

The Chair attended recent meetings of COU Colleagues and the Council on behalf of Professor David Leyton-Brown. She reported that discussions pivoted around the challenges associated with government-mandated change at Ontario universities. Strategies discussed in this regard included the role of Senate and the need for focused consultations at all levels to promote awareness of and appropriate responses to, directives from Queen's Park. The meetings also yielded early insights into the province's desire to increase STEM enrolments and develop an internationalization strategy. The Career Kick Start Strategy is now unfolding with the aim of promoting a highly skilled workforce.

## **Committee Member Elections**

Senate elected candidates recommended by Senate Executive to serve on the Tenure and Promotions and Tenure and Promotions Appeals Committee.

## **Approvals**

On a recommendation from the Executive Committee, Senate approved changes to the Senate Tenure and Promotions Document to provide for the inclusion of consideration of community engaged scholarship encompassing all three areas of professional responsibility. A revision was also made to Section F 3.3. (Dean's Letter), the intent of which is to address circumstances in which a file has been referred back to the Adjudicating Committee by the Senate Review Committee.

Senate approved recommendations of its Academic Standards, Curriculum and Pedagogy Committee to

- amend the Senate Policy on Sessional Dates and the Scheduling of Examinations provide for a four-day Fall Reading Week, effective FW 2018-2019 (ASCP also shared revised dates for 2018-2019 that reflected this change)
- change admission requirements for Bachelor of Education programs offered by the Faculty of Education
- establish a new field in Socio-Cultural and Policy Studies in Sport and Physical Activity in the Graduate Program in Kinesiology and Health Science, Faculty of Health / Faculty of Graduate Studies
- change admission requirement for the Master of Arts in Information Systems and Technology, School of Information Technology, Faculty of Liberal Arts & Professional Studies / Faculty of Graduate Studies

## **Major Reports**

Under the auspices of the Academic Policy, Planning and Research Committee, Provost Lisa Philipps briefed Senate on enrolments and complement. The report is accessible from the Senate Meeting website.

## **Committee Information Items**

### **Executive (Professor Franck van Breugel, Vice-Chair)**

The Executive Committee's information items included the following:

- Senate committee vacancies and upcoming round of nominations
- Senate committee priorities for 2017-2018
- academic implications of the strike at Colleges of Applied Arts and Technology
- the Committee's response to an inquiry regarding Senate membership for students in the Faculty of Education and the need to adhere to rules concerning proxies and substitutes

### **Academic Policy, Planning and Research (Professor Thomas Loebel, Chair)**

APPRC provided information on these items:

- progress on the Strategic Research Plan renewal process
- Markham Centre Campus planning
- the University Academic Plan and Engagement of Senate and the Collegium
- the development of questions for the Deans, Principal and University Librarian and variations in the proposed form of engagement
- major items expected in November

### **Academic Standards, Curriculum and Pedagogy (Professor Kim Michasiw, Chair)**

ASCP advised that it is reviewing the Religious Observances section of the Senate Policy on Sessional Dates and the Scheduling of Examinations in anticipation of issuing clarifications on the process for seeking accommodations and the options available to instructors and students. The Committee will also transmit to APPRC a summary of its discussion of the Markham Centre Campus Governance Structure Options. Minor modifications to curriculum approved by ASCP at recent meetings were as follows:

#### *Faculty of Environmental Studies*

- waiver of Section 5c of the Senate Policy on Sessional Dates and the Scheduling of Examinations for ENV5 4800 3.0 Advanced Topics in Environment and Health to permit the intensive week-long course to be offered during February Reading Week at York's co-campus in Costa Rica

### *Faculty of Graduate Studies*

- a change in the name of the specialization in History and Theory of Psychology to Historical, Theoretical, and Critical Studies of Psychology, Graduate Program in Psychology
- minor change to the requirements for the MA and PhD programs in Psychology, Clinical Psychology Specialization, Clinical Neuropsychology Sub-specialization
- minor change to requirements for the MA in Development Studies

### **Tenure and Promotions (Professor Simone Bohn, Co-Chair)**

The Tenure and Promotions Committee presented its annual report on Tenure and Promotions for 2016-2017. In doing so the Chair stressed that the Committee has prioritized unit level standard reviews and feedback this year and will furnish updates to Senate. The Committee is also concerned about the following issues:

- some file preparations committee are evaluating rather than merely assembling and transmitting documentation
- unit standards not always shared with reviewers
- some Faculties are not following course evaluation guidelines regarding the need for student signatures

In response to questions the Chair confirmed that some units have guidelines for alternate stream applications that differ from the Senate framework. In cases of inconsistency standards have been turned back to the originating units.

### **Tenure and Promotions Appeals (Professor Parissa Safai, Chair)**

The T&P Appeals Committee reported on the outcome of two cases that it had dealt with in 2016-2017.

### **Additional Information about this Meeting**

Please refer to the full Senate agenda and supplementary material posted online with the October 26, 2017 meeting for details about these items.

<http://secretariat.info.yorku.ca/senate/meeting-agendas-and-synopses/>

### **November 2017 Meeting of Senate**

Senate's next meeting will be held at 3:00 p.m. on **Thursday, November 23, 2017**.

**The 639th Meeting of Senate  
held on Thursday, November 23, 2017**

**Remarks**

The Chair of Senate, Professor Lesley Beagrie of the Faculty of Health, reported that the Academic Standards, Curriculum and Pedagogy Committee had agreed to remediation plans for students currently enrolled in the York-Sheridan Design Program and the York-Seneca Professional Writing Program. Accommodations were necessitated by the duration of the strike at Colleges of Applied Arts and Technology. Senate Executive concurred with ASCP's proposals. The Chair asked that Senators continue to reserve time for the meeting scheduled on December 14. The Executive Committee will announce the status of the meeting as soon as possible.

The President of York University, Rhonda Lenton, focused her remarks on transition matters including implementation of Institutional Integrated Resource Plan recommendations and local IRPs. Her personal priorities include enhancing York's reputation, supporting the University's vision, building strong communities, establishing the Markham Centre Campus as a city builder, and positioning Glendon. She provided a status report on searches for the Vice-Provost Academic and Provost, Deputy Provost Markham and four Deans along with consultations on the creation of a Vice-President Engagement and Equity portfolio. Pointing to Employee Engagement Survey results, the President urged a dialogue highlighting the question of what can be done at York to understand, promote and achieve excellence. Closing comments on academic freedom in the current context led to a brief discussion during which Senators shared their perspectives on this enduring bedrock value.

The monthly "Kudos" report on the achievements of members of the York community can be accessed with other documentation for the meeting.

**Senate Committee Member Elections**

Senate acclaimed a candidate recommended by Senate Executive to serve on the Tenure and Promotions Committee and approved a slate of nominees for the contract faculty member position on Academic Standards, Curriculum and Pedagogy Committee. An e-vote will be conducted to elect the ASCP member.

**Notices of Statutory Motion**

Academic Standards, Curriculum and Pedagogy gave notice of its intention to recommend approval of the following new degree types:

- Master of Supply Chain Management (Schulich School of Business / Faculty of Graduate Studies)
- Master of Marketing (Schulich School of Business / Faculty of Graduate Studies)

## **Approvals**

Senate approved, in principle, revisions to Senate's *Common Grading Scheme for Undergraduate Faculties*. Principal elements of the ensemble of amendments include a change from the current 9-point letter scale to a 13-point letter scale (including minus grades) along with the calculation of grades to a weighted GPA with 4.0 as the maximum. These and other adjustments will be the subject of further consultation before final approval is sought.

## **Major Reports**

Under the auspices of the Academic Policy, Planning and Research Committee, Vice-President Research and Innovation Robert Haché provided Senate with an annual report on research. The report is accessible from the Senate Meeting website.

## **Committee Information Items**

### **Executive**

The Executive Committee's information items included the following:

- the issuing of a call for expressions of interest in membership on Senate committees and other positions elected by Senate
- the approval of members of Senate committees nominated by student Senators
- the autumn meeting of Senate committee chairs and secretaries

### **Academic Policy, Planning and Research**

APPRC provided information on these items:

- planned resumption of a collegial dialogue initiated by the Committee's request for Faculty input on tracking progress to the achievement of objectives
- preliminary details about an APPRC / ASCP "Forum of Ideas" devoted to successful program renovation and redevelopment
- the questions addressed to the Deans, Principal and University Librarian in the annual conversation about the state of academic planning
- an update report planned for January on the Institutional Integrated Research Plan
- a discussion of Markham Campus Planning at the APPRC meeting of November 30 and the expectation that a substantial report will be made to Senate thereafter

### **Academic Standards, Curriculum and Pedagogy**

ASCP reported that it had approved minor changes to degree requirements proposed by the following programs in the Faculty of Liberal Arts and Professional Studies:

- Specialized Honours BCom-ITEC program
- BA programs in Communications Studies

## **Appeals**

The Appeals Committee presented its annual report on Faculty- and Senate-level petitions and appeals decisions. It also advised that efforts are underway to modernize the policy framework governing appeals.

## **Additional Information about this Meeting**

Please refer to the full Senate agenda and supplementary material posted online with the November 23, 2017 meeting for details about these items.

<http://secretariat.info.yorku.ca/senate/meeting-agendas-and-synopses/>

## **December Meeting of Senate (Subject to Confirmation)**

Senate's next meeting is scheduled for 3:00 p.m. on **Thursday, December 14, 2017**  
subject to confirmation.

## Change to Program/Graduate Diploma Academic Requirements Proposal Form

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*The following information is required for all proposals involving a minor modification to program/graduate diploma academic requirements. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).*

### **1. Program/Graduate Diploma:**

PhD in Business Administration;  
Field: Finance (FINE)

### **2. Effective Session of Proposed Change(s):**

September 2018

### **3. Proposed Change(s) and Rationale**

*The description of and rationale for the proposed modification(s) should provide information with respect to each of the following points:*

**a) A description of the proposed modification(s) and rationale, including alignment with academic plans.**

#### **Summary of the program changes:**

The Finance Area would like to change the sequencing of the courses students must take, update the number of electives to make training more effective, and to more clearly articulate the requirements associated with each year. Please note that no new requirements are being added except to ensure that students have more teaching experience prior to graduating. Additionally, the area is changing admission requirements in line with current practice at the program level.

#### **Why are changes happening?**

This sequencing of courses will better prepare students to complete all coursework effectively. The refinement in regards to electives in the second year streamlines the program somewhat. The additional teaching will better equip the students for the job market.

#### **How does the program align with current academic plans?**

The program requirements are in line with the academic plans of the faculty, which strives to have a doctoral program that is successful in attracting highly qualified applicants and in training them so that they can compete effectively for jobs in academe and elsewhere.

**b) An outline of the changes to requirements and the associated learning outcomes/objectives, including how the proposed requirements will support the achievement of program/graduate diploma learning objectives.**

**Proposed New vs. Existing Sequencing of FINE Electives**

	<b>Proposed</b>	<b>Existing</b>
<b>Year 1</b>	<b>Fine 7100 3.00 PhD Seminar in Asset Pricing (Course name and content were updated last year and approved by Faculty Council)</b>	Fine 7100 3.00 PhD in Asset Pricing
	Fine 7200 PhD Seminar in Corporate Finance <b>(Course name and content were updated last year and approved by Faculty Council)</b>	Fine 7200 Topics in Finance I
	Fine 7300 PhD Topics in Finance <b>(Course name was updated last year and approved by Faculty Council)</b>	Fine 7300 PhD Topics in Finance II
	GS/ECON 5100 3.00: Microeconomics Theory	GS/ECON 5100 3.00: Microeconomics Theory
	GS/ECON 6220 3.00: Advanced Econometric Theory I	GS/ECON 6220 3.00: Advanced Econometric Theory I
	<b>GS/ ECON 6250 3.00 Advanced Econometric Theory (MOVED UP FROM 2<sup>nd</sup> year)</b>	<b>GS/ECON 6100 3.00: Topics in Microeconomic Theory (MOVED TO 2<sup>nd</sup> year)</b>
	Research Seminars required Written Comprehensive Exam (End of April) 1st Summer Research Paper	Research Seminars required Written Comprehensive Exam (End of April) 1st Summer Research Paper
<b>Year 2</b>	GS/ECON 5110 3.00 Topics in Macroeconomic Theory	GS/ECON 5110 3.00: Topics in Macroeconomic Theory
	GS/ECON 6100 3.00 Topics in Microeconomic Theory	GS/ ECON 6250 3.00 Advanced Econometric Theory
	<b>Two PhD Electives (Reduced from Three)</b>  Research Seminars required Oral Comprehensive Exam Pedagogical Techniques 2 <sup>nd</sup> Summer Research Paper	<b>Three PhD Electives PhD Empirical Methods (This material is covered in FINE 7100 now)</b>  Research Seminars required Oral Comprehensive Exam Pedagogical Techniques 2 <sup>nd</sup> Summer Research Paper

<b>Year 3</b>	Research Seminars Required Defend thesis proposal Present 2 <sup>nd</sup> Summer Research Paper Teach a finance course	Research Seminars Required Defend thesis proposal Present 2nd Summer Research Paper Teach a finance course
<b>Years 4 and 5</b>	Research Seminars Required Present Job Market Paper and Defend dissertation <b>Teach a finance course (Added to final years)</b>	Research Seminars Required Present Job Market Paper and Defend dissertation

**c) An overview of the consultation undertaken with relevant academic units and an assessment of the impact of the modifications on other programs/graduate diplomas.**

All members of the Finance Area and the head of the PhD program committee were consulted.

**d) A summary of any resource implications and how they are being addressed.**

There are no new resource implications

**e) A summary of how students currently enrolled in the program/graduate diploma will be accommodated.**

Students enrolled in the program will be allowed to complete under the requirements in place at the time of their admission.

**4. Calendar Copy**

<p><b>ADMINISTRATION</b></p>   <p>N/A (NOTE THAT THERE WAS PREVIOUSLY NO CALENDAR COPY SPECIFIC TO THE FINANCE FIELD)</p>	<p><b>ADMINISTRATION</b></p>   <p><b>DOCTOR OF PHILOSOPHY PROGRAM, FINANCE FIELD</b></p> <p>The FINE field within the doctoral program in Administration at the Schulich School of Business, York University offers outstanding students the opportunity to develop the theoretical and methodological skills that will enable them to conduct leading edge research in business. Graduates of the program have gone on to successful careers in universities, government and industry, in Canada and in other countries.</p> <p>The doctorate is an individualized program of study that is composed of four tightly linked components. Students take a series of core courses to acquire in-depth knowledge of the prior research, theories and methods used in Finance. These core courses also help develop the skills and competencies necessary to conduct research. Students also complete</p>
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	<p>comprehensive examinations to test mastery of their major field. The third component the PhD program consists of the preparation of the formal research proposal. The fourth components are the dissertation itself.</p>
<p>N/A</p>	<p><b>ADMISSION REQUIREMENTS</b></p> <p>Graduates with a Master of Business Administration or a Master of Public Administration degree (equivalent to those awarded by York University) from a recognized university may be admitted as candidates.</p> <p>Exceptional graduates with a masters degree in a related discipline from a recognized university, and graduates with a four-year honours undergraduate degree in business administration, or its equivalent, from a recognized university, may be considered.</p> <p>These candidates will be required during the first academic session (12 months) to follow a program of study designed to raise their qualifications to the equivalent of graduates of York University with MBA or MPA degrees. Normally this competence is established by taking masters degree courses in at least five of the subjects of Economics, Quantitative Analysis, Organizational Studies, Accounting, Finance, Marketing, and Management Policy.</p> <p>All applicants to the PhD program must meet the general admission requirements of the Schulich School of Business, the Faculty of Graduate Studies, and the University Senate. These general requirements include a four-year honours undergraduate degree from a recognized University, or qualifications accepted as equivalent by the Senate Committee, and a basic understanding of calculus, linear algebra and analytic geometry at the university level. Applicants are also required to sit for the Graduate Management Admission Test (GMAT), or the Graduate Record Examination (GRE).</p> <p>In addition, students who have not graduated from a university where the language of instruction is English are required to demonstrate competence in the English language. Usually such students take the Test of English as a Foreign Language or International English Language Testing System.</p>

Please submit completed forms and required supporting documentation by email to the Coordinator, Faculty Governance– [mmschiff@yorku.ca](mailto:mmschiff@yorku.ca)

**Schulich PhD Program**  
**EXPECTED LEARNING OUTCOMES**  
**FOR Ph.D. GRADUATES**

LEARNING OUTCOMES	<i>The PhD is awarded to students who have demonstrated:</i>
<p><b>1. Depth and Breadth of Knowledge</b></p>	<p>a. A deep knowledge of historical and contemporary topics that are of central relevance within the student’s chosen field of study. For individual areas, these are as follows</p> <p><b>Accounting</b></p> <ol style="list-style-type: none"> <li>1. Theory and research related to diverse genres of accounting research.</li> <li>2. Empirical research methods that can be used to investigate different research accounting questions.</li> <li>3. Theory and research relevant to behavioral accounting.</li> </ol> <p><b>Finance</b></p> <ol style="list-style-type: none"> <li>1. Theory and research relevant to individuals’ consumption and portfolio decisions and their implication for security valuation.</li> <li>2. Theory and research related to corporate finance.</li> </ol> <p><b>Marketing</b></p> <ol style="list-style-type: none"> <li>1. Theory and research related to consumer culture</li> <li>2. Theory and research related to marketing strategy</li> <li>3. Theory and research related to consumer psychology</li> </ol> <p><b>Organizational Studies</b></p> <ol style="list-style-type: none"> <li>1. Theory and research relevant to individual and group behaviour in organizations.</li> <li>2. Theory and research relevant to how organizations and institutions.</li> </ol>

	<p><b>Operations Management and Information Systems</b></p> <ol style="list-style-type: none"> <li>1. Theory and research related to operations management.</li> <li>2. Theory and research related to technological innovation</li> <li>3. Theory and research related to behavioural issues in information systems</li> <li>4. Contemporary methods in operations management research</li> </ol> <p><b>Strategy</b></p> <ol style="list-style-type: none"> <li>1. Theory and research relevant to the economic foundations of strategy</li> <li>2. Theory and research relevant to the behavioural foundations of strategy.</li> </ol> <p>b. A deep knowledge of one other area besides their chosen field of study (i.e. their minor field, which may be within or outside the business school)</p> <p>c. Extensive expertise on one or more topics that constitute the student’s chosen area(s) of contribution within their field of study, i.e. the topic(s) on which they write their dissertation.</p> <p>d. An understanding and appreciation of ethical issues related to conducting and publishing research.</p> <p>e. Familiarity with teaching techniques that are appropriate within their chosen field of study.</p> <p>f. An understanding and appreciation of ethical issues related to teaching.</p>
<p><b>2. Knowledge of Methodologies</b></p>	<ol style="list-style-type: none"> <li>a. An ability to collect or collate data that is appropriate for use within the student’s chosen methodological tradition.</li> <li>b. An ability to use methods of analysis that are appropriate for developing scholarly contributions from the types of data that are part of the student’s chosen methodological tradition.</li> <li>c. An ability to appropriately interpret data that have been analysed in keeping with the student’s chosen methodological tradition</li> <li>d. A familiarity with research methods that are relevant to the student’s field, but outside their chosen methodological tradition.</li> </ol>
<p><b>3. Level of Application of Knowledge</b></p>	<ol style="list-style-type: none"> <li>a. The ability to develop novel theoretical insights through research projects using methods and concepts appropriate to the student’s area of specialization.</li> </ol>
<p><b>4. Awareness of Limits of Knowledge</b></p>	<ol style="list-style-type: none"> <li>a. An understanding of scholarship outside the student’s chosen area of expertise and outside their chosen methodology.</li> <li>b. An appreciation of the uncertainty, ambiguity, and limits to knowledge and how this might influence its application.</li> </ol>
<p><b>5. Level of Communication Skills</b></p>	<ol style="list-style-type: none"> <li>a. The ability to convey research insights in language that is appropriate for audiences of peer reviewers.</li> <li>b. The ability to convey research insights in language that is appropriate for audiences other than peers, e.g. students, specialists in other fields.</li> <li>c. An ability to read the work of other scholars and to provide critical but developmental feedback.</li> <li>d. An ability to communicate field-relevant concepts effectively in a class room or seminar setting.</li> </ol>
<p><b>6. Autonomy and Professional Capacity</b></p>	<ol style="list-style-type: none"> <li>a. The ability to function professionally as an academic, such as balancing the demands of teaching and research and of seeing research projects through to completion.</li> <li>b. The ability to transfer research skills effectively to new topics and contexts.</li> <li>c. The habits and capacities of an independent learner, including the ability to master new areas of research.</li> <li>d. An understanding of the obligation to act in a socially and ethically responsible manner as a scholar.</li> </ol>

## Memorandum

To: Faculty Council, Schulich School of Business

From: Markus Biehl, Chair, Master Programs Committee/ Programs Coordinating Committee

Date: October 4, 2017

Re: Discontinuation of the 3-year MBA/JD Option, Summer 2018

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### **MOTION:**

That the Faculty Council approve the discontinuation of the 3-year MBA/JD Option.

### **RATIONALE:**

It is recommended the 3-year MBA/JD program be discontinued owing to low enrolment and lack of student interest in pursuing this stream. There has been a declining number of students for this option (four students in 2015 and one student in 2016). This year only one student was admitted, who chose to decline our offer. Despite the advantage of being able to complete the joint program in 3 instead of 4 years, students in this option faced scheduling difficulties that made their journeys somewhat onerous. It is not surprising that, over time, fewer and fewer students became interested in this option.

Students currently flowing through this option will be able to complete it. Anyone interested in applying for it will be redirected to the 4-year joint program.

If approved this change would be effective as of Summer 2018.

# Change to Program/Graduate Diploma Academic Requirements Proposal Form

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*The following information is required for all proposals involving a minor modification to program/graduate diploma academic requirements. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).*

## **1. Program/Graduate Diploma:**

3-year option of MBA/JD (Summer Intake)

## **2. Effective Session of Proposed Change(s):**

Summer 2018

## **3. Proposed Change(s) and Rationale**

*The description of and rationale for the proposed modification(s) should provide information with respect to each of the following points:*

### **a) A description of the proposed modification(s) and rationale, including alignment with academic plans.**

Osgoode and Schulich propose to discontinue the intake of students into the 3-year option of the MBA/JD program. (This will not affect the program's 4-year option, which serves the vast majority of students.)

Very few students have taken advantage of this option, making it impossible to build a cohort. Indeed, no students were enrolled in Summer 2017, and only one in Summer 2016.

Students in the 3-year option have also experienced scheduling and sequencing difficulties, given that they started off-cycle, in the Summer term. Schulich is also discontinuing its Summer intake of regular MBA students, thus making this option infeasible to offer. The odd student interested in a Summer start may commence the joint program in Fall instead.

### **b) An outline of the changes to requirements and the associated learning outcomes/objectives, including how the proposed requirements will support the achievement of program/graduate diploma learning objectives. Additionally, please append the graduate program's existing learning outcomes as a separate document.**

N/A

### **c) An overview of the consultation undertaken with relevant academic units and an assessment of the impact of the modifications on other programs/graduate diplomas.**

*Where and as appropriate, the proposal must include statements from the relevant program/graduate diplomas confirming consultation/support.*

Consultations were undertaken with the relevant stakeholders within and across Osgoode and Schulich.

**d) A summary of any resource implications and how they are being addressed.**

*Attention should be paid to whether the proposed changes will be supported by a reallocation of existing resources or if new/additional resources are required. If new/additional resources are required, the proposal must include a statement from the relevant Dean(s)/Principal.*

None. Schulich will also phase out its Summer intake into the MBA program. All courses will still be offered; only the distribution of offerings across the academic year will change (very slightly).

**e) A summary of how students currently enrolled in the program/graduate diploma will be accommodated.**

Students currently pursuing this option will not be affected as they have already completed all core courses (i.e., those that are subject to rescheduling). They will be able to complete their studies as planned.

**4. Calendar Copy**

*Using the following two-column format, provide a copy of the relevant program/graduate diploma requirements as they will appear in the FGS Calendar - <http://gradstudies.yorku.ca/current-students/regulations/program-requirements/>.*

*Please note: Senate requires that FULL Calendar copy be provided. Please include the entire graduate program/diploma section, not just text that is being revised.*

*Please clearly and visibly indicate how graduate program/graduate diploma information has been changed using strikethrough (left column), bold, underlining, colours, etc. (right column).*

Existing Program/Graduate Diploma Information (change from)	Proposed Program/Graduate Diploma Information (change to)
N/A	N/A

Please submit completed forms and required supporting documentation by email to the Coordinator, Faculty Governance– [mmschiff@yorku.ca](mailto:mmschiff@yorku.ca)

Memorandum

To: Faculty Council, Schulich School of Business  
From: Markus Biehl, Chair, Programs Coordinating Committee  
Date: October 5, 2017  
Re: Course Evaluation Questions for Non-Lecture Format

---

**MOTION:**

That the Faculty Council approve the Course Evaluation questions for the non-lecture course formats as shown below.

**RATIONALE:**

Over the past few years the types of course formats offered at Schulich has expanded. In addition to lectures (LECT), guided / individual / independent studies (ISTY) and seminars (SEMR) and field experiences (FDEX, such as the 601 and 602 or ENTR 4400/6400), we now offer an expanded set of courses that take students to far flung places (Field Trip, FIEL, e.g., MGMT 6400), demand a research project (RESP, e.g., the MBAN placement course MBAN 6090 9.0 or research courses at the PhD level). It is impossible to use questions that were formulated primarily for a lecture experience to properly evaluate these types of courses.

Two years ago Faculty Council charged the Director of the SCTE as chair and program directors as members of a task force to review and potentially redesign our course evaluation questions. Until such time that this work has concluded, we need a vehicle to evaluate non-traditional courses.

The approach to the proposed questions was to stick as closely with the standard questions as possible, but change terms as necessary to adjust the questions to the context of the educational experience.

## Course Evaluation Questions

### Core Institutional Questions (Common for all courses)

U1	A comprehensive roadmap of the course (i.e. a syllabus or course outline, a breakdown with topics, assignments and exams etc
U2	The roadmap provided was mostly followed.
U3	Important policies and procedures (e.g., attendance, participation, missed tests, late assignments, contacting instructors, etc.) were stated in the course outline.
U4	The course materials (e.g., course kits, textbooks, readings, audio visual materials, lab manuals, websites, etc.) helped me achieve the course objectives.
U5	The course activities (e.g., lectures, discussions, simulations, assignments, exercises and presentations, etc.) helped me achieve the course objectives.
U6	The course tests/exams or final paper/essay were directly related to the course objectives.
U7	The course helped me grow intellectually.

### Course type Specific Questions (same for LECT, ISTY, SEMR and FDEX)

C2	The COURSE encourages critical thinking skills such as problem-solving definition, decision making, judgment, analysis and
C4	The grading of assignments and exams was fair.
I1	The INSTRUCTOR was organized and well prepared.
I2	The INSTRUCTOR presented ideas and concepts clearly.
I3	The INSTRUCTOR showed enthusiasm for the subject.
I4	The INSTRUCTOR dealt effectively with student's questions and comments
I5	The INSTRUCTOR gave adequate feedback about your progress in the course.
I6	The INSTRUCTOR created and maintained a classroom environment that was conducive to learning
I7	The INSTRUCTOR provided a reasonable amount of time outside of class to meet with students (e.g. appointments, office hour

### Course type Specific Questions (RESP)

C2	The project encourages critical thinking skills such as problem-solving definition, decision making, judgment, analysis and
C4	The grading of assignments and exams was fair.
I1	The INSTRUCTOR was organized and well prepared.
I2	The INSTRUCTOR presented ideas and concepts clearly.
I3	The INSTRUCTOR showed enthusiasm for the subject.
I4	The INSTRUCTOR dealt effectively with student's questions and comments
I5	The INSTRUCTOR gave adequate feedback about your progress in the course.
I6	The INSTRUCTOR created and maintained an environment that was conducive to learning
I7	The INSTRUCTOR provided a reasonable amount of time to meet with students

### Course type Specific Questions (FIEL)

C2	The study tour encourages critical thinking skills such as problem-solving definition, decision making, judgment, analysis and
C4	The grading of assignments and exams was fair.
I1	The INSTRUCTOR was organized and well prepared.
I2	The INSTRUCTOR presented ideas and concepts clearly.
I3	The INSTRUCTOR showed enthusiasm for the subject.
I4	The INSTRUCTOR dealt effectively with student's questions and comments
I5	The INSTRUCTOR gave adequate feedback about your progress in the course.
I6	The INSTRUCTOR created and maintained an environment that was conducive to learning
I7	The INSTRUCTOR provided a reasonable amount of time to meet with students

#### Abbreviations:

FDEX - Field Experience (e.g. 601; IMBA6200)

FIEL - Field Trip (e.g. MGMT6400)

ISTY - Individual Study (4900; 6900)

LECT - Lecture

RESP - Research Paper (e.g. MBAN6090; PhD)

SEMR - Seminar (e.g. MFIN5000; MFIN5050)

To: Faculty Council, Schulich School of Business  
From: Lilian Ng, Area Coordinator, Finance Area  
Date: May 28, 2017  
Re: SB/FINE 6710 3.00 New Course Proposal

---

**MOTION:**

That the Faculty Council approve the new course proposal for SB/FINE 6710 3.00 Crowdfunding.

**RATIONALE:**

Part of the Schulich objective is to be current and relevant to the changing demands and institutional shifts in the financial marketplace. Crowdfunding is the most important shift in entrepreneurial finance over the past decade. It is an extremely important change that warrants a new course.

Currently, there are two related courses at Schulich: Venture Capital and Private Equity, and Alternative Investments (which largely covers hedge funds). Crowdfunding is quite distinct from these topic areas. Crowdfunding is about sourcing capital from retail (individual) investors and donors through Internet portals. Venture capital and private equity funds source capital from institutional investors. The structure, governance, and issues involved in crowdfunding, venture capital, and hedge funds are very distinct. A separate course is needed to cover these issues.

Crowdfunding is also the fastest growth area for research in entrepreneurial finance. Figure 1 shows Google Scholar citation data shows the research on crowdfunding is growing at a much faster rate than more traditional topics such as the general area of entrepreneurial finance and other fast growing areas. We believe that this evidence highlights a market demand for a course on crowdfunding, which we hope to introduce at Schulich.

1. **Program:** MBA
2. **Course Number:** FINE 6710
3. **Credit Value:** 3.00
4. **Long Course Title:** Crowdfunding
5. **Short Course Title:** Crowdfunding
6. **Effective Session:** Winter 2018
7. **Calendar (Short) Course Description:** This course covers the theory and practice of crowdfunding. Crowdfunding involves raising capital from a large number of retail investors. The course covers equity crowdfunding, as well as peer-to-peer lending, donations and rewards based crowdfunding. In addition to studying the economics and finance of crowdfunding, the course covers crowdfunding regulation. Prerequisite FINE 5200.
8. **Expanded Course Description :**  
Crowdfunding is by far the fastest growing market for entrepreneurial finance around the world, growing by over 100% per year in the past 5 years, and estimated at \$34 billion worldwide in 2015. Crowdfunding markets include donations and rewards crowdfunding, lending crowdfunding, and equity crowdfunding. Equity crowdfunding has existed in Australia (Ahlers et al., 2015) and the U.K. (Vismara, 2016) for a number of years. Legal changes in Canada and the United States in the past few years have spurred interest in equity crowdfunding.

Academics have worked extensively on crowdfunding research in recent years (a select few studies include for example Ahlers et al., 2015; Bayus, 2013; Belleflamme et al., 2014; Burtch et al., 2015; Colombo et al., 2015; Cumming and Johan, 2013; Hornuf and Schwienbacher, 2016; Schwienbacher et al., 2013; Vismara, 2016).

To date, there is no rigorous course that enables suitable empirical based decision making for practitioners (including entrepreneurs and crowdfunders), policymakers, students, and academics. This course fills this gap by providing empirical based facts from datasets and case analyses, covering the full range of topics pertaining to crowdfunding.

The course will be of interest to students that seek to become entrepreneurs, work at crowdfunding portals, or as service providers to portals, including consulting services, ratings agencies, investor services, compliance services, marketing agencies, among others. In addition, the course will be of interest to students that seek crowdfunding investment opportunities.

The proposed course will systematically and comprehensively cover a large body of literature on the topic of crowdfunding, cover crowdfunding cases, and provide a foundation for students to engage in the crowdfunding space in the future.

Topics

Part 1: Types of Crowdfunding

1. Introduction to Crowdfunding
    - a. What is crowdfunding?
    - b. Types of crowdfunding
    - c. How does crowdfunding compare to other forms of entrepreneurial finance?
    - d. Where do crowdfunding services fit into the existing financial landscape?
    - e. How will financial institutions adapt to or be replaced by crowdfunding's potentially disruptive innovations?
    - f. When should entrepreneurs select crowdfunding?
    - g. Motivations of the 'crowd' / 'funders' / 'investors'
    - h. Market statistics
  2. Crowdfunding Portals
    - a. Types
    - b. Functions as Intermediaries
    - c. Compensation terms
  3. Donations based crowdfunding
    - a. Motivations, types of campaigns
    - b. Democratization of capital: gender, ethnicity
    - c. Geographic dispersions
    - d. Statistics
    - e. Case studies
  4. Rewards based Crowdfunding
    - a. Keep-it-all, versus all-or-nothing
    - b. Innovation and product types
    - c. Exit statistics
    - d. Statistics
    - e. Case Studies
  5. Lending Crowdfunding
    - a. Interest rates, default rates
    - b. Adverse selection
    - c. Peer-to-Peer versus Company-to-individual
    - d. Statistics
    - e. Case studies
  6. Equity Crowdfunding
    - a. Equity percentages offered, contractual control rights in equity campaigns
    - b. Statistics
    - c. Case Studies
    - d. Valuation of Crowdfunding
- Projects Part 2: Regulating Crowdfunding
7. Crowdfunding Fraud
    - a. Types of fraud observed
    - b. Detected versus undetected fraud
    - c. Social media and fraud
    - d. Statistics versus Media Perception
    - e. Cases
  8. Crowdfunding Regulation
    - a. Principles of regulation
    - b. Crowdfunding Regulation in the United States
    - c. Crowdfunding Regulation in Canada
    - d. Crowdfunding Regulation in the United Kingdom
    - e. Crowdfunding Regulation in Australia
    - f. Crowdfunding Regulation in Select Other
- Countries Part 3: After Crowdfunding
9. Moving from Crowdfunding to Other Forms of Finance
  10. Exits as IPOs and Acquisitions

- 11. Implications for Investors and Entrepreneurs
- 12. Conclusions

**9. Evaluation:**

Case Presentation -	15%
group Case write-up -	20%
group Midterm Exam	15%
Final Exam	40%
Class Participation	10%

**10. Integrated Courses:**

*Not applicable*

**11. Rationale:**

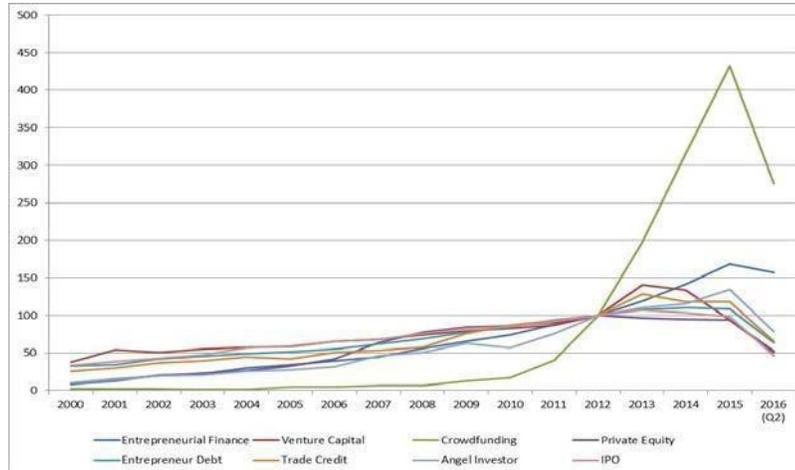
Part of the Schulich objective is to be current and relevant to the changing demands and institutional shifts in the financial marketplace. Crowdfunding is the most important shift in entrepreneurial finance over the past decade. It is an extremely important change that warrants a new course.

Currently, there are two related courses at Schulich: Venture Capital and Private Equity, and Alternative Investments (which largely covers hedge funds). Crowdfunding is quite distinct from these topic areas. Crowdfunding is about sourcing capital from retail (individual) investors and donors through Internet portals. Venture capital and private equity funds source capital from institutional investors. The structure, governance, and issues involved in crowdfunding, venture capital, and hedge funds are very distinct. A separate course is needed to cover these issues.

Crowdfunding is also the fastest growth area for research in entrepreneurial finance. Figure 1 shows from Google Scholar citation data the research on crowdfunding is growing at a much faster rate than more traditional topics such as the general area of entrepreneurial finance and other fast growing areas. We believe that this evidence highlights a market demand for a course on crowdfunding, which we hope to introduce at Schulich.

**Figure 1. Google Scholar Hits on Terms for Crowdfunding and Other Forms of Entrepreneurial Finance**

This figure presents the number of Google Scholar hits on various search terms. The search was carried out on June 30, 2016, and the 2016 figures are raw and not adjusted for a partial year. The numbers are presented as an index of hits relative to the base year of 2012 (normalized to 100 compare growth rates).



Academics have worked extensively on crowdfunding research in recent years (a select few studies include for example Ahlers et al., 2015; Bayus, 2013; Belleflamme et al., 2014; Burtch et al., 2015; Colombo et al., 2015; Cumming and Johan, 2013; Hornuf and Schwienbacher, 2016; Schwienbacher et al., 2013; Vismara, 2016).

There have been a number of crowdfunding handbooks in the past couple of years, such as Ennico (2016). Also, there is an edited book forthcoming in 2017 with a collection of essays from various authors (Cumming and Hornuf, 2017)

To date, there is no rigorous course on crowdfunding at Schulich. This course proposes to fill this gap by providing empirical based facts from datasets and case analyses, covering the full range of topics pertaining to crowdfunding that would be not only accessible but also rigorous for MBA students. The demand for crowdfunding education is growing at a massive rate in business schools, as courses on entrepreneurial finance expand their subject matter and new courses exclusively focused on crowdfunding are being offered. Crowdfunding classes are to 2017 just as venture capital classes were to 1997.

## 12. Faculty Resources:

*Douglas Cumming and Sofia Johan are capable of teaching this course.*

### **Douglas Cumming**

Douglas Cumming, J.D., Ph.D., CFA, is a Professor of Finance and Entrepreneurship and the Ontario Research Chair at the Schulich School of Business, York University. His research covers topics ranging from crowdfunding, securities regulation, stock exchange trading rules, mutual funds, hedge funds, venture capital, private equity, and sovereign wealth funds. Douglas has published over 150 articles in leading refereed academic journals in finance, management, and law and economics, such as the *Academy of Management Journal*, *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Banking and Finance*, *Journal of International Business Studies* and the *Journal of Empirical Legal Studies*. Douglas is the incoming Editor in Chief of the *Journal of Corporate Finance* (effective 2018). He is the Founding Editor of *Annals of Corporate Governance*, and Co-Editor of *Finance Research Letters*, and

Entrepreneurship Theory and Practice, and has been a guest editor for 12 special issues of top journals, including *Corporate Governance: An International Review*, *Journal of International Business Studies*, *Journal of Corporate Finance*, *Journal of Business Ethics*, among others. Douglas was recognized in 2015 as a Research Leader by York University in 2015 and was the recipient of the Schulich School of Business Research Award in 2015. He is the coauthor of *Venture Capital and Private Equity Contracting* (Elsevier Academic Press, 2nd Edition, 2013), and *Hedge Fund Structure, Regulation and Performance around the World* (Oxford University Press, 2013). He is the Editor of *Private Equity: Fund Types, Risk, Returns, and Regulation* (Wiley, 2010) and *Venture Capital: Investment Strategies, Structures, and Policies* (Wiley, 2010). He is the Editor of the *Oxford Handbook of Entrepreneurial Finance* (Oxford University Press, 2013), the *Oxford Handbook of Private Equity* (Oxford University Press, 2013), and the *Oxford Handbook of Venture Capital* (Oxford University Press, 2013). Douglas' work has been reviewed in numerous media outlets, including *The Economist*, *The New York Times*, *Canadian Business*, the *National Post*, and *The New Yorker*. Douglas is currently working the *Handbook of Fraud and Manipulation* (Wiley Press, forthcoming).

### **Sofia Johan**

Sofia Johan, LL.B., LL.M., PhD. is an Adjunct Professor of Finance and Entrepreneurship at the Schulich School of Business, York University. Her research covers topics ranging from crowdfunding, securities regulation, and stock exchange trading rules, mutual funds, hedge funds, venture capital, private equity, and sovereign wealth funds. Sofia has published over 50 articles (12 in FT ranked journals) in leading refereed academic journals in finance, management, and law and economics, such as the *American Law and Economics Review*, *Journal of Financial Economics*, *Journal of Banking and Finance*, *Journal of Business Ethics*, *Entrepreneurship Theory and Practice*, *Strategic Entrepreneurship Journal*, and *Journal of International Business Studies*. Sofia currently has a number of R&Rs at FT ranked journals. Sofia has been cited over 1500 times on Google Scholar. Sofia is an Associate Editor of the *British Journal of Management* (as far as we are aware, making her the first ever Adjunct Professor to ever become an Associate Editor of a journal ranked as "4" on the ABS list), and has been a guest editor of the *Journal of Corporate Finance*, *Journal of International Financial Markets, Institutions, and Money*, and *Information Systems Frontiers*. Sofia is the coauthor of *Venture Capital and Private Equity Contracting* (Elsevier Academic Press, 2<sup>nd</sup> Edition, 2013), and *Hedge Fund Structure, Regulation and Performance around the World* (Oxford University Press, 2013). Sofia is an Editor of the *Oxford Handbook of IPOs* (Oxford University Press, forthcoming).

### **13. Crosslisted Courses:**

*Not applicable.*

### **14. Bibliography and Library Statement:**

Ahlers, G.K.C., D.J. Cumming, C. Guenther, and D. Schweizer, 2015. "Signaling in Equity Crowdfunding" *Entrepreneurship Theory and Practice*, 39, 955-980.

Bayus B. (2013). Crowdsourcing New Product Ideas over Time: An Analysis of the Dell IdeaStorm Community. *Management Science* 59 (1), 226-244.

Belleflamme, P., Lambert, T., and Schwienbacher, A. (2013). Individual Crowdfunding Practices, *Venture Capital: An International Journal of Entrepreneurial Finance* 15 (4), 313- 333.

Belleflamme, P., Lambert, T., and Schwienbacher, A. (2014). Crowdfunding: Tapping the Right Crowd, *Journal of Business Venturing* 29(5), 585-609.

Burtch, G., Ghose, A., and Wattal, S., 2015. The Hidden Cost of Accommodating Crowdfunder Privacy Preferences: A Randomized Field Experiment, *Management Science* 61(5), 949-962.

Colombo, M.G., Franzoni, C., Rossi-Lamastra, C. (2015). Internal Social Capital and the Attraction of Early Contributions in Crowdfunding Projects, *Entrepreneurship Theory and Practice*, 39, 79-100.

Cumming, D.J., and L. Hornuf, 2017. *The Economics of Crowdfunding*, Palgrave MacMillan, forthcoming.

Cumming, D.J., and S.A. Johan, 2013. "Demand Driven Securities Regulation: Evidence from Crowdfunding" *Venture Capital: An International Journal of Entrepreneurial Finance* 15, 361- 379.

Ennico, C. 2016. *The Crowdfunding Handbook: Raise Money for Your Small Business or Start-Up with Equity Funding Portals*, Available at Amazon <https://www.amazon.com/Crowdfunding-Handbook-Business-Start-Up-Funding/dp/081443360X>

Hornuf, L. and Schwienbacher, A. (2016). Which Securities Regulation Promotes Crowdinvesting? *Small Business Economics*, forthcoming.

Vismara, S. (2016). Information Cascades Among Investors in Equity Crowdfunding, *Entrepreneurship Theory and Practice*, forthcoming.

*The statement is attached.*

**15. Physical Resources:**

The only space needed is a classroom.

**New Course Proposal Template (Part B - Schulich  
Use Only)**

**16. Instructors and Faculty Coordinator**

**Initial instructor**

Douglas Cumming

**Alternative instructors**

Sofia Johan

**Course coordinator**

Douglas Cumming

**17. Specializations**

**Primary area or specialization**

Finance

**Secondary areas or specializations**

Not Applicable

**18. Student Contact and**

**Enrolment Contact hours**

3 hours per week, over 12 weeks

**Maximum enrolment**

45

**Expected enrolment**

20-30

**Evidence for enrolment expectations**

Normally 20-30 MBA students per semester enroll in Venture Capital and Private Equity. Students with an interest in this topic are likely to have an interest in Crowdfunding as well. In addition, there are likely other students that have an interest in Crowdfunding but are not enrolled in Venture Capital and Private Equity.

**19. Human Participants Research**

Not applicable

**20. Conditions for Approval**

If this proposal is for a new elective course, please indicate which one of the following conditions required by Faculty Council applies:

a) **The Area is deleting courses with at least the same total number of credits.**  
FINE 6860 3.00 Retirement Income Planning Models is being retired.

b) **Provide a convincing case for the proposed course.**  
The school does not have any course through which crowdfunding is covered.

**Course Originator**



Signature

April 20, 2017

Date

Douglas Cumming

Name

Finance and Entrepreneurship

Area or Specialization

**Supporting Faculty Members**

The course originator should consult with other interested parties and obtain their support. Support should be obtained from other units of the university if their interests are related to this course.

The faculty members whose names appear below confirm that they have examined this course proposal. They feel it is a worthwhile addition to the SSB curriculum and does not, to their knowledge, significantly duplicate the content of existing courses.

Mark Kamstra

Ming Dong

Melanie Cao

Pauline Shum

Yisong Tian

Moren Levesque

Yelena Larkin

\_\_\_\_\_

Charlene Zietsma

**Approvals:**

**Area or Specialization**

I have reviewed this change form and I support the proposed changes to the course.

<u>Lilian Ng</u> Signature	<u>April 21, 2017</u> Date
<u>Lilian Ng</u> Name	<u>Finance</u> Area or Specialization

**Degree Program**

I have reviewed this change form and I support the proposed changes to the course.

<u>Ashwin Joshi</u> Signature	<u>November 7, 2017</u> Date
<u>Ashwin Joshi</u> Name of Program Director	<u>Masters Business Administration</u> Program

**Program Committee**

This course change has received the approval of the relevant Program Committee.

<u>Markus Biehl</u> Signature	<u>November 16, 2017</u> Date
<u>Markus Biehl</u> Name of Committee Chair	<u>MPC-PCC</u> Committee

## Course Outline

Term Winter 2018

<Class day[s]>, <Time>, beginning on <month/day>  
<Class location>

### Instructors

Dr. Douglas Cumming and Dr. Sofia  
Johan N224, Seymour Schulich Building  
516-736-2100 ext 77942  
[dcumming@sschulich.yorku.ca](mailto:dcumming@sschulich.yorku.ca)  
Office hours: Tuesdays 1:00-2:30pm, or by appointment

### Assistant

Sandra  
Bell N204B  
416 736 5073 [sbell@schulich.yorku.ca](mailto:sbell@schulich.yorku.ca)

Douglas Cumming, J.D., Ph.D., CFA, is a Professor of Finance and Entrepreneurship and the Ontario Research Chair at the Schulich School of Business, York University. His research covers topics ranging from crowdfunding, securities regulation, and stock exchange trading rules, mutual funds, hedge funds, venture capital, private equity, and sovereign wealth funds. Sofia Johan, LL.B., LL.M., PhD. is an Adjunct Professor of Finance and Entrepreneurship at the Schulich School of Business, York University. His research covers topics ranging from crowdfunding, securities regulation, and stock exchange trading rules, mutual funds, hedge funds, venture capital, private equity, and sovereign wealth funds.

### Brief Description

This course covers the theory and practice of crowdfunding. Crowdfunding involves raising capital from a large number of retail investors. The course covers equity crowdfunding, as well as peer-to-peer lending, donations and rewards based crowdfunding. In addition to studying the economics and finance of crowdfunding, the course covers crowdfunding regulation. Prerequisite FINE 5200.

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## Course Learning Outcomes

Crowdfunding is a new form of external finance for entrepreneurs. Students will learn how the crowdfunding market works from the perspective of donors and investors, platforms, and entrepreneurs. Students will learn how to evaluate pitches from entrepreneurs and where to spot potential frauds. Students will learn how platforms operate and their services and fee structures. Students will learn how to design a crowdfunding investment pitch, how to value an entrepreneurial project, how to deal with investors and regulators, and how platforms work. Students will also learn crowdfunding regulation. Students will engage in case write-ups, presentations, weekly reading assignments and classroom discussions, and exams that will enable them to develop these skills.

## Deliverables at a Glance

In the table below, the impact of each task on your final grade for the course is indicated in the “% weight” column.

Assignment/Task	Quantit	%	Total	Author
Case Presentation	1	15	15	Group
Case Write-up	1	20	20	Group
Midterm Exam	1	25	15	Individual
Final exam	1	30	40	Individual
Class participation	1	10	10	Individual
			<b>100%</b>	

For details, see “Written Assignments/Projects and Exam[s]: Descriptions” (p. 7) and “Evaluation” (p.7)

## Course Material

Course kits are available for purchase from the York University Bookstore.

The Course Materials Database (CMD) has been created within Schulich’s Lotus Notes. It contains general information for Schulich students and information and materials specific to this course. Check it frequently.

## Student Preparation for Class and Class Participation: Expectations

**Preparation.** Students should read the required readings indicated for each week prior to attending class.

**Class Participation (contribution).** Students are expected to attend all classes, and show up on time for the start of class. Attendance will be recorded each class. Active participation in class will be noted. Also, participation in class discussions and comments on student case presentations are encouraged. During case presentations among colleagues, useful comments will be documented as a way to form specific class participation grades.

## Class-by-Class Syllabus

Topics, readings, and other preparations for every class are listed below

Note: If any changes in this schedule become necessary, notifications will be posted on the course CMD, and when changes need to be announced between classes, an email will be sent to students' Lotus Notes email accounts, notifying them of the change.

Week 1  
class  
session  
1

Introduction to Crowdfunding

- What is crowdfunding?
- Types of crowdfunding
- How does crowdfunding compare to other forms of entrepreneurial finance
- Where do crowdfunding services fit into the existing financial landscape?
- How will financial institutions adapt to or be replaced by crowdfunding's potentially disruptive innovations?
- When should entrepreneurs select crowdfunding?
- Motivations of the 'crowd' / 'funders' / 'investors'
- Market statistics

Read:

- Schwenbacher, Armin and Larralde, Benjamin, Crowdfunding of Small Entrepreneurial Ventures (September 28, 2010). HANDBOOK OF ENTREPRENEURIAL FINANCE, Oxford University Press, Forthcoming. Available at SSRN: <https://ssrn.com/abstract=1699183> or <http://dx.doi.org/10.2139/ssrn.1699183>

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Week 2  
class  
session  
2

Crowdfunding Portals

- Types
- Functions as Intermediaries
- Compensation Terms

Read:

- Cumming, Douglas J. and Zhang, Yelin, Are Crowdfunding Platforms Active and Effective Intermediaries. (December 5, 2016). Available at SSRN: <https://ssrn.com/abstract=2882026>
- Shah, R., 2014. Staying the Course with Broker-Dealer Registration: The SEC's Impending Regulation of Crowdfunding Portals Under the JOBS Act, Journal of Corporation Law

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Week 3  
class  
session  
3

Donations Based Crowdfunding

Prep:

- Search for Projects on GoFundMe.com
  - Be prepared to discuss qualities of projects on this platform
-

Read:

- Belleflamme, P., Lambert, T., and Schwienbacher, A. (2013). Individual Crowdfunding Practices, *Venture Capital: An International Journal of Entrepreneurial Finance* 15 (4), 313-333.
- Belleflamme, P., Lambert, T., and Schwienbacher, A. (2014). Crowdfunding: Tapping the Right Crowd, *Journal of Business Venturing* 29(5), 585-609.
- Burtch, G., Ghose, A., and Wattal, S., 2015. The Hidden Cost of Accommodating Crowdfunder Privacy Preferences: A Randomized Field Experiment, *Management Science* 61(5), 949-962.

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Week 4 Rewards Based Crowdfunding

class  
session  
4

Prep:

- Search for Projects on Kickstarter.com and Indiegogo.com
- Be prepared to discuss qualities of projects on these platform

Read:

- Cumming, Douglas J. and Leboeuf, Gaël and Schwienbacher, Armin, Crowdfunding Models: Keep-It-All vs. All-Or-Nothing (May 31, 2015). Available at SSRN: <https://ssrn.com/abstract=2447567> or <http://dx.doi.org/10.2139/ssrn.2447567>
- Mollick, Ethan R., The Dynamics of Crowdfunding: An Exploratory Study (June 26, 2013). *Journal of Business Venturing*, Volume 29, Issue 1, January 2014, Pages 1–16. Available at SSRN: <https://ssrn.com/abstract=2088298> or <http://dx.doi.org/10.2139/ssrn.2088298>
- Colombo, M.G., Franzoni, C., Rossi-Lamastra, C. (2015). Internal Social Capital and the Attraction of Early Contributions in Crowdfunding Projects, *Entrepreneurship Theory and Practice*, 39, 79-100.
- Bayus B. (2013). Crowdsourcing New Product Ideas over Time: An Analysis of the Dell IdeaStorm Community. *Management Science* 59 (1), 226-244.

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Week 5 Lending Crowdfunding

class  
session  
5

Prep:

- Search for projects on Ratesetter.com and LendingClub.com
- Be prepared to discuss qualities of projects on these platforms

Read:

- Cumming, Douglas J. and Hornuf, Lars, Marketplace Lending of SMEs (January 5, 2017). Available at SSRN: <https://ssrn.com/abstract=2894574>
- Tao, Qizhi, Yizhe Dong, and Ziming Lin, 2017. Who can get money? Evidence from the Chinese peer-to-peer lending platform, *Information Systems Frontiers*, forthcoming. <https://link.springer.com/article/10.1007/s10796-017-9751-5>

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Week 6 Midterm Exam

class  
session  
6

- 3 hour in class exam

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Week 7 Equity Crowdfunding

class  
session  
7

Prep:

- Search for projects on AASOB.com.au, Crowdcube.com and OurCrowd.com
- Be prepared to discuss qualities of projects on these platforms

Read:

- Ahlers, G.K.C., D.J. Cumming, C. Guenther, and D. Schweizer, 2015. "Signaling in Equity Crowdfunding" *Entrepreneurship Theory and Practice*, 39, 955-980.
- Vismara, S. (2016). Information Cascades Among Investors in Equity Crowdfunding, *Entrepreneurship Theory and Practice*, forthcoming.

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Week 8 Crowdfunding Regulation

class  
session  
8

Prep:

- Review Ontario's Crowdfunding Regulation [http://www.osc.gov.on.ca/en/SecuritiesLaw\\_45-108.htm](http://www.osc.gov.on.ca/en/SecuritiesLaw_45-108.htm)
- Be Prepared to discuss elements of the regulatory framework

Read:

- Hornuf, L. and Schwienbacher, A. (2016). Which Securities Regulation Promotes Crowdfunding? *Small Business Economics*, forthcoming.
- Cumming, D.J., and S.A. Johan, 2013. "Demand Driven Securities Regulation: Evidence from Crowdfunding" *Venture Capital: An International Journal of Entrepreneurial Finance* 15, 361-379.

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Week 9 Crowdfunding Fraud

class  
session  
9

Prep:

- Review examples of crowdfunding fraud from <http://www.gadgetreview.com/7-scamtastic-crowdfunding-campaigns> and [http://www.consumerreports.org/cro/money/crowdfunding\\_-scam](http://www.consumerreports.org/cro/money/crowdfunding_-scam)

Read:

- Cumming, Douglas J. and Hornuf, Lars and Karami, Moein and Schweizer, Denis, Disentangling Crowdfunding from Fraudfunding (August 24, 2016). Max Planck Institute for Innovation & Competition Research Paper No. 16-09. Available at SSRN: <https://ssrn.com/abstract=2828919>
- F Schiavone, 2017. Incompetence and Managerial Problems Delaying Reward Delivery in Crowdfunding, [http://www.cairn.info/resume.php?ID\\_ARTICLE=JIE\\_PR1\\_0009](http://www.cairn.info/resume.php?ID_ARTICLE=JIE_PR1_0009)

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Week 10 Case Presentations

class  
session  
10

Prep:

- Review List of Cases Distributed on Week 4
- Be prepared to discuss cases in class

Assignment Due:

- 4 Group Presentations, 45 min each
-

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Week 11 class session 11	<u>Case Presentations</u> Prep: <ul style="list-style-type: none"><li>▪ Review List of Cases Distributed on Week 4</li><li>▪ Be prepared to discuss cases in class</li></ul> Assignment Due: <ul style="list-style-type: none"><li>▪ 4 Group Case Presentations, 45 min each</li><li>▪ Group Assignments due for Groups that presented in Week 10</li></ul>
Week 12 class session 12	<u>After Crowdfunding, and Review Class</u> Prep: <ul style="list-style-type: none"><li>▪ Come prepared to discuss questions about any part of the course</li><li>▪ Also, we will discuss evidence of what happens to firms after crowdfunding</li></ul> Assignment Due: <ul style="list-style-type: none"><li>▪ Group Assignments due for Groups that presented in Week 11</li></ul>

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## Written Assignments/Projects and Exam[s]: Descriptions

### Due Date

Week 6 Midterm Exam  
In class  
Max length: 3 hours  
Value: 25%

Weeks 10 and 11 Case Presentations  
In class group presentations  
*Max length: 45 min*  
*Value: 15%*

Weeks 11 and 12 Case write-up  
Write-up of cases, 12-point font, 1.5 spacing, due beginning of class, due on Week 11 for groups that presented in Week 10, and due Week 12 for groups that presented in Week 11  
*Max length: 8,000 words*  
*Value: 20%*

Final Exam Period Final Exam In class  
*Max length: 3 hours*  
*Value: 30%*

## Evaluation of Written Assignments/Projects and Exams

Exams will have both numerical valuation questions and short answer qualitative questions. Numerical exam questions will be graded on an absolute scale insofar as answers are clearly correct, or partially correct.

Qualitative exam questions will be graded on points system where students that cover the pertinent material relevant to the question, and in a clear and coherent manner, will receive higher points. The case presentation will be a mechanism for students to obtain feedback prior to handing in a formal case report. The case report will be graded in ways that are similar to 601 grading, for example, where the rigor, quality and clarity of the analysis positively influences the grade awarded.

## Calculation of Course Grade

In this class, final course grades will be determined by the following process:

The grades will be translated from percentages into letter grades based on the distribution of grades in the class. The average grade (with the weighting procedure based on the weights indicated above under Deliverables at a Glance) normally falls around 70%, which translates into a grade of roughly 5.2 to

6.2 on the 9-point scale, depending on the relative performance of other students in the class.

## General Academic Policies: Grading, Academic Honesty, Accommodations and Exams

Grades at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is C- (1). To keep final grades comparable across courses, sections of required core courses are normally expected to have a mean grade between 5.2 and 6.2.

The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor.

For more details on the index, grading policy, and grade point average (GPA) requirements, see the student handbook.

Academic honesty is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University's policy on academic honesty, which may also be found on the Schulich website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

Late assignments are not accepted without a valid reason and documentation.

Accommodations. For accommodations sought due to exam conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counseling & disability services, contact Student Services or see <http://cds.info.yorku.ca/>.

### Exams (Absence from)

Mid-term. Students who miss a mid-term examination must contact their course instructor within 24 hours and provide the course instructor with documentation substantiating the reason for the absence. A copy of the documentation must also be submitted to Student Services; it will be placed in the student's file.

Final. Within 24 hours of missing a final examination, students must contact the Director of Student Services at (416) 736-5060, and must also contact their course instructor. Formal, original documentation regarding the reason for missing the exam must be submitted to the Director of Student Services (SSB Room W262) within 48 hours of missing the final exam. Students who miss a final exam due to illness must have their doctor complete an "Attending Physician's Statement." For a copy of this document, visit <http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>.

## Quick Reference: Summary of Classes, Activities and Deliverables

Class No., Title and Date	In-Class Case/Exercise	Reading Preparation (excluding cases and optional readings )	Written Preparation
1. <Date> Introduction to Crowdfunding		Schwiebacher and Larralde (2010)	
2. <Date> Crowdfunding Platforms		Cumming and Zhang (2016), Shah (2014)	
3. <Date> Donations Crowdfunding	GoFundMe	Belleflamme, Lambert, and Schwiebacher (2013, 2014), Burtch, Ghose, and Wattal, (2015).	Submit List of Preferred Cases by Group
4. <Date> Reward Based Crowdfunding	Kickstarter and Indiegogo	Cumming, Leboeuf, and Schwiebacher, (2015), Mollick (2013), Colombo, Rossi-Lamastra (2015), Bayus (2013).	List of Group Cases Distributed
5. <Date> Lending Crowdfunding	Ratesetter and LendingClub	Cumming and Hornuf (2016), Tao, Dong, and Lin (2017).	
6. <Date> Equity Crowdfunding	AASOB, Crowdcube, OurCrowd	Ahlers, Cumming, Guenther, and Schweizer (2015), Vismara (2016)	
<i>NO CLASS (Reading Week)</i>			
7. <Date> Midterm			
8. <Date> Crowdfunding Regulation	OSC	Hornuf and Schwiebacher (2016), Cumming and Johan, (2013)	
9. <Date> Crowdfunding Fraud	Gadget Review, Consumer Reports	Cumming, Hornuf, Karami, and Schweizer (2016), Schiavone (2017).	
10. <Date> Presentations Groups 1-4	List of Cases from Week 4		Group Presentations 1-4
11. <Date> Presentations Groups 5-8	List of Cases from Week 4		Group Presentations 5-8 Group Project Write-ups 1-4
12. <Date> After Crowdfunding, and Review			Group Project Write-ups 5-8

## MEMORANDUM

### *Peter F. Bronfman Business Library*

TO: Prof. Douglas Cumming, Finance Area, and Schulich School of Business

SUBJECT: Library Statement for **FINE 6710 3.00: Crowdfunding**

FROM Xuemei Li, Business Librarian, Bronfman Business Library

DATE: April 24, 2017

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The Libraries are able to support this course with a good collection including print and electronic books, print and electronic journals, together with various databases in subject areas relevant to FINE 6710. This course covers the theory and practice of crowdfunding. Crowdfunding involves raising capital from a large number of retail investors. The course covers equity crowdfunding, as well as peer-to-peer lending, donations and rewards based crowdfunding. In addition to studying the economics and finance of crowdfunding, the course covers crowdfunding regulation.

Keyword searching of the York University Libraries' catalogue reveals relevant subject headings such as electronic fund raising, New business enterprises>>Finance, Small business>>Finance, and Entrepreneurship etc. Books24X7 – a full-text electronic resource, offers several titles relevant to this course.

The Libraries also subscribe to many full-text online article databases supporting keyword searching to identify articles in journals, trade magazines and newspapers that include current and retrospective articles in this subject area. The main databases for this course are ProQuest Business, Business Search Premier, Scholars Portal, Factiva, Lexis Nexis Academic, Wiley Online Library, Taylor & Francis and Scholars Portal which include articles as well as legal materials. The articles listed in this proposal can all be downloaded freely from the Libraries' subscribed databases.

Books which are not currently in the libraries' collections will be ordered through Gobi in advance. The instructor is encouraged to use the Libraries' electronic reserve service to provide ease of access to online articles. In addition, all required reading books should be placed on Reserves in the Bronfman Library to ensure equitable student access.

**Memorandum**

To: Faculty Council, Schulich School of Business  
From: Anoop Madhok, Professor of Strategy Scotiabank Chair in International Business and Entrepreneurship  
Date: November 1, 2017  
Re: New Course Proposal - SB/SGMT 6200 3.00

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**Motion:**

Approve SB/SGMT 6200 3.00 Strategy, Technology and Organization as a new elective course for Master students.

**Rationale:**

Part of the Schulich objective is to be current and relevant to the changing business environment. One characteristic of today's business environment is the increasing intensity of technological change in the economy and, accordingly, the increasing importance for a firm to be able confront and harness this change for continued success through its strategy. A narrower approach towards technology strategy typically narrows and limits the scope to a firm's strategic choices with respect to technology. Yet a firm's competitive advantage and performance does not depend solely on such choices but also on how such technology is organized and managed. The course is positioned as a seminar that provides a deeper conceptual understanding of select topics at the intersection of strategy, technology and organization. By mainly relying upon in-depth case analyses from major academic journals, rather than 'HBStype' cases, the course aims to blend academic research and relevance to practice in a distinct and more in-depth manner. This type of course material is quite popular in many institutions outside North America and conducive to a more rewarding form of engagement for the interested student.

**MEMORANDUM**  
**Peter F. Bronfman Business Library**

**SUBJECT:** Library Statement for  
SGMT 6200 Strategy, Technology and Organization

**FROM:** Sophie Bury  
Head, Bronfman Business Library

**DATE:** May 9<sup>th</sup> 2017

**SGMT 6200: Strategy, Technology and Organization**

York University Libraries will be able to support the proposed new course SGMT 6200 *Strategy, Technology and Organization*, which covers select topics at the intersection of strategy, technology and organization

Readings for this course include a textbook, an online case kit package, online articles to be made available via e-reserves at the library, and *Harvard Business Review* articles which can be found by searching the library's catalogue but where publisher license provisions do not allow for direct linking or creation of e-reserves.

The textbook will be ordered for addition to the library's collection, as will a Handbook on strategy and management listed in the course reading list. It is recommended that these print readings be placed on reserve or short-term loan to maximize student access. All journal articles listed in the reading list for this course are available via online library subscriptions.

It is noted that students will complete either a term project or paper where searching for and using secondary resources is expected. Below some collections of relevance, in addition to the recommended course readings, are outlined.

The Libraries' reference and full-text databases play a key role in facilitating extensive searching of the relevant periodical literature. Relevant databases for this course include those with wide coverage of the business and economics periodicals e.g. *Proquest Business*, *Business Source Complete*, *Canadian Business and Current Affairs*, and *Econlit*. Other relevant databases are those with good coverage of business and mainstream news sources, e.g. *Factiva*, *Canadian Newsstand*, and *Lexis Nexis*. Additionally, interdisciplinary databases such as *Scholars Portal*, *Proquest*, and *Web of Science* will be important in supporting this course.

Where students elect to do the term project they need to choose a specific firm and do an investigation of it. The library's company research guide is recommended for this purpose, in addition to exploring article resources listed above. This guide provides links to a range of resources offering information on companies, often including coverage of the industries or sectors in which they operate. See: [researchguides.library.yorku.ca/companyresearch](http://researchguides.library.yorku.ca/companyresearch). A final specific recommended resource on the theme of technology and technological change is *Gartner Intraweb* which is available by searching the library's main search portal at <http://www.library.yorku.ca>

In addition, the library is developing a suite of online learning resources for business students called BRYT (Business Research at York Toolkit): [bryt.library.yorku.ca/](http://bryt.library.yorku.ca/). This toolkit includes videos and PDF resources that show students how to use specialized business research databases to conduct business research. By summer 2017 three modules will be fully developed and will cover how to find and locate company, as well as fundamentals of industry and market research. Options to integrate BRYT content in Learning Management Systems are offered.

## New Course Proposal Template

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*The following information is required for all new course proposals. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).*

**1. Program:**

Schulich MBA Program

**2. Course Number:**

SGMT 6200

**3. Credit Value:**

3.00 credits

**4. Long Course Title:**

Strategy, Technology and Organization

**5. Short Course Title:**

Strategy, Technology and Organization

**6. Effective Session:**

Fall 2018

**7. Calendar (Short) Course Description:**

This course provides a deeper understanding of select topics at the intersection of strategy, technology and organization. A firm's competitiveness depends not only on its technology choices but also on how such technology is organized and managed. Topics covered include: innovation, entrepreneurship, technological competitiveness and commercialization, technological change and evolution, strategic ambidexterity, digital platforms and managing technological alliances.

**8. Expanded Course Description:**

Technology is increasingly at the core of firm competitiveness. Yet a firm's competitive advantage and performance does not depend solely on its strategic choices with respect to technology but also on how such technology is organized and managed. This course covers select topics at the intersection of strategy, technology and organization. Topics examined include: innovation, entrepreneurship, technological competitiveness and commercialization, technological change and evolution, strategic ambidexterity, digital platforms and managing technological alliances. The course material is selected to bridge academic research and practical relevance by engaging in fundamental issues in a distinct and more in-depth manner.

**9. Evaluation:**

The evaluation scheme is as follows

<b>Deliverable</b>	<b>Weight</b>	<b>Format</b>
Assignment	15%	Individual
Presentation (2) 2x10	20%	Individual
Write-up	10%	Individual
Term paper/project (in pairs)	40%	Groups of 2
Participation	15%	Individual
	<b>100%</b>	

**10. Integrated Courses:**

N/A

**11. Rationale:**

Part of the Schulich objective is to be current and relevant to the changing business environment. One characteristic of today's business environment is the increasing intensity of technological change in the economy and, accordingly, the increasing importance for a firm to be able confront and harness this change for continued success through its strategy. A narrower approach towards technology strategy typically narrows and limits the scope to a firm's strategic choices with respect to technology. Yet a firm's competitive advantage and performance does not depend solely on such choices but also on how such technology is organized and managed. The course is positioned as a seminar that provides a deeper conceptual understanding of select topics at the intersection of strategy, technology and organization. By mainly relying upon in-depth case analyses from major academic journals, rather than 'HBS-type' cases, the course aims to blend academic research and relevance to practice in a distinct and more in-depth manner. This type of course material is quite popular in many institutions outside North America and conducive to a more rewarding form of engagement for the interested student.

**12. Faculty Resources:**

Anoop Madhok

**13. Crosslisted Courses:**

**14. Bibliography and Library Statement:**

1. Christensen, C. and M. Raynor. 1997. Why hard-nosed executives should care about management theory. *Harvard Business Review*, 75 (Sep-Oct), 67-74.
2. Barney, J. 1986. Types of competition and the theory of strategy: Toward an integrative framework. *Academy of Management Review*, 11, 791-800.
3. Roberts, P.W. and K. Eisenhardt. 2003. Austrian Insights on strategic organization: From market insights to implications for firms. *Strategic Organization*, 1, 345-352.
4. Arthur W. B. 1996. Increasing returns and the two worlds of business. *Harvard Business Review*, 74 (Jul-Aug), 100-109.
5. Technology strategy core curriculum (HBS Product #8127).

6. HTC in 2012 (HBS Case #9-712-423).
7. Henderson, R. and K. Clark. 1990. Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms. *Administrative Science Quarterly*, 35, 9-30.
8. Tripsas, M. 1997. Unravelling the process of creative destruction: Complementary assets and incumbent survival in the typesetter industry. *Strategic Management Journal*, 18, 119-142.
9. Christensen, C. and J. Bower. 1996. Customer power, strategic investments and the failure of leading firms. *Strategic Management Journal*, 17, 3, 197-218.
10. Ansari, S., R. Garud and A. Kumaraswamy. 2016. The disruptor's dilemma: TIVO and the US television ecosystem. *Strategic Management Journal*, 37, 1829-1853.
11. Burgelman, R. 1991. Intraorganizational ecology of strategy making and organizational adaptation: Theory and field research. *Organization Science*, 2, 239-264.
12. Danneels E. 2010. Trying to become a different kind of company: Dynamic capability at Smith-Corona. *Strategic Management Journal*, 32, 1-31.
13. O'Reilly, C., J. B. Harreld and M. Tushman. 2009. Organizational ambidexterity: IBM and emerging opportunities. *California Management Review*, 51, 4, 75-99.
14. Boumgarten, P., J. Nickerson and T. Zenger. 2012. Sailing into the wind: Exploring the relationships among ambidexterity, vacillation, and organizational performance. *Strategic Management Journal*, 2012, 33, 587-61.
15. Ozcan, P. and K. Eisenhardt. 2009. The origin of alliance portfolios: Entrepreneurs, network strategies and firm performance. *Academy of Management Journal*, 52, 246-279.
16. Hill, C. 1997. Establishing a standard: Competitive strategy and technological standards in winner-take-all industries. *Academy of Management Executive*, 11, 2, 7-25.
17. E Ink in 2005 (HBS Case #9-705-506).
18. A. Gawer and M. Cusumano. 2008. How companies become platform leaders. *MIT Sloan Management Review*, 49, 2, 28-35.
19. A. Gawer and M. Cusumano. 2014. Industry platforms and ecosystem innovation. *Journal of Product Innovation Management*, 31, 3, 417-433.
20. M. Alstyne, G. Parker and M. Choudary. 2016. Pipelines, platforms and the new rules of strategy. *Harvard Business Review*, 94, 54-62.
21. Dawson A., M. Hirt and H. Scanlan. 2016 (March). The economic essentials of digital strategy. *McKinsey Quarterly*, 19, 1-13.
22. J. Day and J. Wendler. The new economics of organization. *McKinsey Quarterly*, 1998, 1, 5-18.

23. Prahalad, C.K. and G. Hamel. 1990. The core competence of the corporation. *Harvard Business Review*, 68, 3, 79-91.
24. Sharp Technology (HBS Case #9-793-064).
25. Graebner, M. 2004. Momentum and serendipity: How acquired leaders create value in the integration of technology firms. *Strategic Management Journal*, 25, 8/9, 751-777
26. D. Mayer and M. Kenney (2004): Economic Action Does Not Take Place in a Vacuum: Understanding Cisco's Acquisition and Development Strategy. *Industry and Innovation*, 11: 4, 299-325.
27. Power Play. *Business Week*, 1998 Feb 9, pp 90-97.
28. D. Faems, M. Janssens, A. Madhok and B. van Looy. 2008. Towards an integrative perspective on alliance governance. *Academy of Management Journal*, 51, pp 1053-1079.
29. Dyer, J. and K. Nobeoka. 2000. Creating and managing a high-performance knowledge sharing network: The Toyota case. *Strategic Management Journal*, 21:3: 345-367.
30. Gomes-Casseres B. 1994. Group versus group: How alliance networks compete. *Harvard Business Review*, 72, 4, 62-74.

**15. Physical Resources:**

No specific physical resources required



## New Course Proposal Template (Part B - Schulich Use Only)

### 16. Instructors and Faculty Coordinator

**Initial instructor**

Anoop Madhok

**Alternative instructors**

None

**Course coordinator**

Anoop Madhok

### 17. Specializations

**Primary area or specialization**

Strategic Management

**Secondary areas or specializations**

Any/all

### 18. Student Contact and Enrolment

**Contact hours**

36 hours

**Maximum enrolment**

45

**Expected enrolment**

45

### **Evidence for enrolment expectations**

With technology, innovation and entrepreneurship being hot topics nowadays, I expect the course to have both sufficient utility as well as appeal to students, more so since there are not many courses currently being offered in this domain. Of course, one does not know until one tries it out.

### **19. Human Participants Research**

N/A

### **20. Conditions for Approval**

*If this proposal is for a new elective course, please indicate which one of the following conditions required by Faculty Council applies:*

- a) **The Area is deleting courses with at least the same total number of credits.**  
Area has no elective with student enrolments low enough to warrant deletion.

- b) **Provide a convincing case for the proposed course.**

The course is positioned as a seminar that provides a deeper conceptual understanding of select topics at the intersection of strategy, technology and organization. A narrower approach towards technology strategy typically narrows and limits the scope to a firm's strategic choices with respect to technology. Yet a firm's competitive advantage and performance does not depend solely on such choices but also on how such technology is organized and managed. By relying upon in-depth case analyses from major academic journals, rather than 'HBS-type' cases, the course aims to blend academic research and relevance to practice in a more in-depth and distinct manner. This type of course material is quite popular in many institutions outside North America and conducive to a more rewarding form of engagement for the interested student.

With technology, innovation and entrepreneurship being hot topics nowadays, I expect the course to have both sufficient utility as well as appeal to students, more so since there are not many courses currently being offered in this domain. There is minimal overlap with existing courses. Currently the only related course is SGMT 6800 Strategic Management of Technology. For all practical purposes, there is no overlap with SGMT 6800 as taught by Peter Zakzewski in Fall 2016. The focus here is more on design, ideation and entrepreneurship. There is some overlap with SGMT 6800 as taught by Paul Barter, though I would assess that to be no more than about a quarter (in terms of topics such as disruption and standards). However, the material I use is entirely different and would act more as a complement.

**Course Originator**

Anoop Madhok  
Signature

May 2, 2017  
Date

Anoop Madhok  
Name

**Supporting Faculty Members**

The course originator should consult with other interested parties and obtain their support. Support should be obtained from other units of the university if their interests are related to this course.

The faculty members whose names appear below (minimum 6) confirm that they have examined this course proposal. They feel it is a worthwhile addition to the SSB curriculum and does not, to their knowledge, significantly duplicate the content of existing courses.

Yuval Deutsch  
Name

Eileen Fischer  
Name

Moshe Farjoun  
Name

Moren Levesque  
Name

Stan Xiao Li  
Name

Dirk Matten  
Name

Preet Aulakh  
Name

Ashwin Joshi  
Name

<Name of faculty member>  
Name

<Name of faculty member>  
Name

**Approvals:**

**Area or Specialization**

I have reviewed this course proposal with the faculty members of this Area or Specialization, and I support the addition of the course to the SSB curriculum.



## Strategy, Technology and Organization Course Outline Fall Term 2018

### Date & Time, beginning Room

#### Instructor

Prof. Anoop Madhok  
N312 Seymour Schulich Building  
[amadhok@schulich.yorku.ca](mailto:amadhok@schulich.yorku.ca)

#### Assistant

Clara Kan (Tel: 416-7362100 extn 77960)  
N312 Seymour Schulich Building  
[ckan@schulich.yorku.ca](mailto:ckan@schulich.yorku.ca)

Office hours: by appointment

Anoop Madhok is Professor of Strategy and the Scotiabank Professor at the Schulich School of Business. His research interests span strategy and international business and he has researched and published extensively on topics related to multinational firm strategy as well as interfirm collaboration, among others.

#### Brief Description

Technology is increasingly at the core of firm competitiveness. Yet a firm's competitive advantage and performance does not depend solely on its strategic choices with respect to technology but also on how such technology is organized and managed. This course covers selective topics at the intersection of strategy, technology and organization. Topics examined include: innovation, entrepreneurship, technological competitiveness and commercialization, technological change and evolution, strategic ambidexterity, digital platforms and managing technological alliances. The course material is selected to bridge academic research and practical relevance in a more substantive and in-depth manner.

Prerequisite/Co-requisite: SGMT 6000 3.00

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## Course Learning Outcomes

The course is designed to develop your understanding and appreciation of issues at the intersection of strategy, technology and organization. The focus of the course is primarily not on the technology itself as such but on the strategic, management and organizational aspects of the technology.

Broadly speaking, a firm's technology strategy encompasses an integrated set of choices about how to engage with technology to produce superior performance over time. These choices involve a wide array of issues such as:

- How firms use new technology to compete successfully
- How firms cope with technological change
- What challenges can/do firms face in terms of the establishment, structuring and governance of technology?
- How a firm can create an organization capable of creating and exploiting new technologies
- How firms can commercialize new technologies
- How to create/participate in emerging ecosystems

The literature on technology strategy and managing technological change is constantly expanding. Given its wide scope, there is obviously no single, established theory covering the entire range of issues and there is no 'one-size-fits-all' strategy for managers to adopt. The course aims to stimulate the student to develop a critical appreciation of the underlying issues – both theoretical and managerial – surrounding the topic.

To sum up, the course aims to make you more appreciative of the strategic and organization aspects of technological change and evolution. By the end of the course, students should be able to address decisions such as, among others:

- How best to manage technology risks, e.g. options
- When to enter a new market e.g. leader or follower
- How best to commercialize an innovation, e.g. licensing or internal development

- Corporate strategy aspects of technology portfolios, e.g. diversification, acquisitions and alliances
- How to organize and manage technology and technological change, e.g. internal organizational and innovation processes

## Deliverables at a Glance

In the table below, the impact of each task on your final grade for the course is indicated in the “% weight” column.

Deliverable	Weight	Format
Assignment	15%	Individual
Presentation (2) 2x10	20%	Individual
Write-up	10%	Individual
Term paper/project (in pairs)	40%	Groups of 2
Participation	15%	Individual
	<b>100%</b>	

For details, see “Written Assignments/Projects and Exam[s]: Descriptions” (p. 8) and “Evaluation of Written Assignments/Projects and Exams” (p. 8).

## Course Material

An online case kit package of case studies has been prepared for this course. Please check CMD posting when it is available. Other readings are either available online for free or for purchase, or can be searched on e-Reserve Library.

*Reserved readings* at the library have been selected from periodicals and journals. Go to <http://www.library.yorku.ca>, click on the “Reserves” tab and type in “<Course Code>” to access these readings.

### Harvard Business Review Articles – Exception

Exception: Harvard Business Review articles cannot be placed on e-reserve due to licensing restrictions that apply. See here for more information:

<http://www.library.yorku.ca/cms/bbl/collections/harvard-business-review/>

Please go to this web site to find recommended HBR article readings available at the library through subscription e-resources themselves: <http://researchguides.library.yorku.ca/HBR>

Or type in “Harvard Business Review” under “eResources” search and use online access (Business Source Premier) – download pdf file and try printing from there with some exceptions which can only be viewed but not be printed.

## Preparation for Class and Class Participation: Expectations

The course will include lectures, class discussions and article presentations. It will be assumed that students have read the assigned material before coming to class and the purpose of the lectures is basically to complement the readings. Much of the learning in the course is through in-class discussion of key issues, and active participation is critical for the success of the class.

The course material comprises of academic and practitioner-oriented ones as well as cases. Articles have been selected to represent different types of firms (small, medium, large) across different industries and technological settings. Most of the academic articles selected are case studies, though these are different from the typical case studies (e.g. Harvard and Ivey) in that they are more strongly rooted conceptually and blend theory and application.

Each class will roughly follow the format below:

### *Student presentations:*

- Two students will present a previously selected article in each class (one article each). The presentation will be limited to 15 minutes and should introduce and then focus on critical aspects of the article. The presentation will be followed by Q&A with respect to the article (15 minutes).
- Each student will present two times over the course.
- The presentation will be assessed based on the quality, clarity and depth of the oral presentations as well as the capacity to answer questions.
- A copy of the presentation must be sent to the instructor at least the evening before the day of the presentation

### *Analysis and discussion:*

- After the presentations, the discussion will then be devoted to a deeper analysis of the readings. The discussion will approach the readings as an overall set.

*Current developments/update:* The last part of the class will be devoted to recent developments on the topic.

- Two students (other than the presenters) will select a session in advance and will initiate this conversation-cum-update (about 5 minutes each), which should focus on important conceptual aspects related to the topic and illustrate their practical relevance through application to state-of-the-art 'live' examples.
- The update will be considered as one aspect of your participation assessment (see below)

### Participation:

The participation mark assesses the extent and depth of your engagement with the course. This being a graduate elective, I would expect the students to be motivated and come to class

sufficiently prepared. "Meaningful" class participation refers to your making a contribution to our discussions in a manner that adds value and enriches the discussion. Remember---it is the *quality* of your participation, not the quantity (or "air time"), that will lead to good class discussion.

In preparation for your active participation in class, after completing each assigned reading you should ask yourself the following two questions:

- Do I understand the theory and/or principles of this material?
- So what? What are its implications? How would I apply this as a manager?

**Note:**

- 5 of the 15 points with respect to participation will be allocated to the update (see previous section).
- Beyond the first two absences, you will lose 2 participation points for the third absence and all the participation marks for any further absences, unless there are exceptional circumstances that are cleared with me sufficiently in advance.

## Class-by-Class Syllabus

The following list of lecture topics and readings indicate the material to be read, reviewed and/or prepared for the various class sessions. If any changes in this schedule become necessary, notifications will be posted in the course CMD, and where such changes need to be announced between class sessions, an email will be sent to students' Lotus Notes email accounts, notifying them of the change.

1. Introduction:
  - a. Christensen, C. and M. Raynor. 1997. Why hard-nosed executives should care about management theory. *Harvard Business Review*, 75 (Sep-Oct), 67-74.
  - b. Barney, J. 1986. Types of competition and the theory of strategy: Toward an integrative framework. *Academy of Management Review*, 11, 791-800.
  - c. Roberts, P.W. and K. Eisenhardt. 2003. Austrian Insights on strategic organization: From market insights to implications for firms. *Strategic Organization*, 1, 345-352.
  - d. Arthur W. B. 1996. Increasing returns and the two worlds of business. *Harvard Business Review*, 74 (Jul-Aug), 100-109.
2. Industry evolution and competitive dynamics
  - a. Technology strategy core curriculum (HBS Product #8127)
  - b. HTC in 2012 (HBS Case #9-712-423)

3. Technological innovation and strategy I: Industry transformation and creative destruction
  - a. Henderson, R. and K. Clark. 1990. Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms. *Administrative Science Quarterly*, 35, 9-30.
  - b. Tripsas, M. 1997. Unravelling the process of creative destruction: Complementary assets and incumbent survival in the typesetter industry. *Strategic Management Journal*, 18, 119-142.
  
4. Technological innovation and strategy II: The innovator and disruptor's dilemma
  - a. Christensen, C. and J. Bower. 1996. Customer power, strategic investments and the failure of leading firms. *Strategic Management Journal*, 17, 3, 197-218.
  - b. Ansari, S., R. Garud and A. Kumaraswamy. 2016. The disruptor's dilemma: TIVO and the US television ecosystem. *Strategic Management Journal*, 37, 1829-1853.
  
5. Corporate change and evolution I: Dynamic capabilities
  - a. Burgelman, R. 1991. Intraorganizational ecology of strategy making and organizational adaptation: Theory and field research. *Organization Science*, 2, 239-264.
  - b. Danneels E. 2010. Trying to become a different kind of company: Dynamic capability at Smith-Corona. *Strategic Management Journal*, 32, 1-31.
  
6. Corporate change and evolution II: Managing ambidexterity in organizations
  - a. O'Reilly, C., J. B. Harreld and M. Tushman. 2009. Organizational ambidexterity: IBM and emerging opportunities. *California Management Review*, 51, 4, 75-99.
  - b. Boumgarten, P., J. Nickerson and T. Zenger. 2012. Sailing into the wind: Exploring the relationships among ambidexterity, vacillation, and organizational performance. *Strategic Management Journal*, 2012, 33, 587-61.
  
7. Technology entrepreneurship and strategy
  - a. Ozcan, P. and K. Eisenhardt. 2009. The origin of alliance portfolios: Entrepreneurs, network strategies and firm performance. *Academy of Management Journal*, 52, 246-279.
  - b. Hill, C. 1997. Establishing a standard: Competitive strategy and technological standards in winner-take-all industries. *Academy of Management Executive*, 11, 2, 7-25.
  - c. E Ink in 2005 (HBS Case #9-705-506).
  
8. The 'digital' economy: The economics of platforms and networks

- a. A. Gawer and M. Cusumano. 2008. How companies become platform leaders. *MIT Sloan Management Review*, 49, 2, 28-35.
  - b. A. Gawer and M. Cusumano. 2014. Industry platforms and ecosystem innovation. *Journal of Product Innovation Management*, 31, 3, 417-433.
  - c. M. Alstyne, G. Parker and M. Choudary. 2016. Pipelines, platforms and the new rules of strategy. *Harvard Business Review*, 94, 54-62.
  - d. Dawson A., M. Hirt and H. Scanlan. 2016 (March). The economic essentials of digital strategy. *McKinsey Quarterly*, 19, 1-13.
9. Technology and the diversified firm
- a. J. Day and J. Wendler. The new economics of organization. *McKinsey Quarterly*, 1998, 1, 5-18.
  - b. Prahalad, C.K. and G. Hamel. 1990. The core competence of the corporation. *Harvard Business Review*, 68, 3, 79-91.
  - c. Sharp Technology (HBS Case #9-793-064)
10. Managing technological acquisitions
- a. Graebner, M. 2004. Momentum and serendipity: How acquired leaders create value in the integration of technology firms. *Strategic Management Journal*, 25, 8/9, 751-777
  - b. D. Mayer and M. Kenney (2004): Economic Action Does Not Take Place in a Vacuum: Understanding Cisco's Acquisition and Development Strategy. *Industry and Innovation*, 11: 4, 299-325.
  - c. Power Play. *Business Week*, 1998 Feb 9, pp 90-97
11. Managing interfirm relations
- a. D. Faems, M. Janssens, A. Madhok and B. van Looy. 2008. Towards an integrative perspective on alliance governance. *Academy of Management Journal*, 51, pp 1053-1079.
  - b. Dyer, J. and K. Nobeoka. 2000. Creating and managing a high-performance knowledge sharing network: The Toyota case. *Strategic Management Journal*, 21:3: 345-367.
  - c. Gomes-Casseres B. 1994. Group versus group: How alliance networks compete. *Harvard Business Review*, 72, 4, 62-74.
12. This is an open session. We will select a topic that is of interest to you and discuss readings accordingly

## Written Assignments/Projects and Exam[s]: Descriptions

### Due dates

Assignment:	Before class on Week 6
Write-up:	Before class on the day of one of your two presentations
Term paper/ project:	Before class on Week 12: Dec 8, 2016

## Evaluation of Written Assignments/Projects

### I. Assignment

This assignment tests your ability to compare, analyze and synthesize concepts across two articles that deal with overlapping concepts. Therefore, the challenge is to examine not just each piece of the puzzle in and of itself in an isolated manner but how these interrelate with one another in a coherent manner. Your analysis will be considered stronger if you weave in the relevant concepts more substantively. Try not to merely present material but use it to inform your analysis. Most importantly, do **not** summarize (I have already read the material!!).

- There is a limit of 4 pages (approximately 1400 words).

### III. Write-up

Students will be required to hand in a 4-page write-up (double-spaced; approx. 1400 words) on the topic for the session of one of your presentations. For this, you will approach the readings for that class as an overall set and identify key issues, challenges, questions, conclusions, contradictions, etc and ways to go forward.

### IV. Term paper/project (in pairs)

Students will work (in pairs) on a research project throughout the semester. The project will culminate in a term paper that is due on the last day of class. For this project, each student, in consultation with the instructor, will choose a topic pertaining to some aspect related to the subject matter of the course. The specific topic area for the project is intentionally kept flexible to give students an opportunity to go in-depth on a topic of their choice and then to develop a meaningful research paper. Basically, you will need to take one (or select) questions/aspects/issues of interest to you, examine it more deeply and extend it further, as well as show how your analysis would help advance existing insight into some current issues/developments.

You can choose between two alternate approaches for the research paper. On the one hand, the treatment of the topic can be more conceptual in nature. Alternatively, if you want to focus on particular sectors, you could do a research-type paper within the context of an industry/sector. The

difference between the two is that the former is primarily conceptual/theoretical in orientation with application being of secondary emphasis, though still important, whereas the latter is the other way around, i.e. more application-driven application, with the conceptual/theoretical aspect being of secondary emphasis, though still important. Whatever you choose, it would require you to read additional articles of both types with respect to the topic.

Evaluation will be based, among other things, on the following:

- Did the paper demonstrate a comprehensive knowledge of the topic?
- Did the paper ask interesting questions and propose a novel research idea or conceptual insights?
- Did the paper engage with select aspects of the material covered in the course in a salient manner?
- Did the paper attempt to put the relevant knowledge together in a non-trivial manner?
- The quality of writing (clarity, organization, persuasiveness, coherence, etc).

The paper/project should not exceed 15 pages double-spaced in length (about 5500 words), excluding the title page, the executive summary (maximum one page) and references. In addition, you may provide up to 3 pages of figures, tables, appendices or any other attachments. Please list all references cited in an appropriate scholarly format.

- The topic to be examined needs to be cleared with the instructor by week 5. Please provide a one-page proposal justifying your proposal.
- The write-up will be due at the beginning of the last day of class.

### General

It is important to communicate your ideas clearly and concisely, otherwise even the best ideas get undermined because of faulty presentation. Grades do not depend on any "right answer" and I do not have any such answer in mind. In the past, I have had widely divergent papers that have received high marks. Keep in mind that it is not writing a lot but, rather, writing sensibly that counts. A good report ties it all together instead of just bringing up points and letting them "hang loosely". Do NOT merely present existing facts and restate information, but rather use the information to support your analysis and recommendations.

All written work will be evaluated both for the quality of the analysis and the coherence and persuasiveness of the logic. This includes:

- careful use of facts and relevant information
- consistency between the analysis and recommendations
- the integration of arguments in various sections
- the extent to which there is an attempt to weave in theoretical concepts into the practical analysis
- the quality of writing (including spelling, grammar, organization and conciseness).

## NOTE:

- a. All written work is due at the beginning of the class and should be neatly typed (double-spaced, 1" margins, 12 characters/inch).
- b. For all written assignments, please print out a hardcopy and deliver it to me in person at the beginning of the class. In the case that you are unable to do so because you will not be in class that session, you may submit via CMD and hand in a hardcopy in the next class.
- c. Since you know the schedule well in advance, late assignments will **not** be accepted. There will be no make-ups permitted either.

## Calculation of Course Grade

In this class, *final course grades* will be determined by the following process:

Numerical grades for each evaluation component will be converted to an overall percentage grade for the course using a weighted average calculation as outlined in the “*Deliverables at a Glance*” section above.

The resulting percentage grade will then be converted to a letter grade as follows:

<http://gradstudies.yorku.ca/current-students/regulations/courses-grading#grading> (graduate students)

**These letter grades corresponds to the Schulich’s 9- value index system as discussed below.**

## General Academic Policies: Grading, Academic Honesty, Accommodations and Exams

Grades at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is C- (1). To keep final grades comparable across courses, elective courses are expected to have a mean grade between 5.2 and 6.2.

The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor.

For more details on the index, grading policy, and grade point average (GPA) requirements, consults your student handbook.

*Academic honesty* is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University’s policy on academic honesty, which may be found on the Schulich website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

*Accommodations.* For accommodations sought due to exam conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counseling & disability services, contact Student Services or see <http://www.yorku.ca/cds/>.

**Quick Reference: Summary of Classes, Activities and Deliverables**

<b>Class No., Title and Date</b>	<b>In-Class Case/Exercise</b>	<b>Reading Preparation (excluding cases and optional readings )</b>	<b>Written Preparation</b>
1. Class 1 Introduction		<ul style="list-style-type: none"> <li>• Why hard-nosed executives should care about management theory</li> <li>• Types of competition and the theory of strategy: Toward an integrative framework</li> <li>• Austrian Insights on strategic organization: From market insights to implications for firms</li> <li>• Increasing returns and the two worlds of business</li> </ul>	
2. Class 2 Industry evolution and competitive dynamics	<ul style="list-style-type: none"> <li>• HTC in 2012</li> </ul>	<ul style="list-style-type: none"> <li>• Technology strategy core curriculum</li> <li>•</li> </ul>	Write-up due before class on the day of one of the two presentations
3. Class 3 Technological innovation and strategy: Industry transformation and creative destruction		<ul style="list-style-type: none"> <li>• Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms</li> <li>• Unravelling the process of creative destruction: Complementary assets and incumbent survival in the typesetter industry</li> </ul>	
4. Class 4 Technological innovation and strategy II: The innovator and disruptor's dilemma		<ul style="list-style-type: none"> <li>• Customer power, strategic investments and the failure of leading firms</li> <li>• The disruptor's dilemma: TIVO and the US television ecosystem</li> </ul>	
5. Class 5 Corporate change and evolution I: Dynamic capabilities		<ul style="list-style-type: none"> <li>• Intraorganizational ecology of strategy making and organizational adaptation: Theory and field research</li> <li>• Trying to become a different kind of company: Dynamic capability at Smith-Corona</li> </ul>	<b>Assignment due before class on Week 5</b>
6. Class 6 Corporate change and evolution II: Managing ambidexterity in organizations		<ul style="list-style-type: none"> <li>• Organizational ambidexterity: IBM and emerging opportunities</li> <li>• Sailing into the wind: Exploring the relationships among ambidexterity, vacillation, and organizational performance</li> </ul>	

<b>Class No., Title and Date</b>	<b>In-Class Case/Exercise</b>	<b>Reading Preparation (excluding cases and optional readings )</b>	<b>Written Preparation</b>
7. Class 7 Technology entrepreneurship and strategy	<ul style="list-style-type: none"> <li>• E Ink in 2005</li> </ul>	<ul style="list-style-type: none"> <li>• The origin of alliance portfolios: Entrepreneurs, network strategies and firm performance</li> <li>• Establishing a standard: Competitive strategy and technological standards in winner-take-all industries</li> </ul>	
8. Class 8 The “digital” economy: The economics of platforms and networks		<ul style="list-style-type: none"> <li>• How companies become platform leaders</li> <li>• Industry platforms and ecosystem innovation</li> <li>• Pipelines, platforms and the new rules of strategy</li> <li>• The economic essentials of digital strategy</li> </ul>	
9. Class 9 Technology and the diversified firm	<ul style="list-style-type: none"> <li>• Sharp Technology</li> </ul>	<ul style="list-style-type: none"> <li>• The new economics of organization</li> <li>• The core competence of the corporation</li> </ul>	
10. Class 10 Managing technological acquisitions		<ul style="list-style-type: none"> <li>• Momentum and serendipity: How acquired leaders create value in the integration of technology firms</li> <li>• Economic Action Does Not Take Place in a Vacuum: Understanding Cisco's Acquisition and Development Strategy</li> <li>• Power Play</li> </ul>	
11. Class 11 Managing interfirm relations		<ul style="list-style-type: none"> <li>• Towards an integrative perspective on alliance governance</li> <li>• Creating and managing a high-performance knowledge sharing network: The Toyota case</li> <li>• Group versus group: How alliance networks compete</li> </ul>	
12. Class 12 To be decided			<b>Term paper/ project due before class on Week 12</b>

To: Faculty Council, Schulich School of Business  
From: Professor Detlev Zwick, BBA/iBBA Program Director  
Date: November 24, 2017  
Re: BBA/iBBA Program Committee Motion – ACTG 4200 3.00 Integration of mandatory research participation

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**Rationale:**

Accounting students in their fourth year take this course. In this course, students are required to apply the accounting, business, and tax knowledge acquired by them in previous classes to the multi-competency accounting cases discussed in class. Further, 85% of the final exam for the course is based on a case. The proposed change will require students to participate in two experiments each worth 1.5%. These experiments will be on accounting/tax topics, and will require the students to apply their prior accounting, business, tax knowledge in the context of experiments. Thus, the same learning objectives that are sought to be achieved by the use of the cases will now be achieved by the students participating in the experiments.

# Course Change Proposal Template

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The following information is required for all course change proposals at the undergraduate and graduate level. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).

**1. Program**

*Schulich BBA Program*

**2. Course Number and Credit Value**

*ACTG 4200 3.00*

**3. Course Title**

**a) Long Course Title**

*Contemporary Issues in Accounting*

**b) Short Course Title**

*Contemporary Issues in Accounting*

**4. Existing Pre-requisites/Co-Requisites**

*SB/ACTG 3110 3.00.*

**5. Type of Course Change (indicate all that apply)**

	<b>in course number</b>
	<b>in credit value</b> (provide course outline)
	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
	<b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	<b>in learning objectives/outcomes</b> (please append the program's existing learning outcomes as a separate document)
	<b>in integration</b> (provide statement of approval from other program)
	<b>in cross-listing</b> (provide statement of approval from other program)
	<b>in pre/co-requisite</b>
	<b>expire course</b>
x	<b>other</b> (please specify) – integration of mandatory research participation / project

**6. Effective Session of Proposed Change(s)**

*Winter 2018*

**7. Academic Rationale**

*Indicate how the proposed change will contribute to the academic objectives of the course/program. Please provide a description of the amended learning outcomes/objects for the course, if applicable. Additionally, please append the graduate program's existing learning outcomes as a separate document.*

Accounting students in their fourth year take this course. In this course, students are required to apply the accounting, business, and tax knowledge acquired by them in previous classes to the multi-competency accounting cases discussed in class. Further, 85% of the final exam for the course is based on a case. The proposed change will require students to participate in two experiments each worth 1.5%. These experiments will be on accounting/tax topics, and will require the students to apply their prior accounting, business, tax knowledge in the context of

experiments. Thus, the same learning objectives that are sought to be achieved by the use of the cases will now be achieved by the students participating in the experiments.

**8. Proposed Course Information**

*Please insert approved course information on the left, and proposed course information on the right. Please clearly and visibly indicate how course information has been changed using strikethrough (left column), bold, underlining, colours, etc. (right column).*

Existing Course Information (Change from)	Proposed Course Information (Change to)
<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>

**9. Consultation**

*For changes in integrations and cross-listings, as well as changes to courses that are integrated and/or cross-listed, please provide evidence that appropriate consultation has taken place.*

**Originator**



\_\_\_\_\_  
Signature

*October 30, 2017*

\_\_\_\_\_  
Date

Viswanath U. Trivedi

\_\_\_\_\_  
Name

Accounting

\_\_\_\_\_  
Area or Specialization

**Approvals:**

**Area or Specialization**

I have reviewed this change form and I support the proposed changes to the course.

 _____ Signature	14 November 2017 _____ Date
Cameron Graham _____ Name	Accounting _____ Area or Specialization

**Degree Program**

I have reviewed this change form and I support the proposed changes to the course.

Detlev Zwick _____ Signature	17 November 2017 _____ Date
Detlev Zwick _____ Name of Program Director	BBA/iBBA Program _____ Program

**Program Committee**

This course change has received the approval of the relevant Program Committee.

Detlev Zwick _____ Signature	24 November, 2017 _____ Date
Detlev Zwick _____ Name of Committee Chair	BBA/iBBA Program Committee _____ Committee

**Required Attachments**

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

## Course Outline

Winter 2018

Monday(s) 8:30 a.m. to 11:30 a.m., beginning January 8<sup>th</sup>, 2018 in S126 SSB

<p><b>Dr. Shanker Trivedi</b> 416-736-5066 347S Seymour Schulich Building strivedi@schulich.yorku.ca Office hours: Mon: 11:30-2:30</p>	<p><b>Faculty Secretary</b> Mary Rizzo (416)736-5066 S344K Seymour Schulich Building mrizzo@schulich.yorku.ca</p>
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**Shanker Trivedi's** research interests are in financial accounting, the accounting profession, and tax. His teaching interests are in contemporary issues in accounting and in financial accounting. He has taught at all levels; bachelors, masters, and doctoral. Shanker has published in journals such as *Experimental Economics*, and *Accounting Organizations and Society*, among others. He is also the co-author of the 6<sup>th</sup> and 7<sup>th</sup> editions of *Advanced Financial Accounting*. He has served on many committees within and outside the university setting.

## Brief Description

This course concentrates on the application of accounting theory to controversial issues in financial accounting. The topics covered vary with the changing importance of current accounting issues. Source materials include current accounting literature and the research publications of professional accounting organizations. The development of research, writing and analytical skills is emphasized.

Note: Not available to exchange students visiting Schulich.

Prerequisite: SB/ACTG 3110 3.00

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## Course Learning Outcomes

This course is the “capstone” course in accounting at the undergraduate level. Therefore, in this course students will i) apply concepts learnt in other accounting courses to multi-competency cases similar to those used in professional exams, and ii) get exposed to contemporary issues in accounting. The first objective provides students with the opportunity to apply their analytical skills and accounting and business knowledge to complex, unstructured issues. **While a total of 11 cases have been assigned for class discussion during the semester, such discussion may be substituted with guest lectures depending on scheduling and availability starting from Session # 3. This course is quite challenging and you should take this course only if you are prepared to work hard.**

While the emphasis in this class will mainly be on financial reporting, at the end of this course, students should be capable of exhibiting the following enabling and technical competencies as defined by CPA Canada:

### FIVE ENABLING COMPETENCY AREAS

- Professional and ethical behaviour
- Problem-solving and decision-making
- Communication
- Self-management
- Teamwork and leadership

### SIX TECHNICAL COMPETENCY AREAS

- Financial reporting
- Strategy and governance
- Management accounting
- Audit and assurance
- Finance
- Taxation

As pointed out above, one of the main objectives of this course is to familiarize students with and prepare them to apply accounting and business concepts in the context of multi-competency cases similar to those used extensively in the Common Final Exam (CFE) of CPA Canada. The CFE exam is a three-day exam that tests students on an individual basis making extensive use of multi-competency cases. Therefore, in this class, to test individual student’s ability to apply accounting and business concepts in the context of these multi-competency cases and to prepare students for the CFE exam, the major portion of their grade will be based on their performance on the final exam, as elaborated in further detail below.

## Deliverables at a Glance

In the table below, the impact of each task on your final grade for the course is indicated in the “% weight” column.

Assignment/Task	Quantity	% Weight	Total %	Author
Participation in Class		3% group/ 5.5% individual	8.5%	Group/individual
Participation in Experiment/Write-up	2	1.5%	3.0%	Individual
Case Writing Assignment	1	20%	20.0%	Group
Current Issues Paper and Presentation	1	20%	20.0%	Group
Final exam	1	48.5%	48.5%	Individual
			<b>100.0%</b>	

For details, see “Written Assignments/Projects and Exam[s]: Descriptions” (p.3) and “Evaluation ...” (p. 4).

## Course Material

1. CPA Canada Handbook, Canadian Institute of Certified Professional Accountants (Accounting (Parts I to IV) and Assurance )
2. Course material placed on the Course Materials Database (CMD)/Canvas..

### Course Materials Database/Canvas

Each section of a Schulich-based course has a Canvas page/CMD created within Lotus Notes. This Canvas page/CMD includes some important general information for Schulich students.

The Canvas page/CMD is used as a central bulletin board on which items will be electronically posted. Students have read-only access to the Canvas Page/CMD. **You are expected to check the Canvas page/CMD at least twice each week.** Any announcements that need to be made to the entire class will be posted, along with all lecture notes, assignments, and solutions if any.

In the past, students have found it very helpful to have common questions and answers posted to the Canvas page/CMD. When I receive a question from a student by e-mail, I will respond to it by e-mail. In addition, if the question is of likely interest to other students, I will extract the question from the e-mail (i.e. to make it anonymous) and post both the question and my response to it on the Canvas page/CMD.

### Contacting the Instructor

The best way to contact me is by e-mail. If you would like to meet with me, you can email me to set up an appointment. The time before or after regular class will work as well.

## Student Preparation for Class and Class Participation: Expectations

### ***Preparation.***

We will make extensive use of multi-competency cases in this class. Therefore, you will be required to make a significant amount of research and analysis. You will be expected to become familiar with various sources of accounting literature, including IFRS pronouncements, parts II-IV of the CPA Canada Handbook, auditing standards, and the tax code among others. You will also be required, either individually or in groups, to present your research findings to the class.

### ***Class Participation (contribution).***

Since this course requires extensive group work, you should be prepared to participate fully in group discussions, assignments and presentations. Each class will be divided into two parts. The first part will be a class discussion or presentation on current issues in accounting and/or reporting. The second part will consist of group or individual work on multi-competency cases.

## Participation in Experiment/Write-up

The two research participation requirements worth 1.5% each involve your possible participation in two separate research studies each lasting around an hour. These studies have been approved by the Human Participants Review Committee of York University. During the course of the term you will be given more information about each study and how you can participate. You may be paid for your participation based on decisions you and or others may make in the experiment. **Your participation in the experiment is completely voluntary.** If no study is scheduled this semester (you choose not to participate), you will be required (can opt to write) a short paper (one paper per study) of around 500-1,000 words (1.5-2 to 3-4 pages), depending on the length of the experiment, on a course related topic decided upon after suitable discussion with the instructor. Short papers evidencing reasonable effort will be awarded the full 1.5% of the marks allocated to them. **Note that in the case where no experiment(s) is conducted or you opt not to participate in the experiment(s) AND you choose not to submit the short papers required as the alternatives, you will not earn the 1.5% allocated to each of the two experiments.** Research is an important facet

of the university's objectives of both producing and imparting knowledge. Participation in research is an important way of learning more about the methods and theory behind knowledge production in general as well as the specific research topic at hand. Additionally, participating in such experiments provides a valuable experiential learning opportunity to the students, since they will be applying accounting, business, and tax concepts either as buyers or sellers in markets, or as economic decision makers making use of these concepts. Hence, the requirement to participate in research studies is an integral component of various courses in Schulich, spanning areas such as Marketing, Organizational Behavior, and Accounting.

## Evaluation of Written Assignments/Projects and Exams

### Group Synopsis and Participation In-Class

#### **Group Synopsis and Group Participation from Class Floor (worth 3%, beginning Jan. 22):**

Students will form themselves into groups of **two-four** members each (the exact group size will depend on the class size). Two to three groups (again, depending on the class size) will take the lead on the in-class analysis of the case assigned for that week. Typically, the in-class analysis of the case will occur during the second half of each class. Participation points will be awarded to each group based on the extent of their contribution towards the analysis of that case. This will count 3% towards your final. The instructor will lead the class through the case analysis. While the designated groups will take the lead in discussing the case from the class floor, other students can also participate in the case analysis.

Each group will submit, at the beginning of class, a one to two page synopsis of their analysis of the case assigned to them. Groups will be evaluated based on their synopsis and their analysis of the case assigned to them in class.

**Failure to submit the synopsis in time will mean loss of 50% of the participation points allocated to that particular in-class case analysis.**

#### **Individual Participation (worth 5.5%):**

You are expected to ask questions and participate in the discussion after each presentation. **You are also expected to attend the entire class in order to earn your contribution marks. YOU NEED TO BRING YOUR NAME CARD TO ENSURE THAT YOU GET YOUR CONTRIBUTION MARKS.**

#### **Case Writing Assignment (not to be presented, worth 20%, due March 5)**

This group assignment (again done in groups of **two-four** individuals) is to write a multi-competency case that would normally take a student **90-120** minutes to write. The case must include a minimum of one enabling competency and a minimum of three technical competencies. This assignment is due at the beginning of class on March 5.

Groups are allowed to have a maximum of **two-four** individuals as designated. Each group must submit the following:

- Written Case
- Written suggested response
- Resource/background material e.g. Annual Report, articles

#### **Current Issues Paper and Presentation (to be presented, worth 20%, beginning January 22)**

Each week, beginning on Jan. 22, a group of three-four students will present a current issue to the class and provide a paper on their topic. The class presentation will be allocated a maximum of 50 minutes followed by a 20-30 minute question period. The class presentation will occur at the beginning of class each week.

The topic can either be selected from those in the course outline **for the day of your presentation** or **with the approval of the instructor be a topic for another day not presented by other groups or an unlisted topic**. Topics and dates will be allocated on a first come first served basis. No duplicate topics are permitted. A sign-up sheet will be available in class. All group members must be included when a topic is signed up. You may not change the order of the topics. **The paper is due on the date of your presentation, except for the first presentation on Jan**



Grade	Contribution
0	Does not show up for class
2.00	Attends class but contributes nothing or very little
2.75	Contributes to the discussion - most of the contributions are not highly original but demonstrate basic understanding of the case or material - i.e. summarizes case facts or asks questions for clarification and is usually prepared, having read the cases before the class
4.00	Makes a significant contribution to the class by making important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed all cases prior to class, shares in class presentations, contributes to in-class group work

**ABSENCE FROM CLASS WILL MEAN A ZERO ON YOUR INDIVIDUAL PARTICIPATION POINTS FOR THAT DAY UNLESS SUCH ABSENCE IS BECAUSE OF MEDICAL REASONS (YOU WILL HAVE TO SUBMIT A SUPPORTING DOCTOR'S NOTE), OR BECAUSE OF SCHULICH SPONSORED/RELATED EVENTS (AGAIN YOU NEED TO SUBMIT SUPPORTING DOCUMENTATION). NO ALLOWANCE WILL BE MADE FOR ANY OTHER REASON, THEREFORE, PLEASE DO NOT ASK ME FOR IT.**

### Group Work

At the end of the semester, every member of a group will be required to submit a confidential report to the instructor dividing a maximum of 100 points between the members of the group, including themselves, based on the contribution of each member towards all group assignments. The total points earned by each member through this allocation process will decide the proportion of the grade from the group assignments earned by that member.

For example, assume there are four members in a group, and all members contributed equally, therefore all four members award every member of the group 25 points each. The total points awarded to each member in this case will be 100 points. Therefore, in this scenario, each member will earn the full amount of the grade earned by that group on their assignment(s). Therefore, if the group in the example above earned 86% on the assignment, each member of the group will earn 86% on that assignment.

In contrast, assume that in a group of 4, one member did not contribute much, and therefore was awarded the following points by the other three members: 10, 15 and 20, with that member awarding himself or herself 25. Therefore, the total points awarded to that member will be 70 (10+15+20+25). If the group earned 80% on the assignment, that particular member's grade for the assignment will be 80% x 70% or 56%. Since, the total of the points awarded by each member to all group members has to sum to 100, whenever one member is awarded less than their equal share, some of the other members in that group will be awarded more than 100 points. In such a case, the grade earned by such members on the assignment will be capped at 100% of the grade earned by the group on that assignment.

### General Academic Policies: Grading, Academic Honesty, Accommodations and Exams

*Grades* at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is D (2). To keep final grades comparable across courses, the average course grade within a section of an undergraduate course is normally between 5.5 and 7.0.

The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor.

For more details on the index, grading policy, and grade point average (GPA) requirements, consult your student handbook.

*Academic honesty* is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University's policy on academic honesty, which may be found on the Schulich website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

*Accommodations.* For accommodations sought due to exam conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counseling & disability services, contact Student Services or see <http://cds.info.yorku.ca/>.

*Exams (Absence from)*

*Final.* Within 24 hours of missing a final examination, students must contact the Associate Director, Undergraduate Programs Unit at (416) 736-5060 and must also contact their course instructor. Formal, original documentation regarding the reason for missing the exam must be submitted to the Associate Director, Undergraduate Programs Unit (SSB Room W262) within 48 hours of missing the final exam. Students who miss a final exam due to illness must have their doctor complete an "Attending Physician's Statement." For a copy of this document, visit <http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>.

## Quick Reference: Summary of Classes, Activities and Deliverables

The following list of lecture topics and readings indicate the material to be read, reviewed and/or prepared for the various class sessions. Some of the topics listed are tentative and not final. If any changes in this schedule become necessary, notifications will be posted in the course CMD, and where such changes need to be announced between class sessions, an email will be sent to students' Lotus Notes email accounts, notifying them of the change. The syllabus as duly changed and posted on the CMD from time to time will be final and applicable.

Session & Date	Topic/Current Topic Team Presentation	Class Discussion Case/Guest Lecture (GL)	Assignments Due
Session 1: Jan. 8	<ul style="list-style-type: none"> <li>Introduction to Course</li> <li>Competencies and Case Writing</li> </ul>		
Session 2: Jan. 15	<ul style="list-style-type: none"> <li>Current developments in the Profession</li> </ul>	C1 Vulcanzap Inc	
Session 3: Jan. 22	<ul style="list-style-type: none"> <li>Impact of Merger of Accounting Profession on the Profession, and the Globalization of Accounting: Future for Canadian Accounting Students <b>TEAM 1</b></li> </ul>	C2 Traveller Bus Lines /GL	
Session 4: Jan. 29	<ul style="list-style-type: none"> <li>Proposed Conceptual Framework for Financial Reporting; or</li> <li>Disclosure Initiative <b>TEAM 2</b></li> </ul>	C3 Cool Look Limited /GL	
Session 5: Feb. 5	<ul style="list-style-type: none"> <li>Revenue Recognition Project &amp; IFRS 15; or</li> <li>Fair Value Measurement; or</li> <li>Revaluation versus Cost Model of Valuing Property, Plant &amp; Equipment <b>TEAM 3</b></li> </ul>	C4 EuropeCo /GL	
Session 6: Feb. 12	<ul style="list-style-type: none"> <li>Financial Instruments Comprehensive Project; or</li> <li>Promises and Dangers of Cloud Computing <b>TEAM 4</b></li> </ul>	C5 Wilcon Waste /GL	
Session 7: Feb. 26	<ul style="list-style-type: none"> <li>Cultural Diversity, Immigration &amp; Changing Demographics of Canada and Prospects for Different Demographic Groups in the Accounting Profession</li> <li>Private Enterprise GAAP versus SME; or</li> <li>Not-for-Profits – Accounting and Reporting Issues <b>TEAM 5</b></li> </ul>	C6 Licensing and Registrations /GL	
Session 8: Mar. 5	<ul style="list-style-type: none"> <li>XBRLs and Architecture for the IFRS and IFRS for SMEs Taxonomies; or</li> <li>Consolidated Financial Statements, Evolution in Concept of Control, Consolidatable Entities and Strategic Investments, Equity Method of Accounting in Separate Entity Statements and Common Control Transactions <b>TEAM 6</b></li> </ul>	C7 Plex-Fame /GL	<b>Case Writing Assignment</b>

Session & Date	Topic/Current Topic Team Presentation	Class Discussion Case	Assignments Due
Session 9: Mar. 12	<ul style="list-style-type: none"> <li>• Different Career Streams/Choices for Accountants, Actual Case Studies, and What Does it Take to Get There; or</li> <li>• Business Combinations, Acquisition Method versus Older Methods, Business Combinations Under Common Control; or</li> <li>• Pension Accounting <b>TEAM 7</b></li> </ul>	C8 H20/GL	
Session 10: Mar. 19	<ul style="list-style-type: none"> <li>• Mobile Computing; or</li> <li>• Segmental Reporting and Interim Reporting; or</li> <li>• Impairment of Assets <b>TEAM 8</b></li> </ul>	C9 VCL Inc. /GL	
Session 11: Mar. 26	<ul style="list-style-type: none"> <li>• Foreign Currency Transactions and Foreign Operations; or</li> <li>• Goodwill versus Intangible Assets; or</li> <li>• Disaster Recovery &amp; Business Continuity Planning <b>TEAM 9</b></li> </ul>	C10 Totally Toys /GL	
Session 12: Apr. 2	<ul style="list-style-type: none"> <li>• Mining Industry--IFRS 6 and/or</li> <li>• IAS 41 Agriculture, and Accounting for Forestry Products; or</li> <li>• Sustainable/Value/Green Accounting <b>TEAM 10</b></li> </ul>	C11 Allentown Credit Union ./GL	
<b>FINAL EXAMINATION DATE TBA (April 9 -22)</b>			

**Bachelor of Business Administration (BBA)**  
**Schulich School of Business**  
**Program-Level Learning Outcomes**

Overall BBA Program Goal: Upon completion of this program, students should be able to assume positions of responsibility in management or management-related professions and to understand the moral and ethical responsibilities of business to society.

<b>BBA Learning Outcomes</b>	<b>The BBA degree is awarded to a student who has demonstrated:</b>
<b>1. Depth and Breadth of Knowledge</b>	A. Detailed knowledge of major disciplines used in business administration and the development of your discipline (in Canada).
	B. An understanding of how various disciplines of management intersect.
	C. An ability to gather, review, evaluate, and interpret information pertaining to a business or business- environment issue.
	D. An ability to differentiate between relevant and irrelevant information, and to apply critical skills of diagnosis, analysis, and judgment to a business-related problem or issue, (including cross-discipline issues).
	E. An understanding of the relationship between business and the environment and the role of sustainability in business practices and of the ethical responsibilities of businesses and managers.
	F. Ability to apply business concepts to make business operating decisions.
	G. An advanced knowledge of theories, tools, methods and practice in one or more disciplines of Business Administration.
	H. An understanding of one or more topics other than disciplines of business administration.
<b>2. Knowledge of Methodologies</b>	A. An understanding of theories and methods of analysis that are used for evaluating business problems.
	B. An understanding of theories and analytical methods that apply across business disciplines and that can be used to develop appropriate responses to both current and emerging issues.
	C. An ability to select the appropriate theories and methods of analysis to solve business management problems.
	D. An ability to recognize situations in which standard methods of analysis are not appropriate and to devise appropriate innovative approaches.

<p><b>3.</b> <b>Application of Knowledge</b></p>	A. The ability to apply appropriate analytical skills to numerical data and to understand and interpret the results of the analysis.
	B. An understanding of how to manage organization resources effectively and efficiently.
	C. An ability to gather, review, evaluate and interpret information pertaining to management or organizational environment issues.
	D. Ability to evaluate quantitative and qualitative information within the context of research.
	E. The ability to utilize business technology when analyzing an issue or problem.
	F. The ability to use business administration theories to develop strategy for making business decisions and solve business problems.
	G. The ability to apply critical thinking and analytical skills to complex problems and issues, including those within a specific discipline and those that cross discipline boundaries.
	H. The ability to reach actionable conclusions and recommendations that satisfy the needs of the various stakeholders.
<p><b>4. Communication Skills</b></p>	A. The ability to work effectively in groups and teams, both within a discipline and across disciplines.
	B. The ability to communicate information, analyses, and recommendations effectively to a range of audiences, both orally and in writing.
<p><b>5.</b> <b>Awareness of Limits and Knowledge</b></p>	A. Help students understand the limitations of acquired knowledge and abilities, and encourage an appreciation of the uncertainty, ambiguity, and limits to knowledge and how this might influence analyses, conclusions, recommendations and interpretations.
<p><b>6.</b> <b>Autonomy and Professional Capacity</b></p>	A. The ability to function professionally and effectively in employment, community involvement, and other activities.
	B. The ability of the student to transferskills effectively to new situations and environments.
	C. Encourage the student to drive his/her learning in changing circumstances and to demonstrate an ability to conduct independent research.
	D. An understanding of the obligation to act in a socially and ethically responsible manner at all times.

**International Bachelor of Business Administration (iBBA)**  
**Schulich School of Business**  
**Program-Level Learning Outcomes**

Overall iBBA Program Goal: Upon completion of this program, students should be able to assume positions of responsibility in management or management-related professions, equipped to function in the international business environment, cognizant of the role of business in society and the moral and ethical responsibilities thereof.

<b>iBBA Learning Outcomes</b>	<b>The iBBA degree is awarded to a student who has demonstrated:</b>
<b>1. Depth and Breadth of Knowledge</b>	A. Detailed knowledge of major disciplines used in business administration and the role of business in the international economy.
	B. An understanding of how various disciplines of management intersect.
	C. Detailed understanding of the international economic and business environment.
	D. An ability to differentiate between relevant and irrelevant information, and to apply critical skills of diagnosis, analysis, and judgment to a business-related problem or issue, (including cross-discipline issues).
	E. An understanding of the relationship between business and the environment and the role of sustainability in business practices and of the ethical responsibilities of businesses and managers.
	F. Ability to apply business concepts to make business operating decisions.
	G. An advanced knowledge of theories, tools, methods and practice in one or more disciplines of Business Administration.
	H. An understanding of one or more topics other than disciplines of business administration.
	I. Ability to adapt to and function within an unfamiliar culture.
<b>2. Knowledge of Methodologies</b>	A. An understanding of theories and methods of analysis that are used for evaluating business problems.
	B. An understanding of theories and analytical methods that apply across business disciplines and that can be used to develop appropriate responses to both current and emerging issues.

	C. An ability to select the appropriate theories and methods of analysis to solve business management problems.
	D. An ability to recognize situations in which standard methods of analysis are not appropriate and to devise appropriate innovative approaches.
<b>3. Application of Knowledge</b>	A. The ability to apply appropriate analytical skills to numerical data and to understand and interpret the results of the analysis.
	B. An understanding of how to manage organization resources effectively and efficiently.
	C. An ability to gather, review, evaluate and interpret information pertaining to management or organizational environment issues.
	D. Ability to evaluate quantitative and qualitative information within the context of research.
	E. The ability to utilize business technology when analyzing an issue or problem.
	F. The ability to use business administration theories to develop strategy for making business decisions and solve business problems.
	G. The ability to apply critical thinking and analytical skills to complex problems and issues, including those within a specific discipline and those that cross discipline boundaries.
	H. The ability to reach actionable conclusions and recommendations that satisfy the needs of the various stakeholders.
<b>4. Communication Skills</b>	A. The ability to work effectively in groups and teams, both within a discipline and across disciplines.
	B. The ability to communicate information, analyses, and recommendations effectively to a range of audiences, both orally and in writing.
<b>5. Awareness of Limits and Knowledge</b>	A. Help students understand the limitations of acquired knowledge and abilities, and encourage an appreciation of the uncertainty, ambiguity, and limits to knowledge and how this might influence analyses, conclusions, recommendations and interpretations.
<b>6. Autonomy and Professional Capacity</b>	A. The ability to function professionally and effectively in employment, community involvement, and other activities.
	B. The ability of the student to transferskills effectively to new situations and environments.
	C. Encourage the student to drive his/her learning in changing circumstances and to demonstrate an ability to conduct independent research.
	D. An understanding of the obligation to act in a socially and ethically responsible manner at all times.

To: Faculty Council, Schulich School of Business  
From: Professor Detlev Zwick, BBA/iBBA Program Director  
Date: November 22, 2017  
Re: BBA/iBBA Program Committee - SB/FINE 4800 3.00 Curriculum Change

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**Curriculum Change: SB/FINE 4800 3.00 Pre-requisite change**

**Rationale:**

Currently, one of the prerequisites for SB/FINE 4800 3.00 is SB/FINE 3200 3.00. However, there are usually a few exchange students who are admitted to the course without satisfying the prerequisites. As a result, the instructor cannot assume that concepts such as short positions, risk return trade off, risk adjusted discount factors, etc., are fully understood. Hence, these and similar concepts that are necessary for the understanding of the course must be explained. Consequently, it is possible to delete SB/FINE 3200 3.00 from the list of prerequisites for SB/FINE 4800 3.00, and require only SB/FINE 2000 3.00 and SB/MGMT 1050 3.00 (previously offered as: SB/OMIS 1000 3.00)

# Course Change Proposal Template

The following information is required for all course change proposals at the undergraduate and graduate level. To facilitate the review/approval process, please use the headings below (and omit the italicized explanations below each heading).

**1. Program**

*BBA & IBBA Programs*

**2. Course Number and Credit Value**

*SB/FINE 4800 3.00*

**3. Course Title**

**a) Long Course Title**

*Options, Futures & Other Derivative Securities*

**b) Short Course Title**

*Options, Futures & Other Derivative Securities*

**4. Existing Pre-requisites/Co-Requisites**

*Prerequisites: SB/FINE 2000 3.00, SB/FINE 3200 3.00 and SB/OMIS 1000 3.00 or SB/OMIS 2000 3.00*

*Course Credit Exclusion: AP/ECON 4410 3.00*

**5. Type of Course Change (indicate all that apply)**

	<b>in course number</b>
	<b>in credit value</b> (provide course outline)
	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
	<b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	<b>in learning objectives/outcomes</b> (please append the program's existing learning outcomes as a separate document)
	<b>in integration</b> (provide statement of approval from other program)
	<b>in cross-listing</b> (provide statement of approval from other program)
X	<b>in pre/co-requisite</b>
	<b>expire course</b>
	<b>other</b> (please specify)

**6. Effective Session of Proposed Change(s)**

*Fall 2018*

**7. Academic Rationale**

Currently, one of the prerequisites for SB/FINE 4800 3.00 is SB/FINE 3200 3.00. However, there are usually a few exchange students who are admitted to the course without satisfying the prerequisites. As a result, the instructor cannot assume that concepts such as short positions, risk return trade off, risk adjusted discount factors, etc., are fully understood. Hence, these and similar concepts that are necessary for the understanding of the course must be explained. Consequently, it is possible to delete SB/FINE 3200 3.00 from the list of prerequisites for SB/FINE 4800 3.00, and require only SB/FINE 2000 3.00 and SB/MGMT 1050 3.00 (previously offered as: SB/OMIS 1000 3.00)

**8. Proposed Course Information**

*Please insert approved course information on the left, and proposed course information on the right.*

Please clearly and visibly indicate how course information has been changed using strikethrough (left column), bold, underlining, colours, etc. (right column).

Existing Course Information (Change from)	Proposed Course Information (Change to)
<p>This course explains the way in which derivative securities such as options, futures contracts, forward contracts, swaps and interest rate caps can be valued. It discusses arbitrage relationships, risk neutral valuation, the creation of options synthetically, numerical procedures and the evaluation of credit risk.</p> <p>Prerequisites: SB/FINE 2000 3.00, <del>SB/FINE 3200 3.00, (formerly SB/FINE 4200 3.00) and SB/OMIS 1000 3.00 or SB/OMIS 2000 3.00</del></p> <p>Course Credit Exclusion: AP/ECON 4410 3.00</p>	<p>This course explains the way in which derivative securities such as options, futures contracts, forward contracts, swaps and interest rate caps can be valued. It discusses arbitrage relationships, risk neutral valuation, the creation of options synthetically, numerical procedures and the evaluation of credit risk.</p> <p>Prerequisites: SB/FINE 2000 3.00, <b>and SB/MGMT 1050 3.00 (previously offered as: SB/OMIS 1000 3.00)</b></p> <p>Course Credit Exclusion: AP/ECON 4410 3.00</p>

**9. Consultation**

N/A

**Originator**

Eliezer Prisman  
\_\_\_\_\_  
Signature

September 24, 2017  
\_\_\_\_\_  
Date

Eliezer Prisman  
\_\_\_\_\_  
Name

Finance  
\_\_\_\_\_  
Area or Specialization

**Approvals:**

**Area or Specialization**

I have reviewed this change form and I support the proposed changes to the course.

Lilian Ng  
\_\_\_\_\_  
Signature

September 24, 2017  
\_\_\_\_\_  
Date

Lilian Ng  
Name

Finance  
Area or Specialization

### Degree Program

I have reviewed this change form and I support the proposed changes to the course.

Detlev Zwick  
Signature

November 24, 2017  
Date

Detlev Zwick  
Name of Program Director

BBA/iBBA Program  
Program

### Program Committee

This course change has received the approval of the relevant Program Committee.

Detlev Zwick  
Signature

November 24, 2017  
Date

Detlev Zwick  
Name of Committee Chair

BBA/iBBA Program Committee  
Committee

### Required Attachments

For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).

For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

### Send to

Send an electronic copy of all forms and attachments, and forward emails of support from other faculty members , to the appropriate program committee secretary.

## Course Outline

Fall 2016

Tuesday, 8:30-11:30, beginning on September 12, 2017

Room: SSB S335

Instructor	Administrative Support
<p><b>Professor:</b> Eliezer Prisman  <b>Office location:</b> SSB N204D  <b>Phone:</b> 416-736-2100 Ext. 55690  <b>E-mail:</b> <a href="mailto:mqf@yorku.ca">mqf@yorku.ca</a></p> <p><b>Office hours:</b> <b>Office hours:</b>  <b>Thursday 11:30-12:30:</b> Please let me know by 11:30 via email or after class, if you are meeting with me during office hours.  <i>Other times by appointment.</i></p>	<p><b>Name:</b> Stacey-Ann Filici  <b>Office location:</b> SSB N204A  <b>Phone:</b> 416-736-2100 Ext. 55690  <b>E-mail:</b> <a href="mailto:fine@schulich.yorku.ca">fine@schulich.yorku.ca</a></p>

### Brief Description:

**One unit in this course is replaced by online eLearning.** This course explains the way in which derivative securities such as options, futures contracts, forward contracts, swaps and interest rate caps can be valued. It discusses arbitrage relationships, risk neutral valuation, the creation of options synthetically, numerical procedures and the evaluation of credit risk.

**Prerequisites:** SB/FINE 2000 3.00, and SB/MGMT 1050 3.00 (Previously offered as: SB/OMIS 1000 3.00)

**Course Credit Exclusion:** AP/ECON 4410 3.00

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## Course Learning Outcomes

This course introduces the students to basic concepts and valuation techniques of derivative securities. The course starts by underlying the valuation's foundation, namely the role of the no-arbitrage (NA) condition in a one-period setting. Thereby, it demonstrates that valuation of various financial products is done virtually in the same manner, using the same framework. It continues with the definition of options, swaps and futures (forward contracts) and their valuations in this setting, demonstrating the generic nature of their valuations. Gradually the setting is extended to a more realistic model highlighting the fact that these valuation concepts are the same even in a more realistic setting.

## Deliverables at a Glance

Assignment/Task	Quantity	% Weight	Total %	Author
Labs	9	9/16	16	Individual
Home Work	8	8/16	16	Individual
Midterm	1	23	23	Individual
Final exam	1	45	45	Individual
			<b>100%</b>	

For details, see “Written Assignments/Projects and Exam[s]: Descriptions” and “Evaluation of written Assignments”

## Course Material

The course takes a hands-on approach with the aid of a software package (associated with \*.mw files), the details of which will be explained during the first lecture. Consequently, most lectures will be divided between a theoretical lecture and a lab – a practical implementation of the theoretical material of the lecture. eLectures that encompass the **entire material** will be made available electronically to students via the CMD in a form of \*.mw files or .maple. Reading these types of files requires the free Maple Player application downloadable from

<http://www.maplesoft.com/downloads/SelectPlatform.aspx?hash=384779C9ACE623276511AAF4A135348E>.

The software package used in the course is like a word processor with a direct connection to a powerful computational engine. A library of procedures written specifically for this course is a part of the package. The use of this library simulates a professional working environment in this field. Most investment houses/brokerages/Banks have an in-house tailor made package that one had to learn (its syntax) and understand what it does, though the actual procedures are "black boxes". Generating, changing and recalculating examples in the .mw files, as well as solving Labs and HW (and not just reading the .mw files), all require the Maple software and the library. The Maple software and the library can be used on-line for free (provided you have a York passport), or locally on your PC by purchasing the Maple software and the eBook. The detailed instructions for the use of the package online and locally will be given during the first class. The PC lab S335 is equipped to read and execute the .mw files. However, for it to work properly you cannot open the .mw files by clicking on the file. **You must start the Maple application from "Start->**

All Programs->Maple" and then open the .mw file from the Maple application using the upper menu "file" followed by "open".

The weekly syllabus refers to sections of the Text eBook:

"Introduction to Derivative Securities: An interactive e-book powered by Maple", Eliezer Z. Prisman 2016. <http://www.mymathapps.com>. MyMathApps is offering a discount (US\$45 instead of US\$90) to students of this course, use the non-transferable discount code **Prisman2016**. **DO NOT BUY THE MAPLE SOFTWARE VIA <http://www.mymathapps.com>. WE HAVE A BETTER OFFER DIRECTLY FROM MAPLESOFT. SEE BELOW.**

Like the eLecture \*.mw files, reading the eBook (without the ability to recalculate or generate new .mw files) requires installing the free Maple Player application. Recalculating and generating new .mw files can be done on-line for free (provided you have a York passport). The software package can be used for free via WebFas <https://webfas.yorku.ca/Citrix/WEBFASWeb/> provided that not all licenses owned by York are in use.

If you would like to have the ability to execute the software package locally on your pc not subject to the availability of a free York license, **which is recommended as executing the files is required for solving HW**, you must buy the eBook and the Maple software. Use this (non-transferable) promotion code (TS-EP2017-P1T5V), extended only to students of this course, and purchase the Maple (student version) software package for \$60 (\$99 without our discount) from the Maplesoft's store: <https://webstore.maplesoft.com/index.aspx>.

There are many books on derivatives on the market for students who would like to consult other sources. The approach taken in this course is closest to the one used in: "An Introduction to Derivative Securities, Financial Markets, and Risk Management" Robert Jarrow and Arkadev Chatterjea, 2013, and "Derivative Securities", Robert Jarrow and Stuart Turnbull, 2000.

The *Course Materials Database (CMD)* has been created within Schulich's Lotus Notes. It contains general information for Schulich students and information and materials specific to this course. Check it frequently.

### Student Preparation for Class and Class Participation: Expectations

It is recommended that students will read the eLecture and/or the sections in the eBook corresponding to the lecture, before the class. Students should go over the posted Lab and HW solutions and make sure they are understood. Each lecture, the solutions of the Lab and HW assigned in the previous lecture, will be presented in class. If students have doubt about their solutions, they should bring it up during this time.

### Class-by-Class Syllabus

Topics, readings, and other preparations for every class are listed below

Note: If any changes in this schedule become necessary, notifications will be posted on the CMD, and when changes need to be announced between classes, an email will be sent to students' Lotus Notes email accounts, notifying them of the change.

**Lecture # 1 - 12/9:**

- Course Outline and course overview
- Equity Markets and the No-Arbitrage condition (NA) in a one period setting.
- Software introduction.

**Reading: 1.1 and 1.2**

Lab 1

HW 1:

**Lecture # 2 - 19/9:**

**Planned:**

- Solutions of HW/Lab
- Pricing by Replication
- Valuing (Pricing) 2 propositions (by Replication)
- Pricing by Stochastic Discount Factors (SDF)

**Reading: 1.3 1.4,**

Lab 2:

HW 2:

**Lecture # 3 - 26/9:**

- Solutions of HW/Lab
- Stochastic Discount Factors and Risk Neutral Probability (RNP), Pricing RNP
- Market Structure and the Risk-Free Rate
- Valuing a Propositions by the RNP
- The No-Arbitrage Condition: A Geometric Exposition (Time Permitting)

**Reading: 1.4.1 (excluding 1.4.2) and 2.1**

Lab 3:

HW 3:

**Lecture # 4 - 3/10**

- Solutions of HW/Lab
- Infinite vs. finite States of Nature: Extending the Simple Model
- Fundamentals of Options, Infinite States of Nature: Two Types of Options
- Forward Contract on a Security and on the Exchange Rate (Finite and Infinite States of Nature)

Lab 4:

HW 4: NO HW

**Lecture # 5 - 10/10: eLearning unit no in-class lecture**

- Trading Strategies
- Payoff Diagrams and Relative Pricing
- From Payoffs to Portfolios

**Reading: 4.3, 4.4, 4.5 5 (only some parts), and 6.1**

lab 5: No Lab

HW 5: Questions in eUnit

### Lecture # 6 - 17/10

- Solutions of HW/Lab (Lab 4, HW 5)
- Review major points of the eLearning unit and its solutions (HW 5)
- Equity (Asset) Swaps (Finite and Infinite States of Nature)
- **Review for the Midterm**
- Options in a one Period Binomial Model (**Review 3 ways of valuation** Time Permitting)

**Reading: 5.1 5.2, 5.3 (only some parts 6.1)**

**Lab 6** Due 31/10

HW 6: NO HW

### lecture # 7 – 24/10: Midterm Room TBA

Lab 7 No Lab

Hw7 No HW

### Lecture # 8 - 31/10:

- Sketch of the Midterm Solution
- Solutions of HW/Lab (Lab 6)
- RNP, SDF and Valuation of European Options
- Combinations Across Time (time permitting without the questions)

**Reading: 4.3, 4.4, 4.5 5 (only some parts), and 6.1**

lab 8:

HW 8:

### Lecture # 9 - 7/11:

- Solutions of HW/Lab
- Stock Price Process, Rate of Return Process & Option Value Evolutions
- Dividends and Option Pricing
- Volatility and Implied Volatility

**Reading: 6.2 (only some parts), 6.3, 6.5 ,6.8 ,13.1 and the first part of 13.2**

Lab 9:

HW 9:

### Lecture # 10 - 14/11:

- Solutions of HW/Lab
- Sensitivity Measures and Hedging with the Greeks

**Reading: Selection from 7.1-7.5 and 8.1-8.3 (only some parts)**

Lab 10:

HW 10:

### Lecture # 11- 21/11:

- Solutions of HW/Lab –
- Multi Period Binomial Model and Stock Price Process
- The Binomial Model, American Options and Their Valuation,

**Reading: Chp 12 12.1, 12.2 and 12.4 Chp 13 13.1 Chp 13 13.2 - 13.4 (only some parts)**

Lab 11:

HW 11:

## Lecture # 12 - 28/11:

- Solutions of HW/ LAB
- Continue American Options, choosing parameters in the binomial model.
- Put Call Parity and American Option, The Effect of Dividends in exercising a call option.
- Review for the final exam
- **Reading: Chp 13.1, 13.2, 13.4, 14.1**

## Written Assignments/Projects and Exam[s]: Descriptions

Homework and Labs will be assigned in most lectures. Homework must be submitted within a week prior to the lecture following the assignment date and Labs are to be submitted by the end of each lab (even if unfinished, unless notified otherwise). Homework and labs must be submitted as .mw files based on the HW and/or Lab files in the CMD. Save the original file and add your answer. HW and Lab solutions will be made available on the CMD shortly after they are due. Follow the CMD data regarding your Labs and HW submission. **If you submitted HW and or Labs and it was not credited please email Stacey- Ann fine@schulich.yorku.ca and cc me mqf@yorku.ca to inquire the reason your work was not credited. If you do not hear otherwise it generally means that your HW and Lab were credited.**

## Homework and Labs submission procedure

- Files must be submitted by e-mail from a **Schulich** or **York** email address to the Grader scampbell17@schulich.yorku.ca CC [mqf@yorku.ca](mailto:mqf@yorku.ca) and [fneng\\_assign@schulich.yorku.ca](mailto:fneng_assign@schulich.yorku.ca)
- E-mail Subject lab: 'Your Name', 'Student Number', 'lab\_#\_date', 4800
- E-mail Subject Homework: Your Name', 'Student Number', 'HW\_#\_date', 4800
- File Attached labs: Maple file name: '4800lab\_#lastname\_student#.mw'
- File Attached Homework Maple file name: '4800HW\_#lastname\_student#.mw'

The midterm exam will take place during regular class hours, with no class afterward, and the final exam will take place during the regularly scheduled examination period after the last day of class. Students should not make plans to be away from Toronto during *any* portion of the announced examination period until the dates for their specific examinations have been announced. Both the midterm and the final exams are closed book with a "crib sheet" allowed. The midterm crib sheet will be one sheet (one side) standard letter size. The final exam will cover the whole course but will focus mainly on the material covered after the midterm. The final exam crib sheet will be two sheets (one side each) standard letter size.

## Evaluation of Written Assignments/Projects and Exams

A non-submitted lab and/or homework will be assigned a zero credit unless a justified reason exists (e.g., a medical note is shown). In these cases, the credit for the lab/homework will be prorated in the calculation of the final grade. **Credit will not be given for submissions of lab and/or hw that were not submitted based on the above procedures, including correct file names etc. Late submissions are not accepted.** As long as a serious attempt is made to solve the lab and/or HW, full credit will be given even if the solution is not 100% correct.

The solution of each lab and HW will be posted on the CMD shortly after its due date/time. HW and Labs will be solved in class a week after the assignment date. Students who did not obtain full credit for a HW or a Lab will hear from the instructor or the grader. If you do not hear about your lab /hw within 2 weeks of the due date, it means that full credit was given.

There will be no makeup for the midterm. Absence from the midterm will get zero credit, unless a justified reason exists and in this case the weight of the midterm will be transferred to the final exam.

**Marking Disputes:** If you have a marking concern, you must approach me no later than one week after the material/grades have been published. Email a note indicating where the remarking is required.

### Calculation of Course Grade

This course uses numerical/percentage grades for each component of the required course work (e.g., exams). The final letter grade is converted from an overall numerical grade that is based on a weighted average of numerical grades from the following course components:

Homework	16%
Labs	16%
Midterm Examination:	23%
Final Examination:	45%
Total	100%

### General Academic Policies: Grading, Academic Honesty, Accommodations and Exams

*Grades* at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is D (2). To keep final grades comparable across courses, the average course grade within a section of an undergraduate course is normally between 5.5 and 7.0.

The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor.

For more details on the index, grading policy, and grade point average (GPA) requirements, **consult your student handbook**.

*Academic honesty* is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University's policy on academic honesty, which may be found on the **Schulich** website:

<http://schulich.yorku.ca/current-students/academic-honesty/>

*Accommodations.* For accommodations sought due to exam conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services.

For counseling & disability services, contact Student Services or see <http://www.yorku.ca/cds/>.

### *Exams (Absence from)*

*Final.* Within 24 hours of missing a final examination, students must contact the Director of Student Services at (416) 736-5060 and must also contact their course instructor. Formal, original documentation regarding the reason for missing the exam must be submitted to the <Director of Student Services, Associate Director, Undergraduate Programs Unit> (SSB Room W262) within 48 hours of missing the final exam. Students who miss a final exam due to illness must have their doctor complete an “Attending Physician’s Statement.” For more details, see:

<http://www.registrar.yorku.ca/pdf/attending-physicians-statement.pdf>.

After these two steps are completed, you may write the exam at a time to be arranged by the Finance area. If students miss the deferred exam with a legitimate reason as determined by Student Services, the student will be allowed to write the exam the next time the course is offered.

<b>Class No., Title and Date</b>	<b>In-Class Lab</b>	<b>Reading Preparation (excluding cases and optional readings)</b>	<b>Written Preparation</b>
1. Equity Markets and the No-Arbitrage condition (NA)	Lab 1	See class by class syllabus	
2. Pricing by Replication and SDF	Lab 2	See class by class syllabus	HW 1
3. SDF and Risk Neutral Probability (RNP)	Lab 3	See class by class syllabus	HW 2
4. Forward Contracts & Equity swaps,	Lab 4	See class by class syllabus	HW 3
5. Fundamentals of Options, Trading Strategies, Review for the Midterm,	Lab 5	eLearning unit no in-class lecture	HW 4
6. Payoff Diagrams and Relative Pricing,	Lab 6	See class by class syllabus	HW 5
7 Midterm, 13/10 9AM			
8. SDF, RNP and Valuation of European Options	Lab 7	See class by class syllabus	HW 6
9. Combinations Across Time Dividends and Option Pricing, Volatility and Implied Volatility	Lab 8	See class by class syllabus	HW 7
10. Sensitivity Measures and Hedging with the Greeks	Lab 9	See class by class syllabus	HW 8
11. The Binomial Model, Valuation of American Options	Lab 10	See class by class syllabus	HW 9

12. Valuation of American Options Review for the Final		See class by class syllabus	HW 10
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**Quick Reference: Summary of Classes, Activities and Deliverables**

To: Faculty Council, Schulich School of Business  
From: Professor Detlev Zwick, BBA/iBBA Program Director  
Date: November 23, 2017  
Re: BBA/iBBA Program Committee – SB/PUBL 4000 3.00 Curriculum Change

---

**Curriculum Change: SB/PUBL 4000 3.0 - course title and calendar description change**

**Rationale:**

With the recent change in directorship, the course has been thoroughly revised and updated, to better reflect current realities and trends in the government and business space. Also, a stronger managerial perspective was introduced, which replaced the earlier focus on governmental structures and processes. The new course description reflects these changes.

The course focuses primarily on the role of government as it relates to business. This is an important and valuable focus as this course is the only one in the entire curriculum that systematically introduces students to the crucial role of government in contemporary business. To better reflect the government focus of the course, it makes sense to change the title from *Business and Government* to *Government and Business*.

## Course Change Proposal Template

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1. **Program**  
Schulich BBA Program
2. **Course Number and Credit Value**  
PUBL 4000 3.00
3. **Course Title**
  - a) **Long Course Title**  
Business and Government (old)
  - b) **Short Course Title**  
Business and Government (old)
4. **Existing Pre-requisites/Co-Requisites**  
None
5. **Type of Course Change (indicate all that apply)**

	<b>in course number</b>
	<b>in credit value</b> (provide course outline)
x	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
x	<b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	<b>in learning objectives/outcomes</b> (please append the program's existing learning outcomes as a separate document)
	<b>in integration</b> (provide statement of approval from other program)
	<b>in cross-listing</b> (provide statement of approval from other program)
	<b>in pre/co-requisite</b>
	<b>expire course</b>
	<b>other</b> (please specify)

6. **Effective Session of Proposed Change(s)**  
Fall 2018

7. **Academic Rationale**

The new course title (GOVERNMENT AND BUSINESS) better reflects that this course focuses primarily on the role of government as it relates to business. It is of note that this course is the only offering in the BBA/iBBA offerings that provides students with an introduction to importance of government in the current business environment. Hence, the proposal is to keep the focus on government and to reflect this focus in the new title.

The thoroughly revised content as per new description better reflects current realities and trends in the government and business space. (Please note that the course had not been updated for many years when I took over.) The stronger managerial approach allows students to gain a better appreciation of the challenges of value creation in the public sector as well as in cross-sector collaboration.

8. **Proposed Course Information**

Existing Course Information (Change from) <i>Business and Government</i>	Proposed Course Information (Change to) <i>Government and Business</i>
<p>This course covers the process of public policy formulation and governmental planning and programming. Particular study is given to business-government relations in Canada. Through readings and case studies, this course will explore: (1) the structure and process of government; (2) the differences between managing in government and in the private sector; (3) the dominant values and concerns of government; (4) how public policy is developed and the role business can play in the process, and (5) mechanisms for business-government interactions.</p>	<p>The public sector is a major force shaping the business environment. The mission of governments is to create public value, regulating, enabling and partnering with business in the process. This course offers a strategic understanding of the role of government, and of key features of public policy and management in different contexts across the globe. It challenges students to take on the role of public managers who need to improve performance and service delivery, often in collaboration with private and social sector partners.</p>

**9. Consultation**

N/A

**Originator**

Burkard Eberlein  
\_\_\_\_\_  
Signature

August 30, 2017  
\_\_\_\_\_  
Date

Burkard Eberlein  
\_\_\_\_\_  
Name

PUBL / SGMT  
\_\_\_\_\_  
Area or Specialization

**Approvals:**

**Area or Specialization**

I have reviewed this change form and I support the proposed changes to the course.

James Darroch  
\_\_\_\_\_  
Signature

November 21, 2017  
\_\_\_\_\_  
Date

James Darroch  
\_\_\_\_\_  
Name

SGMT  
\_\_\_\_\_  
Area or Specialization

**Degree Program**

I have reviewed this change form and I support the proposed changes to the course.

Detlev Zwick	November 24, 2017
_____ Signature	_____ Date
Detlev Zwick	BBA/iBBA Program
_____ Name of Program Director	_____ Program

**Program Committee**

This course change has received the approval of the relevant Program Committee.

Detlev Zwick	November 24, 2017
_____ Signature	_____ Date
Detlev Zwick	BBA/iBBA Program Committee
_____ Name of Committee Chair	_____ Committee

**Required Attachments**

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

**Send to**

Send an electronic copy of all forms and attachments, and forward emails of support from other faculty members, to the appropriate program committee secretary.

## Course Outline

Fall 2018

Wednesday, 14:30 – 17:30  
S 123, Seymour Schulich Building

### Instructor

Professor Burkard Eberlein  
N209, Seymour Schulich Building  
416-736-2100 ext. 44592  
[beberlein@schulich.yorku.ca](mailto:beberlein@schulich.yorku.ca)  
Office hours: By appointment

### Assistant

JoAnne Stein  
N305B, Seymour Schulich Building  
416-736-2100 ext. 55087  
[jstein@schulich.yorku.ca](mailto:jstein@schulich.yorku.ca)

### Instructor Profile

Professor Burkard Eberlein is an associate professor of public policy, and Program Director, Public Sector: Business & Government. His academic background is in public administration, public policy and political science. He joined Schulich in 2005, after holding appointments at the Institut d'Etudes Politiques de Paris, Technical University of Munich, and University of Konstanz. He serves on the Senior Advisory Panel of the Auditor General of Ontario.

### Brief Course Description

The public sector is a major force shaping the business environment. The mission of governments is to create public value, regulating, enabling and partnering with business in the process. This course offers a strategic understanding of the role of government, and of key features of public policy and management in different contexts across the globe. It challenges students to take on the role of public managers who need to improve performance and service delivery, often in collaboration with private and social sector partners.

Prerequisites: None

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## Course Learning Outcomes

The public sector and public policies deeply affect how today's businesses operate—governments at different levels set the rules of the game for market activities, regulate corporate conduct, provide infrastructure (education, transportation, etc.) and business support, while increasingly relying on a web of contracts and partnerships with the private and not-for-profit sectors to deliver services.

The course enables students to acquire a nuanced understanding of the role of government as regulator, enabler, and partner of business by taking the role of public managers whose mission is to create public value, often in collaboration with the private and social sectors. Students learn to appreciate the complexities and tensions of managing in the public sector, including the political context of governmental decision-making. They also learn to develop practical proposals to address public policy issue through networked government, driving for enhanced public value in collaboration with multiple players.

In the **first** part of the course, we will (1) introduce the changing role of government for business, (2) present the characteristics of managing in the public sector, (3) identify broader trends in public management and governance, and (4) discuss the importance of culture, context and capacity to fully understand the varying ways in which different governments across the globe operate in practice. The **second** part of the course focuses on strategies for public managers to improve performance, from goal setting to execution to change management and sourcing decisions. The **third** part focuses on managing horizontally, with other public agencies and with external partners in the for-profit and not-for-profit sectors. This involves several areas of leadership for public value: articulating a clear purpose, engaging stakeholders, building winning coalitions, and managing partnerships.

Upon completion of this course, students should hence be able to:

- Appreciate the complex role of governments as regulator, enabler and partner of business;
- Appreciate the key characteristics of public sector management, strategic implications of broader public sector trends, and the importance of context in shaping government practice in different ways across the globe;
- Identify and assess the requisite steps and tools to improve performance and to drive innovation within a public sector context;
- Design a concrete public sector strategy to enhance public value with regard to a specific issue or program, in collaboration with internal and external partners;
- Develop strategies for private sector leaders to successfully engage the public sector, based on a deeper understanding of the latter; and
- Develop or hone research skills through a term paper assignment

More generally, the course will help students strengthen their writing, team-working and presentation skills as well as facilitate the learning of others through class participation and discussion.

## Deliverables at a Glance

The final grade for the course will be based on the following items weighted as indicated.

Assignment/Task	Quantity	% Weight	Total %	Author
Term Paper	1	40	40	Individual
Term Paper progress reports	3	10	30	Individual
Current Events Presentation	1	10	10	Group
Course Contribution/Participation	12	1.66	<u>20</u>	Individual
			<b>100%</b>	

For details, see “Written Assignments/Projects and Exam[s]: Descriptions” (p. 13).

## Course Material

There is **no required textbook for this course**. Required readings are available through the online **course reserves list** on the York University Library website and in the **course kit**.

To access the online reserve list:

1. Go to <http://www.library.yorku.ca/>
2. Select the “Course Reserves” tab above the search box
3. Enter “PUBL 4000” as your search term, or select instructor’s name (Eberlein) as search term and then select PUBL 4000 as the appropriate course

Please note that due to copyright restrictions students will need to access some of the readings individually on the York University Library website due to copyright restrictions. This is particularly true for the Harvard Business Review (HBR), which no longer allows us to put its publications online or create permanent links. Also, some HBR articles will be read-only, i.e. you might not be able to print, save or e-mail them. The following guide explains how to access these articles: <http://researchguides.library.yorku.ca/HBR>.

**A package of additional reading materials including articles and cases has been prepared to supplement the online readings. The materials have been assembled into a course kit. These kits are available through the York University Bookstore.**

Finally, a **Course Materials Database (CMD)** has been created within Schulich’s Lotus Notes. It contains general information for Schulich students. In addition, for this course, powerpoint slides and other course material will be posted on the CMD.

## Student Preparation for Class and Class Participation: Expectations

Students are expected to attend all sessions, prepare the assigned readings, participate actively in class discussions, complete all assignments and hand them in on time.

The value of class sessions depends greatly on student involvement and input. Students are encouraged to prepare well for every class and during class, to concentrate on making significant contributions to discussions.

**Preparation.** You are expected to have read the assigned material and developed responses to the study (“prep”) questions. Read the material in the order listed in the “Class-by-Class Syllabus.” The amount of reading varies by class, so plan accordingly. At the same time, while reading lists for some classes look long, the individual items may be short so do not assume equal length. Please do all of the “read” assignments for class; doing “supplementary” reading is very useful but it is up to you.

**Class Participation (contribution).** “Significant contributions” add depth and challenge or redirect discussion rather than simply providing factual information. In every class, the quality and quantity of your verbal remarks will be evaluated. These will be recorded every week. The evaluation system follows the Schulich Grading System (0-9) and will be assessed each week. The grade earned will depend upon the overall quality of the set of your contributions. (A student can earn as much from one high quality comment as from three comments of low quality.) If you want to discuss your class performance at any time, please contact the instructor.

## Class-by-Class Syllabus

Topics, readings, and other preparations for every class are listed below:

Note: If any changes in this schedule become necessary, notifications and an updated outline will be posted on the CMD, and when changes need to be announced between classes, an email will be sent to students' Lotus Notes email accounts, notifying them of the change.

<p><b>Week 1</b></p> <p><b>Part I.</b></p> <p><b>CONTEXT</b></p>	<p><b><u>How government is (not) changing, and why it matters for business</u></b></p> <p>This class will address four main questions:</p> <ul style="list-style-type: none"> <li>• How have globalization, digitization, market reforms, and empowered citizens changed the role of governments in society?</li> <li>• What is government good at, and what is it less good at?</li> <li>• How does 'politics' drive decision-making in government?</li> <li>• How do governments and the public sector affect business?</li> </ul> <p><b>Required Readings:</b></p> <p>Kamarack, E. 2007. <i>The End of Government ...as we know: Making Public Policy Work</i>. Lynne Rienner Publishers, chapter 1 (The Revolution in Governing), pp. 1-13. <b>(KIT)</b></p> <p>Goldsmith, S. and Eggers, W.D. 2004. <i>Governing by Network</i>, chapter 1 (The New Shape of Government), pp. 3-24. <b>(RESERVES, E-Book)</b></p> <p><b>Required Mini-Case: Uber and Government: Regulating the Sharing Economy</b></p> <p><a href="https://www.wsj.com/articles/eu-court-says-uber-is-transport-company-and-could-need-national-licenses-1494492364">https://www.wsj.com/articles/eu-court-says-uber-is-transport-company-and-could-need-national-licenses-1494492364</a></p> <p><a href="https://www.theglobeandmail.com/news/national/innisfil-ont-partners-with-uber-to-provide-public-transit-service/article34989336/">https://www.theglobeandmail.com/news/national/innisfil-ont-partners-with-uber-to-provide-public-transit-service/article34989336/</a></p> <p>For background:</p> <p>Shifting Perspectives: Redesigning Regulation for the Sharing Economy, Public Report, March 2016, MarRS Solution Lab, MaRS, available at <a href="http://www.marsdd.com">www.marsdd.com</a></p> <p><b>Supplementary Material:</b></p> <p>Savoie, D. 2015. <i>What is Government Good At? A Canadian answer</i>, McGill Queens University Press, chapter 11 (Good at What?), pp. 237-260. <b>(RESERVES, E-Book)</b></p> <p>Salamon, L. 2002. The New Governance and the Tools of Public Action: An Introduction, in: L. Salamon (ed.), <i>The Tools of Government: A guide to the new governance</i>, Oxford University Press. <b>(RESERVES)</b></p>
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<p><b>Week 2</b></p>	<p><b><u>Defining the public mission: creating public value</u></b></p> <p>This class will address three main questions:</p> <ul style="list-style-type: none"> <li>• What is the nature of value creation in government?</li> <li>• How is public management similar to or different from managing in the private and not-for-profit sector?</li> <li>• How to define and measure public value in a world of conflicting goals and competing interests?</li> </ul> <p><b>Required Readings:</b></p> <p>Moore, M. H. 2000. Managing for Value: Organizational Strategy in For-Profit, Nonprofit, and Governmental Organizations. <i>Nonprofit and Voluntary Sector Quarterly</i>, 29: 183-208. <b>(RESERVES)</b></p> <p>Moore, M.H. 2013. <i>Recognizing Public Value</i>. Harvard University Press, Introduction, pp. 1-18, and Appendix, pp. 419-421. <b>(KIT)</b></p> <p>Kavanagh, S. 2014 Defining and Creating Value For the Public, <i>Government Finance Review</i>, October,  <a href="http://www.gfoa.org/sites/default/files/GFROct1457_0.pdf">http://www.gfoa.org/sites/default/files/GFROct1457_0.pdf</a></p> <p><b>Required Case:</b></p> <p><b>Toronto Transit Commission (TTC) – Challenges of Public Value Creation</b>  <a href="http://www.cbc.ca/news/canada/toronto/programs/metromorning/ttc-named-best-transit-system-north-america-1.4178574">http://www.cbc.ca/news/canada/toronto/programs/metromorning/ttc-named-best-transit-system-north-america-1.4178574</a>  <a href="https://www.thestar.com/news/gta/2016/07/24/ttc-faces-perfect-storm-with-costs-rising-ridership-slumping.html">https://www.thestar.com/news/gta/2016/07/24/ttc-faces-perfect-storm-with-costs-rising-ridership-slumping.html</a>  <a href="https://www.thestar.com/opinion/commentary/2016/07/22/what-the-critics-get-wrong-about-the-ttc-josh-colle.html">https://www.thestar.com/opinion/commentary/2016/07/22/what-the-critics-get-wrong-about-the-ttc-josh-colle.html</a>  <a href="http://www.economist.com/news/americas/21714403-he-may-encounter-roadblocks-torontos-mayor-tries-improve-transport">http://www.economist.com/news/americas/21714403-he-may-encounter-roadblocks-torontos-mayor-tries-improve-transport</a></p> <p><b>Supplementary Material:</b></p> <p>Moore, M.H. 2013. <i>Recognizing Public Value</i>. Harvard University Press, Introduction &amp; Chapter 1 (pp. 1-71) <b>(RESERVES)</b></p> <p>Leonard, H.B. 2002. <i>A Short Note on Public Sector Strategy-Building</i>. Harvard Business School, May 2002  <a href="http://isites.harvard.edu/fs/docs/icb.topic849455.files/Strategic%20Planning/LeonardNote%20on%20Strategy%202006%2001%2016.doc">http://isites.harvard.edu/fs/docs/icb.topic849455.files/Strategic%20Planning/LeonardNote%20on%20Strategy%202006%2001%2016.doc</a></p> <p>Rainey, Hal G. 2003. <i>Understanding and Managing Public Organizations</i>. San Francisco: Jossey-Bass, chapter 3 (What makes public organizations distinctive), pp. 55-78. <b>(RESERVES)</b></p>
<p><b>Week 3:</b></p>	<p><b><u>Reforming government: beyond the ‘New Public Management (NPM)’</u></b></p> <p>This class will primarily address three questions:</p>

	<ul style="list-style-type: none"> <li>• Why is it so difficult to ‘improve’ the management and performance of government?</li> <li>• What is the record of attempts to make governments more like business?</li> <li>• How are new trends of co-production and partnership changing the role of government?</li> </ul> <p><b>Required Readings:</b>  Savoie, D. 2015. <i>What is Government Good At? A Canadian answer</i>, Montreal: McGill Queens University Press, chapter 9 (Why are things so complicated?), pp. 191-210. <b>(RESERVES, E-Book)</b></p> <p>Blum, J., Manning, N. &amp; Srivastava, V. (2012). <i>Public Sector Management Reform: toward a problem-solving approach</i>. The World Bank/ Economic Premise, December, no. 100, p. 1-9.  <a href="http://siteresources.worldbank.org/EXTPREMNET/Resources/EP100.pdf">http://siteresources.worldbank.org/EXTPREMNET/Resources/EP100.pdf</a></p> <p><b>Required Case:</b>  Legacy of NPM in New Zealand: Lessons?</p> <p>Obong’o, S. &amp; Wilkins, J. 2014. Good practice in public sector reform. <i>FMI Journal</i>, Spring 2014, Volume 25, No. 2, 37-40. <a href="http://fmi-igf.ca/ejournal/2014-05/en/#2">http://fmi-igf.ca/ejournal/2014-05/en/#2</a></p> <p>Schick, A. 1998. Why Most Developing Countries Should Not Try New Zealand Reforms, <i>World Bank Research Observer</i>, 13(1) February 1998, pp. 123 – 131.  <a href="http://elibrary.worldbank.org/doi/abs/10.1093/wbro/13.1.123">http://elibrary.worldbank.org/doi/abs/10.1093/wbro/13.1.123</a> <b>RESERVES</b></p> <p><b>Supplementary Material:</b>  Bourgon, J. 2011. <i>A New Synthesis of Public Administration</i>. Montreal: McGill Queens University Press, chapters 1-3, pp. 1-57 <b>(RESERVES)</b>  Schuck, P.H. 2014. <i>Why Government fails so often: And how it can do better</i>. Princeton University Press <b>(RESERVES)</b></p>
<p><b>Week 4</b></p>	<p><b><u>Culture, context, and capacity: how they determine what governments (can) do</u></b></p> <p>This class will address four issues:</p> <ul style="list-style-type: none"> <li>• Which context factors are responsible for how well governments govern?</li> <li>• Is economic prosperity a necessary condition for ‘good governance’?</li> <li>• How should we assess models that deliver prosperity without democratic governance?</li> <li>• What can/ should other jurisdictions learn from the Singapore experience?</li> </ul> <p><b>Required Readings:</b>  Micklethwait, J. and Wooldridge, A. 2014. <i>The Fourth Revolution: the Global Race to Reinvent the State</i>. Penguin Press, chapter 6 (The Asian Alternative), pp. 133-166.  <b>(chapter in KIT; entire book on RESERVES)</b></p> <p><b>Required Case:</b></p>

	<p>Singapore Inc., HBS Case 9-703-040 (2006) <b>(KIT)</b></p> <p><b>Supplementary Material:</b></p> <p>Adolino, J.R. and Blake, Ch. 2011. Comparing Public Policies, CQ Press, Chapters 2 (Theories of Policy Making) and 3 (Political and Economic Dynamics) pp. 31-76. <b>(RESERVES)</b></p>
<p><b>Week 5</b></p> <p><b>Part II.</b> <b>PERFORMANCE</b></p>	<p><b><u>Strategic planning, goal setting and leadership for public value</u></b></p> <p>This class will address three main questions:</p> <ul style="list-style-type: none"> <li>• Who sets the mission and broad goals for public sector entities?</li> <li>• Which type of leadership is required to garner support for a public sector strategy?</li> <li>• How do ethical leaders reconcile public value and public service values?</li> </ul> <p><b>Required Readings:</b></p> <p>Bryson, J.H. and Alston, F.K. 2011. Creating your strategic plan: a workbook for public and non-profit. San Francisco: Jossey-Bass, Part 1: Introduction &amp; The Context and Process of Strategic Change. <b>E-book YorkU Library</b></p> <p>Kernaghan, K. and Langford, J. 2014. <i>The Responsible Public Servant Revisited</i>. Canadian Government Executive, September, Volume 20, Issue 7  <a href="http://www.canadiangovernmentexecutive.ca/category/item/1628-the-responsible-public-servant-revisited.html">http://www.canadiangovernmentexecutive.ca/category/item/1628-the-responsible-public-servant-revisited.html</a></p> <p><b>Required Case:</b></p> <p>Dora Nakulyini at NAFDAC: The Challenges of Changing a Government Agency, 413-084-1, Lagos Business School 2013 <b>(KIT)</b></p> <p><b>Supplementary Material:</b></p> <p>Bryson, J. M. 2011. Strategic Planning for Public and Nonprofit Organizations. San Francisco: Jossey-Bass, chapter 2 (The Strategy Change Cycle), pp. 41-80. <b>(RESERVES)</b></p> <p>Kernaghan, K. and Langford, J. 2014. The Responsible Public Servant (2<sup>nd</sup> edition). IPAC. <b>(RESERVES)</b></p>
<p><b>Week 6</b></p>	<p><b><u>Improving service delivery</u></b></p> <p>This class will address three issues:</p> <ul style="list-style-type: none"> <li>• Why does government need to focus on services to business, not just to citizens?</li> <li>• How can governments harness new ICTs to improve service delivery?</li> <li>• What capacities should governments develop to systematically examine programs and services?</li> </ul>

	<p><b>Required Readings:</b></p> <p>Dean, T. 2015. Building Better Public Services: A Guide for Practitioners. Friesen. Chapters 6 &amp; 7, pp. 77-126. (chapters in <b>KIT</b>; entire book on <b>RESERVES</b>)</p> <p>Wilkins, J. 2011. Alternative Service Delivery Revisited. Commonwealth Secretariat. Discussion Paper 10, March, 1-11. <a href="http://www.thecommonwealth-library.org/fr/commonwealth/governance/alternative-service-delivery-revisited_5k3w8fb9pb27-en">http://www.thecommonwealth-library.org/fr/commonwealth/governance/alternative-service-delivery-revisited_5k3w8fb9pb27-en</a></p> <p><b>Required Case:</b></p> <ul style="list-style-type: none"> <li>• ‘Taking Care of Business’ Survey <a href="http://canadiangovernmentexecutive.ca/dig/22_08/html/?pg=18">http://canadiangovernmentexecutive.ca/dig/22_08/html/?pg=18</a></li> <li>• The World Bank press release on Doing Business 2017 <a href="http://www.worldbank.org/en/news/press-release/2016/10/25/record-number-of-economies-carried-out-business-reforms-in-past-year-doing-business">http://www.worldbank.org/en/news/press-release/2016/10/25/record-number-of-economies-carried-out-business-reforms-in-past-year-doing-business</a>.</li> </ul> <p>‘Taking Care of Business’</p> <p>Institute for Citizen-Centred Service. Citizens First 7. <a href="http://www.iccs-isac.org/research/citizens-first/citizens-first-7/?lang=en">http://www.iccs-isac.org/research/citizens-first/citizens-first-7/?lang=en</a></p> <p>Institute for Citizen-Centred Service. Taking Care of Business 4. <a href="http://www.iccs-isac.org/research/taking-care-of-business/taking-care-of-business-4/?lang=en">http://www.iccs-isac.org/research/taking-care-of-business/taking-care-of-business-4/?lang=en</a></p> <p>World Bank. 2016. Doing Business 2017. <a href="http://www.doingbusiness.org/reports/global-reports/doing-business-2017">http://www.doingbusiness.org/reports/global-reports/doing-business-2017</a></p>
<p><b>Week 7</b></p>	<p><b><u>Performance measurement and change management</u></b></p> <p>This class will address three main questions:</p> <ul style="list-style-type: none"> <li>• Who benefits from measuring performance, and how?</li> <li>• How do ‘political realities’ influence performance management?</li> <li>• Why is implementing change so tough, and what can be done to manage for results?</li> </ul> <p><b>Required Readings:</b></p> <p>Poister, T.H. Aristigueta, M.P. and Hall, J.L. Managing and Measuring Performance in Public and Nonprofit Organizations. Jossey-Bass/Wiley, 2015, pp. 88-154 (chapters 4 &amp; 5) (<b>E-Book YU library</b>)</p> <p>Kaplan, R. and Norton, D. 2007. <i>Using the Balanced Scorecard as a Strategic Management System</i>. Harvard Business Review 85 (7/8), 150-161.</p>

	<p><b>Required Case:</b></p> <ul style="list-style-type: none"> <li>• Negotiation Exercise: Service Agreements (<i>Practice Field: Making Performance Matter in Services</i> (David Osborne and the Public Strategies Group, Inc.) – material provided in class</li> </ul> <p><b>Supplementary Material:</b></p> <p>Institute of Public Administration of Canada. IPAC Award for Innovative Management. <a href="http://www.ipac.ca/IM-Home">http://www.ipac.ca/IM-Home</a></p> <p>Treasury Board of Canada Secretariat. Directive on Performance Management. <a href="http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=27146&amp;section=text">http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=27146&amp;section=text</a></p>
<p><b>Week 8</b></p>	<p><b><u>Outsourcing: privatization and deregulation</u></b></p> <p>This class will address the following issues:</p> <ul style="list-style-type: none"> <li>• How do business and government view make/buy decisions differently?</li> <li>• What choices are available in the outsourcing continuum?</li> <li>• Under which conditions can privatization be said to further the public interest?</li> </ul> <p><b>Required Readings:</b></p> <p>Osborne, D. &amp; Gaebler, T. 1992. <i>Reinventing Government</i>, Addison-Wesley Publishing, Appendix A: Alternative Service Delivery Options (pp. 332-347) (<b>KIT</b>)</p> <p>Boardman, A. &amp; Vining, A. 2012. A Review and Assessment of Privatization in Canada, SPP Research Papers, University of Calgary, 5(4), January. 28 pages (<a href="http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2000172">http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2000172</a>)</p> <p>Seymour, R. 2012. A Short History of Privatisation in the UK. The Guardian, 29 March 2012 (<a href="http://www.theguardian.com/commentisfree/2012/mar/29/short-history-of-privatisation">http://www.theguardian.com/commentisfree/2012/mar/29/short-history-of-privatisation</a>)</p> <p><b>Required Case:</b></p> <p>2015 Privatization of Hydro One</p> <p>Ontario Auditor’s General Report Fall 2015: <a href="http://www.auditor.on.ca/en/content/annualreports/arbyyear/ar2015.html">http://www.auditor.on.ca/en/content/annualreports/arbyyear/ar2015.html</a></p> <p>(sections 3.05 and 3.06)</p> <p><a href="http://www.theglobeandmail.com/news/politics/hydro-one-ontarios-privatization-plan-explained/article24743446/">http://www.theglobeandmail.com/news/politics/hydro-one-ontarios-privatization-plan-explained/article24743446/</a></p> <p><a href="http://www.theglobeandmail.com/report-on-business/wynnes-quest-for-full-valuethe-">http://www.theglobeandmail.com/report-on-business/wynnes-quest-for-full-valuethe-</a></p>

	<a href="http://long-road-to-privatization/article23461789/">long-road-to-privatization/article23461789/</a>
<p><b>Week 9</b></p> <p><b>HOLD FOR FIELD TRIP CITY HALL OR QUEEN'S PARK</b></p> <p><b>Part III. COLLABORATION</b></p>	<p><b><u>Horizontal public management and networked governance</u></b></p> <p>This class will primarily address two questions:</p> <ul style="list-style-type: none"> <li>• Why is a coordinated, 'whole-of-government' approach necessary to tackle complex societal issues, and why is it so difficult to achieve?</li> <li>• How can collaboration within and across sectors ('networked governance') create public value?</li> </ul> <p><b>Required Readings:</b></p> <p>Dean, T. 2015. <i>Building Better Public Services. A Guide for Practitioners</i>. Friesen, chap. 3 (The Architecture of Government, pp. 15-25) chap. 7 (Integrated Service Delivery in Canada and the United Kingdom) pp. 93-128. (chapters in <b>KIT</b>, entire book on <b>RESERVES</b>)</p> <p>Goldsmith, S. &amp; Eggers, W.D. 2004. <i>Governing by Network</i>, Brookings, chap. 5: Ties that bind, pp. 93-119. (<b>RESERVES, E-Book</b>)</p> <p><b>Required Case:</b></p> <p>2015 Toronto PanAm Games as challenge of coordination within and across governments</p> <p><a href="http://www.ipac.ca/documents/Backgrounder-PanAmGames.pdf">www.ipac.ca/documents/Backgrounder-PanAmGames.pdf</a></p> <p><a href="http://www.blueline.ca/articles/policing_the_pan-am_games">http://www.blueline.ca/articles/policing_the_pan-am_games</a></p> <p><a href="http://www.auditor.on.ca/en/content/specialreports/specialreports/2015panam_june_2016_en.pdf">http://www.auditor.on.ca/en/content/specialreports/specialreports/2015panam_june_2016_en.pdf</a></p> <p><b>Supplementary Material:</b></p> <p>Donahue, J.D. &amp; Zeckhauser, R.J. 2011. <i>Collaborative Governance</i>. Princeton University Press. (<b>RESERVES</b>)</p> <p><b>To be confirmed:</b></p> <p><b>Guest Speaker: Saad Rafi, former CEO 2015 Toronto Pan Am / Parapan Am Games</b></p>
<p><b>Week 10</b></p>	<p><b><u>Entrepreneurship and driving change in government</u></b></p> <p>This class will address three questions:</p> <ul style="list-style-type: none"> <li>• Can we expect governments to become more entrepreneurial?</li> <li>• What are the prerequisites for sustainable change?</li> <li>• Who is responsible for ensuring accountability in collaborative ventures?</li> </ul> <p><b>Required Readings:</b></p> <p>Hisrich, R.D.&amp; Al-Dabbagh. 2013. <i>Governpreneurship: Establishing a Thriving Entrepreneurial Spirit in Government</i>. Edward Elgar, chap. 1 (Entrepreneurship in</p>

	<p>the Public Sector), pp. 1-22 and Appendix HUG Geneva University Hospital, pp. 240-49 <b>(KIT)</b></p> <p>Kotter, J. 1995. Leading Change: Why Transformation Efforts Fail. <i>Harvard Business Review</i> March April, pp. 59-67. <b>(Please note: cannot be linked directly due to copyright reasons!)</b></p> <p><b>Required Case:</b></p> <p>Majeed, R. 2012. Building a Culture of Results: Institutionalizing Rapid Results Initiatives in Kenya, 2005 – 2009. Innovation for Successful Societies; Princeton University. (<a href="http://successfulsocieties.princeton.edu/publications/building-culture-results-institutionalizing-rapid-results-initiatives-kenya-2005-2009">http://successfulsocieties.princeton.edu/publications/building-culture-results-institutionalizing-rapid-results-initiatives-kenya-2005-2009</a>)</p> <p><b>Supplementary Material:</b></p> <p>Kotter, J. 1996. Leading Change. Harvard University Press. <b>(RESERVES, E-Book)</b></p> <p>Wilkins, J. 2013. ‘Stewardship of Public Service Renewal and Reform’. <i>FMI Journal</i>, Autumn 2013, Volume 25, No. 1, 27-30. <a href="http://fmi-igf.ca/ejournal/2013-11/en/#26">http://fmi-igf.ca/ejournal/2013-11/en/#26</a></p>
<p><b>Week 11</b></p>	<p><b>Public-Private-People Partnerships</b></p> <p>This class will consider the following issues:</p> <ul style="list-style-type: none"> <li>• What is the role of the different stakeholders in a partnerships?</li> <li>• How is a cross-sector partnership created?</li> <li>• How to analyze its strengths and weaknesses?</li> <li>• How to ensure its success and possible expansion?</li> </ul> <p><b>Required Readings:</b></p> <p>Siemiatycki, M. and Farooqi, N. 2012. Infrastructure Public-Private Partnerships: Delivering Value for Money? <i>Journal of the American Planning Association</i>, 78:3, 283-299. <b>(RESERVES)</b></p> <p>Eggers, W.D. &amp; Macmillan, P. 2013. <i>The Solution Revolution. How Business, Government and Social Enterprises are teaming up to solve society’s toughest problems</i>, Harvard Business Review Press, Introduction, pp. 1-16. <b>(KIT)</b></p> <p><b>Required Case:</b> Lesotho Hospital and Filter Clinics: A Public-Private Partnership, Harvard Kennedy School (1999.0), 2013 <b>(KIT)</b></p> <p><b>Supplementary Material:</b></p> <p>Canadian Council for Public-Private Partnerships <a href="http://www.pppcouncil.ca">www.pppcouncil.ca</a></p> <p>Conference Board of Canada. 2013. Canada as a Global Leader: Delivering Value through Public-Private Partnerships at Home and Abroad, Report, August 2013, available at: <a href="http://www.infrastructure.alberta.ca/documents/14-004_P3Leader_RPT_-_08_21_13.pdf">http://www.infrastructure.alberta.ca/documents/14-004_P3Leader_RPT_-_08_21_13.pdf</a></p> <p>Yong, H.K. (ed.). 2010. <i>Public-Private Partnerships Policy and Practice: A Reference Guide</i>. Commonwealth Secretariat.</p>

<p><b>Week 12</b></p>	<p><b><u>Presentations of Term Papers</u></b></p> <p>This class will conclude course learning:</p> <ul style="list-style-type: none"> <li>• To what extent have the course learning outcomes been achieved?</li> <li>• What lessons can be taken away from applied learning projects?</li> <li>• How can we translate insights about governments to effective business-government relationship management going forward?</li> </ul> <p><b>Required Readings:</b> N/A</p> <p><b>Required Case:</b> N/A</p> <p><b>Supplementary Material:</b> N/A</p> <p>Term Paper Presentations Course Review and Wrap-up</p>
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**Written Assignments and Projects: Description and Evaluation**

The following provides an overview of the expectations for all the assignments in this course and the way they will be evaluated. Late assignments are not accepted and will receive an F grade (0 grade points).

**Individual Term Paper: Enhancing Public Value (40%)**

**Due Date: December 11, 2017**

Each student selects a specific and **current public policy issue** that governments would typically be expected to address but that also offers **opportunities to engage the private sector**. Examples are the development of the waterfront in Toronto, the challenge of providing home care for an aging population, or the development of a network of charging stations for electric vehicles.

Students have two options regarding the perspective from which they may research the topic.

(1) They are expected to adopt a **public managers’ perspective** and (a) determine the current ‘public value account’ for the issue and public policy at hand and (b) to make specific, actionable recommendations to **enhance public value, taking into account the involvement of other players**. Put differently, students should research how the specific public policy issue is being addressed now (by which levels and agencies of government, with which tools, with which results, etc.); and how ‘public value’ with regard to this issue could be enhanced, notably through the engagement with private or social sector partners.

(2) They are expected to adopt the perspective of a firm or industry that is affected by government policy and regulation as it relates to the topic selected. They should (a) determine which ‘public value’ rationale motivates current (or prospective) public policy and how this policy affects the private interests of firms or industries and (b) make specific, actionable recommendations how firms or industry associations

should engage with relevant government agencies to advance their interests, for example through partnerships, self-regulation, or lobbying.

Students may employ various tools such as the public value scorecard (Moore, M.H. 2013. *Recognizing Public Value*. Harvard University Press, on course reserves) or the Balanced Scorecard, to conduct their analysis. They will also consider building coalitions and engaging in partnerships with the goal to enhance public value.

**Maximum length:** 20 pages, double-spaced, 12-point font, 1-inch margins, exclusive of bibliography and appendices.

More details will be provided in class or on the CMD.

**Term Paper Progress Reports (10% each, 30% total)**

**Due Dates September 27, October 25, and November 29**

Students will submit three written progress reports at the proposal, research, and report stages of their papers.

Maximum length: 1 page, single-spaced, 12-point font, 1-inch margins

**Assignments will be evaluated on the basis of five common criteria:**

1. Presentation of sound, clear, and coherent argumentation;
2. Demonstrated understanding of the issues under consideration;
3. Depth, breadth, and quality of analysis;
4. Originality of approach, arguments, observations, and insights; and
5. Professional presentation (as applicable) – length (pages, time), abstract, formatting, grammar, spelling, bibliography.

**Term Paper.** Content and development requirements will be reviewed in class. Papers will be assessed using the criteria above. The outline below can be used as a template to organize the paper. Late papers will be penalized a minimum of one letter-grade level, subject to applicable University policies.

EXECUTIVE SUMMARY (<1 page)

INTRODUCTION (<5 pages)

- Background [2]
- Problem Definition [2]
- Purpose [2]
- Scope [2]
- Literature Review [2]

FINDINGS (<10 pages)

[Analysis and discussion structured according to topic, approach, and question selected]

CONCLUSION (<4 pages)

- Conclusions [5]
- Recommendations [5]

**Term Paper Progress Reports.** Progress reports will be assessed with reference to the criteria above, with weights allocated equally according to the progressive stages described below. Late or missing reports will be penalized, subject to applicable University policies.

- |   |           |
|---|-----------|
| 1. Proposal stage – focus on Introduction section | 10        |
| 2. Research stage – focus on Findings section     | 10        |
| 3. Report stage – focus on Conclusion section     | <u>10</u> |
|   | 30        |

### **Participation (20%)**

The value of class sessions depends greatly on student involvement and input. Students are encouraged to prepare well for every class and during class, to concentrate on making significant contributions to discussions.

**Preparation.** You are expected to have read the assigned material and developed responses to the study (“prep”) questions. Read the material in the order listed in the “Class-by-Class Syllabus.” The amount of reading varies by class, so plan accordingly. At the same time, while reading lists for some classes look long, the individual items may be short so do not assume equal length. Please do all of the “read” assignments for class; doing “supplementary” reading is very useful but it is up to you.

**Class Participation (contribution).** “Significant contributions” add depth and challenge or redirect discussion rather than simply providing factual information. In every class, the quality and quantity of your verbal remarks will be evaluated. These will be recorded every week. The evaluation system follows the Schulich Grading System (0-9) and will be assessed each week. The grade earned will depend upon the overall quality of the set of your contributions. (A student can earn as much from one high quality comment as from three comments of low quality.)

### **Guide to assessment of student performance.**

Students can expect the following.

Irregular attendance (missed more than 3 classes with no valid excuse) and no or minimal participation: C+ range

Regular attendance; very few contributions, inconsistent quality: B range

Regular attendance; regular contributions of good quality: B+ range

Regular attendance; and regular, significant contributions of consistently high quality: A range

Regular attendance; regular, significant contributions of outstanding quality: A+ range

**Interim Participation Mark:** After Week 6, the instructor will provide each student with a mid-term participation mark. This mark will reflect student contributions Week 1 through Week 6, hence constitute half of the participation mark (or 10% of the overall grade).

If you want to discuss your class performance at any time, please contact the instructor.

## Current Events Presentation – Group (10%)

Students form groups of two to three students, depending on class size. Each group will be assigned a week (Weeks 2 to 11) for a short presentation.

You select a current news/ events item (not older than one month) that **illustrates the key concepts, issues and questions discussed in the previous week.**

Your current news/ event item can be a short article from reputable news source (e.g. The Economist, Financial Times, Globe and Mail, Huffington Post, National Post, Toronto Star, Wall Street Journal, etc.). Based on this news item you will prepare a short presentation (max. 5 minutes) that can take various forms: a short PowerPoint presentation, a self-produced video, a role-play, a press conference – in short: it is left to your creativity!

The presentation to class should make clear how the selected news story addresses and illustrates the key concepts/ issues/ questions for the week. Ideally, your presentation will generate and inform debate with the entire class.

Students will give their presentation at the beginning of class and should submit their choice news/events item to the instructor the day before class.

## Calculation of Course Grade

The course grading scheme for undergraduate courses conforms to the 9-point system used in other undergraduate programs at York. The possible course letter grades for a course and the corresponding grade points awarded for each grade are:

A+	9 grade points
A	8
B+	7
B	6
C+	5
C	4
D+	3
D	2
F	0

Students are reminded that they must maintain a cumulative GPA of at least 5.0 to remain in good standing, continue in the program, and qualify for their degree.

## General Academic Policies: Grading, Academic Honesty and Accommodations

*Undergraduate Grades* at Schulich are based on a 9-value index system. The top grade is A+ (9) and the minimum passing grade is D (2). To keep final grades comparable across courses, the average course grade within a section of an undergraduate course is normally between 5.5 and 7.0.

The Schulich School does not use a percentage scale or prescribe a standard conversion formula from percentages to letter grades. Conversions within a course are at the discretion of the instructor.

For more details on the index, grading policy, and grade point average (GPA) requirements, consult your student handbook.

*Academic honesty* is fundamental to the integrity of university education and degree programs, and applies in every course offered at Schulich. Students should familiarize themselves with York University's policy on academic honesty, which may be found on the Schulich website: <http://schulich.yorku.ca/current-students/academic-honesty/>

*Accommodations.* For accommodations sought due to exam conflicts, religious reasons, unavoidable absences or disabilities, please refer to the Student Handbook or contact Student Services. For counselling and disability services, contact Student Services or see: <http://cds.info.yorku.ca/>.

## Quick Reference: Summary of Classes, Activities and Deliverables

Class No., Title, Date and Topic	In-Class Case / Exercise	Required Reading	Written Preparation
W 1. How Government is (not) changing	Uber & Government (various new sources)	As per syllabus	None
W 2. Defining the Public Mission: public value	TTC (various news sources)	As per syllabus	Current Events Presentation Group 1
W 3. Reforming Government: Beyond the 'New Public Management'	New Zealand Reforms	As per syllabus	Term Paper progress report (Proposal); Current Events Presentation Group 2
W 4. Culture, Context, and Capacity: how they determine what governments (can) do	Singapore Inc. Case	As per syllabus	Current Events Presentation Group 3
W 5. Strategic Planning, Goal-Setting and Leadership for Public Value	NAFDAC: Changing a Government Agency	As per syllabus	Current Events Presentation Group 4
W 6. Improving Service Delivery	'Taking Care of Business' Citizen-Centered Services	As per syllabus	Current Events Presentation Group 5
W 7. Performance Measurement and Change Management	Negotiating Exercise: Service Agreements	As per syllabus	Term Paper progress report (Findings); Current Events Presentation Group 6
W 8. Outsourcing: Privatization and Deregulation	Privatization of Hydro One	As per syllabus	Current Events Presentation Group 7
W 9. Horizontal Management and Networked Governance	Toronto Pan Am Games	As per syllabus	Current Events Presentation Group 8
W 10. Entrepreneurship and Driving Change in Government	Rapid Results Initiative Kenya case	As per syllabus	Current Events Presentation Group 9
W 11. Public-Private-People Partnerships	Lesotho Hospital case	As per syllabus	Current Events Presentation Group 10

<b>Class No., Title, Date and Topic</b>	<b>In-Class Case / Exercise</b>	<b>Required Reading</b>	<b>Written Preparation</b>
W 12. Term Paper presentations	None	None	Term Paper progress reports (conclusions); Term paper presentations

# Faculty of Graduate Studies

## Course Change Proposal

**1. Program**

*Kellogg-Schulich Executive MBA Program*

**2. Course Number and Credit Value**

*EMBA 6050 2.00*

**3. Course Title**

**a) Long Course Title**

*Mergers and Acquisitions*

**b) Short Course Title**

*Mergers and Acquisitions*

**4. Type of Course Change (indicate all that apply)**

	<b>in course number</b>
	<b>in credit value</b> (provide course outline)
✓	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
✓	<b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	<b>in learning objectives/outcomes</b> (please append the program's existing learning outcomes as a separate document)
	<b>in integration</b> (provide statement of approval from other program)
	<b>in cross-listing</b> (provide statement of approval from other program)
	<b>in pre/co-requisite</b>
	<b>expire course</b>
	<b>other</b> (please specify)

**5. Effective Session of Proposed Change(s)**

*Fall 2017*

**6. Academic Rationale**

This course is offered during Toronto International Week to both Kellogg-Schulich EMBA students as well as EMBA students in the Kellogg global network. The new title and short description better reflect the positioning of the course and more explicitly address the intended audience.

The increasing popularity of the Toronto International Week across the Kellogg network has resulted in many more students coming to the course and bringing along their diverse backgrounds and expectations; some students are accomplished investment bankers, some are actively engaged in acquisitions while others are novices or totally unfamiliar with the issues. With over 100 students participating, the expectations can be very different from what the course is intended to provide and the material it intends to cover. The new title and description should clarify and set the expectations more accurately and further distinguish the course from an advanced finance course that is also offered in the network.

**7. Proposed Course Information**

Existing Course Information (Change from)	Proposed Course Information (Change to)
<p><i>Long Title:</i> <i>Mergers and Acquisitions</i></p> <p><i>Short Title:</i> <i>Mergers and Acquisitions</i></p> <p><i>Course Description:</i> <i>This course examines the theory models and practices of mergers and acquisitions. Through lectures and readings the students are exposed to the people, concepts and techniques as well as the theory of this area of management. By structuring the work assignments and class discussions around real situations, students develop an appreciation of the complexities of the topic.</i></p>	<p><i>Long Title:</i> <i>Discovering Mergers and Acquisitions</i></p> <p><i>Short Title:</i> <i>Mergers and Acquisitions</i></p> <p><i>Course Description:</i> <i>This course addresses the fundamental questions that pertain to corporate control and investigates the strategic and organizational considerations that arise with ownership changes. It explores the motives of individual firms to engage in a merger or pursue an acquisition. Students debate the various theoretical perspectives proposed to explain such organizational undertakings and contrast them with the typical pronouncements that accompany these moves. They also discuss the activities that lead to negotiating and putting together a deal.</i></p>

**8. Consultation**

N/A

**9. Approvals**

**a) Originator**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

*Theodoros Peridis*  
\_\_\_\_\_  
Name

**b) Degree Program**

I have reviewed this change form and I support the proposed changes to the course.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Matthias Kipping  
Academic Director, KS EMBA

Kellogg-Schulich Executive MBA  
Area or Specialization

**c) Program Committee**

This course change has received the approval of the Program Committee, and I support the proposed changes.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Markus Biehl  
Name of Program Committee Chair

Kellogg-Schulich Executive MBA  
Program

**Required Attachments**

- For changes in the number of credits, course title or course description, please attached the new Schulich course outline (must conform to program norms; see the Program Assistant for details)
- For cross-listed / integrated courses: signed statement of agreement from director of other graduate course / other degree program

## Global Electives@Schulich Fall 2017

### EMBA 6050.02 Discovering Mergers & Acquisitions

#### Instructor

Professor Theodore Peridis  
E-mail: tperidis@schulich.yorku.ca

#### Assistant

EMBA Office  
Phone: (416) 736 5486  
E-mail: embaoffice@schulich.yorku.ca

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#### Instructor Biography

THEODORE PERIDIS is a professor of Strategic Management at York University's Schulich School of Business and the Director of the Global Leadership Program. He was a visiting professor at IMD in Lausanne, Switzerland, and is spearheading Schulich's Executive MBA program in India.

Theo has worked with many companies around the world as an advisor on strategic management issues and has served as a special consultant on structuring and managing acquisitions and alliances. Among those are global corporations such as American Express, Bombardier, Deutsche Bank, DuPont, General Electric, IBM, Nestle, Nokia, and SAP, as well as some small high-tech firms such as Microbix, Metalink, and Photovac.

His research addresses critical decisions of strategists whether leading entrepreneurial firms or major corporations and has appeared in many academic and practitioner journals. Among his current projects, he is looking at the integration challenges of mergers & acquisitions and the dynamics of strategy as practice.

Theo has taught in Europe, North America, Asia, and the Middle East. He was named "Best in Class" by Canadian Business magazine and voted "Professor of the Year" by the Joint Kellogg-Schulich EMBA program. His textbook on Strategic Management is currently on its 5<sup>th</sup> edition. He received a B.Sc. in Economics from the University of Athens, a M.A. in Management Science from the University of Kent, a M.Phil. in Management and a Ph.D. in Strategy from New York University. He is a Fellow of the Eastern Academy of Management and an International Fellow of AIM Research Institute in the UK.

## Course Description

A day does not go by without an article in the news about another mega deal involving billions of dollars and tens of thousands of people. In most cases, they are premised on synergies and benefits to materialize in the future and substantial premiums to be paid up front. For most of us, the world of Mergers and Acquisitions is a mystery that is far away and for the most part, does not affect us in our day to day business. Until one day, our own company becomes the target or we are asked to integrate a new division that was just acquired. For others, it is about preparing and selling our own small or medium size company. We are not investment bankers nor do we fathom the intricate world of high finance.

In this course, we tackle this very important strategic decision from a strategic and operational perspective. Buying or selling a company is not something we do every day and most managers do not possess the skills or even the vocabulary to understand where to start from and how to go about.

We start our exploration of the world of mergers and acquisitions from the motives of sellers and buyers. Why do people initiate those transactions? How do they prepare for and how they are supposed to react when a buyer comes knocking on the door? How do they reach an eventual agreement and how do they decide what is the right price to close the deal? We look at what happens next. Once a deal is signed and completed, the lights dim, and the investment bankers go home, managers are left behind to sort things out and make things work. How? What are the priorities? What are the imperatives to keep in mind? What timelines and what guidelines are at their disposal to get the job done?

We examine recent and not so recent deals to understand what happened, why and how, but more importantly, what was the outcome and whether indeed, those transactions were worth the dislocations and upheaval they instigated. We explore how the individuals and personalities involved have critically influenced the eventual outcomes.

We dissect the motives behind those moves, the process of initiating and completing a transaction and the most important challenges of integrating an acquisition. We draw on the various methods of valuation and tie them to the strategic decisions of buying or selling a company.

In this course:

- We address the fundamental questions that pertain to corporate control and investigate the strategic and organizational considerations that arise with ownership changes.
- We explore the motives of individual firms to engage in a merger or pursue an acquisition.
- We debate the various theoretical perspectives proposed to explain such organizational undertakings and contrast them with the typical pronouncements that accompany these moves.
- We discuss the activities that lead to negotiating and putting together a deal.
- We explore the integration challenges and the organizational, human resources, and operational issues that managers are called to tackle to extract value from their acquisitions.
- Throughout the course, we seek to learn from the multi-billion dollar mistakes of others so we can become better managers ourselves.

## Deliverables at a Glance

The components of the final grade are as follows:

Assignment/Task	Weight %	(individual/Group )	Due
Class Participation	20%	Individual	In class
Joint Project Presentation	20%	Group	2017, Oct-27 in class
Joint Project Report	20%	Group	2017, Nov-07 11:59 PM EST
Final take-home exam (report & reflection)	40%	Individual	2017, Nov-30 11:59 PM EST
	<b>100%</b>		

## Course Material

**Required Readings and Cases** are listed in the syllabus and are provided by your program. Prepare assigned readings and cases before each class. *The highly interactive format of this course relies on your preparation of the assigned material. Please, read and review carefully prior to each meeting.*

## Class Preparation and Participation (20%)

Students are expected to come to class prepared to discuss the readings and the assignments indicated in the course outline. Active class participation is a must. We value quality contributions that advance the discussion in class and assist fellow students in better appreciating the material. Quantity does not count and it can even be detrimental to quality. Simply attending class does not count. Constructive contributions are expected by all.

### ***Student absence from a single class***

According to EMBA program regulations, students are expected to attend each and every class. In the unusual circumstances of a legitimate absence, a student is required to notify both the instructor and the EMBA office in advance of the start time of the particular class.

In addition, the student must submit a 5 page write-up of the case that will be covered in class, containing the following:

- Analysis of the case: follow the study questions provided in the course outline.
- Reflection on the readings assigned to the particular class and their relation to the case. For your reflection you may want to consider what lessons, questions, or issues do the readings raise and how do they relate to the case.

The submission is due on the day of the particular class. Submit your write-up electronically both to the instructor and the EMBA office.

Points	Contribution
0	Does not show up for class.
1-2	Attends all classes but says nothing or very little.
3-4	Contributes to the discussion – even if the contributions are not highly original; demonstrates understanding of the case and assigned material - i.e.

	summarizes case facts or asks questions for clarification and is usually prepared, having read the cases before the class.
5-7	Makes meaningful contributions to the class by making points with elements of originality, bringing complementary perspectives that add constructively to the discussion. Demonstrates mastery of theoretical issues and concepts; is prepared for class having read and analyzed all cases prior to class and makes contributions to the case discussions; contributes to in-class group work.
8-9	Consistently makes substantive contributions to the class by presenting important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed all cases prior to class, shares in class presentations, contributes to in-class group work. Helps others master the material and dependably elevates the quality of class discussions.

## Written Assignments and Exams: Description and Evaluation

### I. **Group Project: presentation and report (group) due October 27<sup>th</sup> and November 7<sup>th</sup>**

On October 27<sup>th</sup> students work together across the two sections (Red and Blue) and jointly with the “Digital Strategy: Individual and Organizational Transformation for a Digital Age” course. They focus on a case exploring complementary issues and raising unique managerial challenges. Professors Wade and Peridis work together on that day for a combined class experience.

Each group is expected to make a presentation during the day (October 27<sup>th</sup>) and submit a related assignment a week later (November 7<sup>th</sup>). Specific instructions and details about the case and the written assignment will be distributed to students during the first class. It should be noted though that most groups prefer to work during the International week and finalize the report submission while everybody is around. It is entirely up to the group.

### II. **Final Assignment (individual) due November 30<sup>th</sup>**

The final exam is a take-home assignment consisting of two parts (A. Report and B. Reflection). The students are encouraged to discuss both components with the instructor during the week of the course, in order to prepare for it and submit their best work by the final deadline on November 30<sup>th</sup>.

A. *Report on an ongoing transaction:* For the first part of the final exam, select a particular transaction that is currently unfolding, that is, it has not closed yet and there are still outstanding issues to be resolved before the deal can be completed. A transaction involving public companies is preferable for this assignment. A particular transaction in which you have a direct involvement can be the focus of your work, subject to having first cleared it with the instructor.

The scope of the assignment is a critical analysis of the proposed transaction from a strategic perspective. While this should not be a finance focused assignment, and I will not expect you to carry extensive financial calculations about the valuation, pricing, or the financing of the deal, it is very likely that you will

have to mention the financial aspects and comment on them as part of your overall assessment. You are not expected though to undertake and present independent financial valuation work.

It is to your advantage to select a transaction involving public companies, as the information will be more readily available and the news media will likely have offered substantive coverage and commentary on the deal. For your exam, you are to identify the pluses and minuses of the deal, the challenges moving forward, provide a strategic analysis of the proposed transaction and render conclusions and recommendations toward the board of directors of the acquiring company.

*Note:* I am looking for critical and value-adding material in your assignment. You are expected to do original work; you may find yourselves confined by all the work that has already been done. I still expect to read new ideas and will base my evaluation on the originality, logic, and specificity of your recommendations.

Your final submission should explicitly identify, throughout your report, as well as in a list of references, all material that has been sourced to inform and support your work.

B. *Reflection* The second part of your final exam comprises a reflection where you are asked to discuss how the lessons from the course dovetail, reinforce or contrast with your own personal experiences and in what ways they are helping you become a more effective executive. The focus is not on events, nor theories, concepts and frameworks. Reflection is essentially about considering how specific elements of your own management style were confirmed, challenged, put to question or reinforced through the course experience. How the material, the discussions, the interactions and the “aha” moments throughout the week can help you revisit your understanding of management and guide you to become a more effective leader and manager.

Your reflection paper will be deemed stronger, if you can weave the case discussions and the material of the readings, while drawing conclusions about your own management style, values, and skills. Notice though, the emphasis is not on content (elements, theories, models, cases, attributes) but reflection; how did you approach things; what worked; what didn't work; what were some of the surprising outcomes. What did you learn and how you will be a more effective manager, as a result of these learnings. The purpose here is not to summarize a list of theories and models of M&A, nor to superficially link theories to obvious managerial attributes. You should appreciate that the deeper and more personal your reflection, the easier and more successful the reflection paper.

Your submission in electronic form to the EMBA office is due on November 30, midnight EST. The document can be of any length although you are advised to restrict the second part to a maximum of 3 pages; moreover, anything beyond 4 pages for the first part is likely to contain many facts, which might crowd out critical analysis and conclusions. Of course, you should briefly introduce the transaction but you can safely assume that I know about it or I can find information on it from all the sources and references you will provide. You are more than welcome to attach exhibits, tables and technical appendices, but they must be relevant to the argument you are developing and not as a crude way to show you possess a lot of material. You may find the following suggestions that apply to the construction of effective Executive Summaries can also be very useful to composing your final exam.

#### *Writing an Effective Executive Summary*

An executive summary is the format preferred by most busy executives to receive someone's conclusions about a situation and her recommendations for action. An executive summary, whether part of a larger

document or an individual piece, should stand on itself. It should not waste the reader's time with superfluous information, detailed analysis, repeating known facts and events. Its purpose is not to serve as an introduction or a summary of a larger document; it should provide a comprehensive picture of what the author wants to convey to the reader.

In a nutshell, an executive summary is a concise, logical, action-oriented piece that presents:

- a well-articulated **situation**
- its **complications**/problems/challenges
  - a clear delineation of the boundaries of scope of a report
- the suggested **resolution** to the challenges and the complications in the form of recommendations with clear rationale supporting them
- what are the **implications** from the suggested resolutions;
  - what resources and actions are required to execute the recommendations
  - what benefits will derive from following the recommendations
  - what are the crucial milestones, risks, and assumptions that one should be aware of along the way.

The above structure follows the traditional and very well honed structure (S-C-R-I) adopted by most consulting firms. Two common, if not colloquial ways to describe how you should be thinking about executive summaries are the "KISS principle" and the "elevator pitch". Practice both and you will be well on your way to writing effective executive summaries.

## Assignments and Exams: General Rules

### Late Submissions

- Please contact the instructor a reasonable time before the submission deadline if, for any reason, you require an extension for any assignment. Please note that a few hours prior to the deadline is not considered reasonable.
- Assignments received late without an approved extension will receive the standard EMBA penalty – i.e. one letter grade applied each week (or fraction thereof) that the assignment is late.

**Academic Honesty** is fundamental to the integrity of university education and any degree program, and applies in every course offered at Schulich and within the Kellogg EMBA Global Network. This particular course is subject to the rules mandated by York University and the Kellogg Honor Code, which you signed at the outset of the program. For details please refer to your Student Guide and the following website:

[http://www.schulich.yorku.ca/client/schulich/schulich\\_lp4w\\_lnd\\_webstation.nsf/page/Academic+Honesty!OpenDocument](http://www.schulich.yorku.ca/client/schulich/schulich_lp4w_lnd_webstation.nsf/page/Academic+Honesty!OpenDocument)

**Accommodations** might be sought due to religious reasons, unavoidable absences or disabilities. In these cases, please contact the EMBA office (with copies to the instructor and the academic director).

## Class-by-Class Syllabus

### Session 1: Tuesday, October 24 8:30am - 11:45am

- *Course Introduction; Overview; Terminology*
- *Strategy and the Strategic Role of M & A*

#### Readings:

C.M. Christensen, R. Alton, C. Rising, and A. Waldeck, "The new M&A playbook", Harvard Business Review, March 2011.

#### Case: Newell and Rubbermaid

#### Study Questions:

1. Do a strategic audit of Newell. What is its business model? How does it make money? How do you distinguish between corporate and business strategies at Newell?
  2. What trends in the environment make the business model relevant and profitable?
  3. What challenges does the business model present for Newell?
- 

### Session 2: Wednesday, October 25 8:30am-11:15am

- *Structuring and negotiating transactions*

#### Readings:

D. Lovallo, P. Viguerie, R. Uhlener, and J. Horn, "Deals without delusions", Harvard Business Review, December 2007.

M. J. Epstein, "The Determinants and evaluation of merger success", Business Horizons, 2005, (48), 37-46.

#### Case: *The best deal Gillette could get? Procter & Gamble's acquisition of Gillette*

#### Study Questions:

1. What were the possible synergies and forces propelling the merger between P&G and Gillette?
2. Evaluate P&G's offer. What are the implications for various stakeholders from the particular structure of the deal as it was proposed?
3. Do you see any conflicts of interest arising from the various roles different actors played during the negotiations?

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**Session 3: Thursday, October 26 8:30am – 11:45am**

- **Valuation - Pricing and financing a deal**
- **Acquisition of start-ups and private firms; unique challenges**

*Note: This session assumes that you have covered the related finance material in other modules of your program; as such, it aims to clarify any outstanding questions and focus on the application of those concepts specifically to M&A situations. The assigned reading provides a cursory overview of the topic. You can benefit more from this overview and the discussion in class if you spend some time upfront to review your notes from the other modules and connect that material with the readings and the discussion in this session. Bring to class for discussion any questions arising from your review.*

**Reading:**

G. Athanassakos, "The discounted cash flow based valuation methodology as tested by a market transaction", Ivey, 9B05N021

**Cases:** Two cases have been assigned for this class, representing two very different transactions. While you are more than welcome to tackle both, I would suggest that you **pick one** and **delve into it**. There simply is too much work to be done to cover both in depth. I expect you to **read both** so you are familiar with the situations and the issues they raise, but only **focus on one** for analysis and conclusions.

You will learn from working in the one and participating in the discussion of both, since you will be expected to ask questions of those that have worked on the other case.

Your choice of which one to focus on should be based on professional or personal interests, familiarity with the different sectors and capacity for financial analysis. We will cover both in class, since our purpose is to explore the issues that arise when strategy and finance collide.

**Case A:** Loblaw Companies Limited – Acquiring Shoppers Drug Mart  
(a dominant supermarket chain acquiring a large drugstore chain)

**Study Questions:**

1. Consider the strategic opportunities and challenges for Loblaw in acquiring Shoppers. Identify and attempt to quantify the possible synergies that could be achieved.
2. How much should Loblaw offer for Shoppers? Why? Do as much quantitative analysis as needed to ascertain Shoppers' value and estimate Loblaw's likely offer.
  - Carry a range of valuation analyses for Shoppers. Use different methods. Be specific in your calculations, and be explicit about your assumptions. Your answer should be justified but it does not necessarily need to correspond to Loblaw's actual offer.
3. What forms should the offer take and how should it be financed? Why?

**Or**

**Case B:** Cerent Corporation  
(a networks and telecommunications equipment powerhouse acquiring a start up in the technology space during the zenith of the technology boom)

**Study Questions:**

1. Consider Cerent's current position, within the newly formed and rapidly developing optical network market. Do a quick industry and market analysis, using the parameters and information provided in the case.
  2. Consider Cisco's current position and interests in the optical network market. How does it inform Cisco's interest in Cerent and what does it say to Cerent about Cisco?
  3. How much should Cisco offer for Cerent? Why? Do as much quantitative analysis as needed to ascertain Cerent's value and estimate Cisco's likely offer.
    - Carry a range of valuation analyses for Cerent. Use different methods. Be specific in your calculations, and be explicit about your concerns. Your answer should be justified but it does not necessarily need to correspond to Cisco's offer.
- 

**Session 4: Friday, October 27 Joint Session 9:30am-5:30pm**

- ***Mergers and Acquisitions: Digital Challenges and Strategies***

- This is a joint session across the two sections and together with the "Digital Strategy - Individual and Organizational Transformation for a Digital Age" course.

**Case:** to be handed out at the beginning of the week

**Study Questions:** to be distributed ahead of time

Specific assignment instructions and the lay out of the day will be discussed with the students during the joint session. It suffices to say that students work in groups on a particular case and prepare presentations to senior management followed by a written report.

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**Session 5: Saturday, October 28 8:30am-11:45am**

- **Post-Acquisition Integration**

**Readings:**

R. A. Burgelman, W. McKinney, "Managing the strategic dynamics of acquisition integration", California Management Review, May 2006, pp. 6-27.

R. Doherty, O. Engert, and A. West, "How the best acquirers excel at integration", McKinsey Quarterly, January 2016.

**Case: Bombardier Transportation and the Adtranz Acquisition**

**Study Questions:**

1. Do a strategic audit of Bombardier Inc and consider its corporate strategy. What imperatives and what demands they place on the different lines of business?
2. What changes in the environment should most critically be considered in drawing up the next strategic moves for Bombardier Transportation?
3. What are BT's strategic imperatives and what are some of the options to respond to the challenges?
4. What are the major drivers for the Adtranz acquisition?
5. What are the most pressing issues in integrating this acquisition?

# Faculty of Graduate Studies Course Change Proposal

**1. Program**

*Kellogg-Schulich Executive MBA Program*

**2. Course Number and Credit Value**

*EMBA 6290 2.00*

**3. Course Title**

**a) Long Course Title**

*Management in a Data Driven Business Environment*

**b) Short Course Title**

*Management in a Data Driven Environment*

**4. Existing Pre-requisites/Co-Requisites**

*Please list any existing pre/co-requisites for this course and ensure that this information aligns with what is included on the attached course outline.*

**5. Type of Course Change (indicate all that apply)**

	<b>in course number</b>
	<b>in credit value</b> (provide course outline)
✓	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
✓	<b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
	<b>in learning objectives/outcomes</b> (please append the program's existing learning outcomes as a separate document)
	<b>in integration</b> (provide statement of approval from other program)
	<b>in cross-listing</b> (provide statement of approval from other program)
	<b>in pre/co-requisite</b>
	<b>expire course</b>
	<b>other</b> (please specify)

**6. Effective Session of Proposed Change(s)**

*Winter 2018*

**7. Academic Rationale**

*The change reflects feedback from students and the ongoing developments of digital technologies and their uses.*

**8. Proposed Course Information**

<b>Existing Course Information (Change from)</b>	<b>Proposed Course Information (Change to)</b>
<p><i>Long Title:</i></p> <p><i>Management in a Data Driven Business Environment</i></p> <p><i>Short Title:</i></p> <p><i>Management in a Data Driven Environment</i></p> <p><i>Course Description:</i></p> <p><i>This course provides students with a comprehensive understanding of predictive analytics problems and tools, platform-based business as well as cybersecurity and examines how these areas can be used to inform business decisions. The course is highly interactive involving case discussion and group exercises. It is designed for students with various backgrounds and does not require prior technical skills or knowledge.</i></p>	<p><i>Long Title:</i></p> <p><i>The Management of Digital Assets: Opportunities, Risks, and Unknowns in the Application of New Technologies in Business</i></p> <p><i>Short Title:</i></p> <p><i>The Management of Digital Assets</i></p> <p><i>Course Description:</i></p> <p><i>This course provides students with an understanding of how companies leverage digital assets to create value and build competitive advantage, examining the necessary organizational settings, the use of big data, cyber security, and the corporate presence in the social sphere. The course is designed for students with various backgrounds, and does not require any prior technical skills or knowledge.</i></p>

**9. Consultation**  
N/A.

**Originator**

_____ Signature	_____ Date
_____ Name	_____ Area or Specialization

**Approvals:**

**Area or Specialization**

I have reviewed this change form and I support the proposed changes to the course.

<p><i>Matthias Kipping (Signed digitally)</i></p> <p>_____ Signature</p>	<p><i>November 11, 2017</i></p> <p>_____ Date</p>
<p>Matthias Kipping</p> <p>_____ Name</p>	<p>Kellogg-Schulich Executive MBA</p> <p>_____ Area or Specialization</p>

**Degree Program**

I have reviewed this change form and I support the proposed changes to the course.

_____ Signature	<i>November 11, 2017</i> _____ Date
<i>Matthias Kipping</i> _____ Name of Program Director	<i>Kellogg-Schulich Executive MBA</i> _____ Program

**Program Committee**

This course change has received the approval of the relevant Program Committee.

_____ Signature	<i>November 16, 2017</i> _____ Date
<i>Markus Biehl</i> _____ Name of Committee Chair	<i>Kellogg-Schulich EMBA Program</i> <i>Committee</i> _____ Committee

**Required Attachments**

- For changes in the number of credits, course title or course description, please attach the Schulich course outline (which must conform to program norms; see the Program Assistant for details).
- For cross-listed / integrated courses, please include a signed statement of agreement from the director of the other graduate course / other degree program.

# **The Management of Digital Assets: Opportunities, Risks and Unknowns in the Application of New Technologies in Business**

**January 2018**

**Prof. Gadi Ariav  
Prof. Gal Oestreicher-Singer**

## **Overview**

Information technologies (IT) are fast changing the business landscape. Contemporary management is essentially and substantively dependent on the understanding of opportunities, risks and potential unknown effects of these technological trends. Insightful executives of leading companies across the world are increasingly leveraging IT to create value and build competitive advantages.

The course correspondingly covers four key themes: (1) The value-focused framing of the organizational setting in which digital assets are generated and utilized, (2) the application of *big data technologies* to extract competitive value from corporate data assets, (3) the protection of digital assets and in particular coping with cyber security risks, and (4) the "corporate digital space", specifically, the management of corporate presence and behavior in the social sphere, the *share economy* and running a *platform based* business.

The course is designed for students with various backgrounds, and it does not require any prior technical skills or knowledge.

## **Learning objectives**

The overall goal of the course is to empower students to manage in an informed and disciplined fashion the leveraging IT business assets, the implementation of IT-based systems, the consumption and guidance of business analytics, the creation of platform-based business, as well as the protection of their information assets from cybersecurity and other threats. Specifically, students will be able to:

1. Plan and execute IT investments and implementation.
2. Approach business problems data-analytically by identifying opportunities to apply business analytics to create business value.
3. Deal effectively and competently with cyber security threats.
4. Appreciate and guide the corporate presence in the *digital space*
5. Assess and design a business model for platform based businesses.

## **Pedagogical Style**

The course is highly interactive involving case discussions and group exercises. Please come prepared – read and prepare cases ahead of class meetings. Participation is a direct function of your prior experiences and the level of mastery of the material – especially the cases. You are expected to enhance the overall learning environment of the class by coming prepared, asking questions and bringing issues to life based on your experience.

## **Required Course Materials**

The only required materials for the course are the case packet and the materials posted on course website. Class notes will be posted on the course website for downloading.

***The class notes are the intellectual property of the instructors. You may not distribute or duplicate these notes without the professors' written consent.***

## **Student expectations and preparation**

We expect every student to be *present, punctual, prepared, and participative* in all class sessions. In particular, students are expected to be prepared with the assigned cases.

## **Assignments and Grading**

The assignment are detailed in the course syllabus.

The course is based on the preparation of four team assignments (60%) and one individual assignment (30%). Please note the due dates – assignments 1 & 2 are due on the first day of the course and should be prepared ahead of arrival. Assignments 3 & 4 are tied to the contents of the meetings and should be prepared during the module. The final, post-module assignment is due on January 30<sup>th</sup>, 2018.

Proper attendance and active participation will be count for up to 10%.

Please send all assignments to Professor Gal Oestreicher-Singer ([Galos@tau.ac.il](mailto:Galos@tau.ac.il)) and Professor Gadi Ariav ([gadia@tauex.tau.ac.il](mailto:gadia@tauex.tau.ac.il)).

## **Team-Based Assessment (60%):**

### **1. Amagansett: Economic value of IS and its prerequisites (15 %):**

The assignment is due by Wednesday, January 3<sup>rd</sup>, and will be discussed in class.

### **2. Business Continuity Analysis (15 %):** Please note that the assignment is due by Wednesday, January 3<sup>rd</sup>, and will be discussed in class on Monday, January 8<sup>th</sup>.

### **3. Business Intelligence (BI) assignment (15 %):**

The assignment is due by Sunday, January 7<sup>th</sup>, at the beginning of the class, and will be discussed in class either on Sunday and/or at the following class, on Monday.

### **4. Reflections on the Platform Pricing Simulation (15 %):** The simulation will take place on Sunday, January 7<sup>th</sup>. Team's reflection on the takeaways is due – and will be discussed on – Monday, January 8<sup>th</sup>.

## **Individual Assessment (40%):**

### **5. Post module assignment (30%)**

The individual final assignment is due by Tuesday, January 30, 2018, again – to be submitted via eMail.

### **6. Attendance and Class Participation (10%)**

## **Overview of Course Modules**

### **Module 1: Identifying and realizing the value of digital assets**

The opening module of the class introduces a concise economic framework to guide the management of information assets in organizations. The broadly defined category of *digital information assets* – data, information, technology systems, models, expertise – have limited economic value on the shelf, in drawers and in people's heads. Managers must take charge of the associated implementation and it's their duty to manage the yield of these assets. Economic yield of digital assets depends on their use – properly, frequently, and widely.

### **Module 2: *Weapons of Math Destruction*: the use and misuse of business Analytics**

In virtually every industry, organizations increasingly rely on – and compete with – analytics ("data science") to guide decision-making. It is applied to predict consumers' behavior, patient outcomes, and the consequences of alternative courses of business action. Analytics has been used competitively to extract and create value from digital assets, impacting a wide variety of industries, including health care, energy, retailing, travel, entertainment, consumer finance, and even professional sports. The discussion of business analytics offers a broad overview of decision support as well an introduction to predictive analytics problems and tools – and their application in informing business decisions in a variety of business scenarios.

### **Module 3: Platform based competition**

With the blooming of the "share economy", traditional businesses are increasingly transformed by new entrants. The new entrants often disrupt an entire industry by offering a platform for sharing among individuals. Examples include AirBNB, YouTube and many others. In this module, we study the unique characteristics of platform competition, analyze the businesses decisions made by existing platforms and develop a systematic way of thinking of such platform competitions. A simulation game, where teams will compete with each other in a "winner takes all" game, allows us to develop first-hand appreciation of this new terrain. Each team will need to use a laptop computer to participate in the simulation.

**Module 4 – Business Continuity: Protecting business digital assets**

While cyber threats have raised the awareness (panic?) among businesses with respect to threats, digital assets – like any economic asset – need to be thoughtfully protected, from cyber threats as well as other business hazards. The issue has become more prominent as the core functionality of businesses – availability and integrity of their data and systems – increasingly depends on the "health" of their digital assets. Contemporary understanding of information security is that organizations are required to abandon reactive behavior and adopt a proactive attitude and approach.

**Module 5 – The management of corporate Social Computational assets**

While the millennial consumers are native to the "digital space" in general and social media platforms in particular, many firms find it difficult to navigate those new worlds. The digital space – the "online world" – presents challenges and opportunities in the definition of products and services, the structure of business models, the conduct of marketing as well as the management of brand perception.

**Course outline and Schedule of Assignments**

Date	Teacher	Topic	Assignment Due
Wednesday January 3, 2018	Gadi Ariav	<p><b>Framing the discussion:</b> The extraction of value from corporate digital assets</p> <p><b>Managing the implementation:</b> Generating data assets and getting them used</p>	<p>A1. Amagansett</p> <p>A2. Business Continuity</p> <p>(Both: Group)</p>
Thursday, January 4, 2018	Gal Oestreicher-Singer and Gadi Ariav	<p><b>Weapons of Math Destruction:</b> The use and misuse of business Analytics</p> <p><b>The critical role of data science in business:</b> informing business decision and new business models, Concepts and terminology</p>	

Date	Teacher	Topic	Assignment Due
Sunday, January 7, 2018	Gal Oestreicher-Singer	<p><b>Innovating business with Platform competition:</b></p> <p>Introduction to the unique world of platform competition. Platform pricing and business models.</p> <p><b>Platform competition simulation:</b> Teams will be competing in platform pricing simulation.</p>	<p>A3. Business Analytics</p> <p>(Group)</p> <p>Each team is required to have at least one laptop computer.</p>
Monday, January 8, 2018	Gadi Ariav	<p><b>Protecting the digital assets:</b></p> <p>Cyber threats and other business hazards</p>	<p>A4. Takeaways from Platform Simulation</p> <p>(Group)</p>
Tuesday January 9, 2018	Gal Oestreicher-Singer <i>and</i> Gadi Ariav	<p><b>The management of corporate Social Computational assets:</b></p> <p>The extraction of value from corporate digital assets and their protection</p> <p><b>Course Wrap-up</b></p>	
Monday January 30, 2018			<p>A5. Post-module assignment</p> <p>(Individual)</p>

## **A1. Amagansett**

This (group) assignment addresses the challenges in the implementation of information systems. The case is included in the course packet and available on the course Moodle site. It should be prepared ahead of the first session in the course.

Guiding questions should be answered in a focused and "to the point" fashion. The assignment should not exceed two (in numbers: 2) double-spaced pages. Reasonable assumptions – if stated explicitly – can be made.

Email the assignment ahead of the first class.

### **Amagansett Guiding Questions:**

1. Summarize – in one or two sentences each – the issues that the case raises and sort them out as either *technology, people* and/or *organization* concerns.
2. Which of the issues will be "solved" if...
  - a. Agents will be provided with iPads?
  - b. The CRM will be migrated to the Cloud?
3. Which new issues are expected to surface if...
  - a. Agents will be provided with iPads?
  - b. The CRM will be migrated to the Cloud?

## **A2. Business Continuity**

This (group) assignment addresses the challenges organizations face with respect to maintaining "business continuity".

The discussion is based on open search of two "hefty computer-related calamities" and their analysis. One such "calamity" should be attributed to cyber threat or threats and the other to other challenges to the normal functioning of the organization.

It should be prepared ahead of the first session in the course.

Guiding questions should be answered in a focused and "to the point" fashion. The assignment should not exceed two (in numbers: 2) double-spaced pages – perhaps one page per "calamity". Reasonable assumptions – if stated explicitly – can be made.

Email the assignment ahead of the first class.

### **Business Continuity Guiding Questions:**

For each of the two "calamities":

1. What happened? (specify sources explicitly)
2. What was the business consequence of the "calamity" – Operational? Financial? Reputational? Regulatory?
3. Could it have been averted? How?

### **A3. BI and Analytics Assignment**

Your goal is to brainstorm within your team and come up with a business application of the business analytics techniques discussed in the class.

Prepare a 4 slides presentation to be presented in class.

Grade depends both on the content as well as the quality of the presentation, so the efficiency and clarity with which ideas are presented – matter.

You should cover the following areas:

- What is the specific business problem you are trying to solve?
- What kind of data would you need? Can you describe the specific variables?
- Who has access to this data within your organization?
- Is your application require supervised or unsupervised learning? If latter, what is your response variable and what are your predictors?
- What techniques are you likely to use?
- What difficulties do you expect in the deployment of the model?
- How would you define "success" and how will you measure the ROI of your suggestion.

### **A4. Platform pricing takeaways**

Following the platform pricing game in class, please discuss the outcome of the game with your group and answer the following questions (no more than 250 words, word doc):

- What was your group's strategy?
- In retrospect, which parts of the strategy were good and which would you have changed?
- Did you try changing your strategy through the game? Why? Did this change work?

## **A5. Final Post-Module Assignment**

Essays should not exceed 2 page, double spaced; Due by January 30.

Pick an article from a well-known business newspaper (wall street journal, the economist, etc.) that discusses a topic related to our course. Provide a critical discussion of (a) the business move described; and (b) the quality of the journalist's analysis of the business situation.

Your analysis should relate to one – or ideally, as many as apply – of the following topics we addressed in class:

1. **Investment in IT:** Your analysis should use the framework we used in class to assess the investment and expected profit; is cloud computing being used? Should it?
2. **Platform pricing:** What is the platform discussed? Who are the involved sides? What is the planned price/profit strategy? Who would you recommend charging, based on what we learned in class?
3. **Business analytics:** Your analysis should discuss a case of new business analytics tool used by a firm. What is the decision being supported? What is the suggested solution? How was the decision made previously? What are the expected sources of revenue?
4. **Risks and asset protection:** What kind of "value-exposure" is introduced by the opportunities discussed in the article? How can these exposures be addressed and contained?

# Faculty of Graduate Studies

## Course Change Proposal

**1. Program**

*Kellogg-Schulich Executive MBA Program*

**2. Course Number and Credit Value**

*EMBA 6490.200*

**3. Course Title**

**a) Long Course Title**

*Enterprise IT Strategy and Digital Transformation*

**b) Short Course Title (if a change in the course title is requested)**

*IT Strategy and Digital Transformation*

**4. Type of Course Change (indicate all that apply)**

<input type="checkbox"/>	<b>in course number</b>
<input type="checkbox"/>	<b>in credit value</b>
<input checked="" type="checkbox"/>	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including punctuation and spaces)
<input checked="" type="checkbox"/>	<b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense)
<input type="checkbox"/>	<b>in integration</b> (provide statement of approval from other program)
<input type="checkbox"/>	<b>in cross-listing</b> (provide statement of approval from other program)
<input type="checkbox"/>	<b>in pre/co-requisite</b>
<input type="checkbox"/>	<b>expire course</b>
<input type="checkbox"/>	<b>other</b> (please specify)

**5. Effective Session of Proposed Change(s)**

*Fall 2017*

**6. Academic Rationale**

This course is offered during Toronto International Week to both Kellogg-Schulich EMBA students as well as EMBA students in the Kellogg global network. The new title and short description reflect an evolution of the course content towards addressing the need for both leadership skills and strategic analysis to transform organizations for success in a digital age.

## 7. Proposed Course Information

Existing Course Information (change from)	Proposed Course Information (change to)
<p><i>Long Title:</i> <i>Enterprise IT Strategy and Digital Transformation</i></p> <p><i>Short Title:</i> <i>IT Strategy &amp; Digital Transformation</i></p> <p><i>Course Description:</i> <i>The course has two main areas of focus: enterprise IT strategy models and approaches, and digital transformation. The world is changing at an ever-expanding rate and executives understand that they need to leverage new digital technologies such as big data, analytics, cloud solutions, mobile solutions, and social media. This course will help them better understand how to do this.</i></p> <p><i>Pre-requisites: Students must have completed all EMBA Foundation Courses.</i></p>	<p><i>Long Title:</i> <i>Digital Strategy: Individual and Organizational Transformation for a Digital Age</i></p> <p><i>Short Title: Digital Strategy and Transformation</i></p> <p><i>Course Description:</i> <i>This course seeks to define the skills, competencies, and behaviours that leaders require to succeed in environments characterized by digital disruption, aiming to link leadership with strategy and organizational transformation. It will introduce a set of frameworks to guide the transformation journey, and challenge students to apply their digital leadership skills to drive successful implementation in their organization.</i></p> <p><i>Pre-requisites: Students must have completed all EMBA Core Courses</i></p>

## 8. Consultation

N/A

## 9. Approvals

### a) Originator

Michael Wade (Signed digitally)  
Signature

May 25, 2017  
Date

Michael Wade  
Name

### b) Degree Program

I have reviewed this change form and I support the proposed changes to the course.

Matthias Kipping (Signed digitally)  
Signature

May 25, 2017  
Date

Matthias Kipping  
Academic Director, KS EMBA

Kellogg-Schulich Executive MBA  
Area or Specialization

### c) Program Committee

This course change has received the approval of the Program Committee, and I support the proposed changes.

_____ Signature	_____ <Date> Date
_____ <i>Markus Biehl</i> Name of Program Committee Chair	_____ <i>Kellogg-Schulich Executive MBA</i> Program

**Required Attachments**

- For changes in the number of credits, course title or course description, please attached the new Schulich course outline (must conform to program norms; see the Program Assistant for details)
- For cross-listed / integrated courses: signed statement of agreement from director of other graduate course / other degree program

## Global Electives@Schulich Fall 2017

### EMBA 6490.02 *Digital Strategy: Individual and Organizational Transformation for a Digital Age*

#### Instructor

Prof. Michael Wade

Email: [michael.wade@imd.org](mailto:michael.wade@imd.org)

#### Assistant

EMBA Office

Phone: (416) 736 5486

E-mail: [embaoffice@schulich.yorku.ca](mailto:embaoffice@schulich.yorku.ca)

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#### Instructor Biography

Michael Wade is a Professor of Innovation and Strategy at IMD and holds the Cisco Chair in Digital Business Transformation. He is the Director of the Global Center for Digital Business Transformation, an IMD and Cisco Initiative. His areas of expertise relate to strategy, innovation, and digital transformation. Previously, he was the Academic Director of the Kellogg-Schulich Executive MBA Program. Michael has been nominated for teaching awards in the MBA, International MBA, and Executive MBA programs. He obtained Honours BA, MBA and PhD degrees from the Richard Ivey School of Business, University of Western Ontario, Canada.

At IMD, Michael teaches in several open programs and has directed partnership programs related to strategy and digital business transformation with Vodafone, AXA, Honda, Tetra Pak, Google, Credit Suisse, KONE, and Cartier, among others. He co-Directs IMD's Orchestrating Winning Performance and Leading Digital Business Transformation programs. Michael provides consulting services, executive education and expert evaluations to several public and private sector organizations. He has lived and worked in Britain, Canada, Japan, Switzerland, Norway, and Costa Rica.

Michael has published works on a variety of topics, including digital business transformation, innovation, social media marketing, information systems strategy, eCommerce, and SME performance. He has more than 50 articles and presentations to his credit in leading academic journals such as Strategic Management Journal, MIS Quarterly and the Communications of the ACM. One of his articles was among the top 20 cited articles in business, management and accounting worldwide for five years, according to Scopus (the largest abstract and citation database of peer-reviewed literature). He's published eight books, more than twenty case studies and appears frequently in the mainstream media. His Latest book is *Digital Vortex: How Today's Market Leaders Can Beat Disruptive Competitors at Their Own Game*.

## Course Description

Many leaders today find it challenging to cope with the increasing pace and unpredictability of change. For a large number of companies, the root cause of this change is disruption fuelled by the digitization of products, processes, and business models. In this course, we will seek to define the skills, competencies, and behaviours that leaders require to succeed in environments characterized by digital disruption. Further, we will link leadership with strategy and organizational transformation. As a digital leader, you must lead the transformation required to take advantage of digital opportunities and neutralize digital threats. We will introduce a set of frameworks to guide your transformation journey, and challenge you to apply your digital leadership skills to drive successful implementation in your organization.

The world is changing at an ever-expanding rate and many industries are being digitally disrupted. Most executives understand that they need to leverage new digital technologies, yet they struggle with how to do this. The course will answer three critical questions facing organizations today: why do they need to transform?, what do they need to transform?, and how can they transform?

The orientation of this course is organizational and strategic. While we will discuss digital technologies, like analytics and big data, virtual reality, cloud and mobile technologies, blockchain, etc., the focus will be on how to improve individual and organizational performance. The course deals with the *effective management of capabilities generated from digital technologies*, rather than the technologies themselves.

## Deliverables at a Glance

Assignment/Task	Weight %	(individual/Group )	Due
Class Participation	20%	Individual	In class
Joint Project Presentation	20%	Group	2017-Oct-27 in class
Joint Project Report	20%	Group	2017-Nov-07 11:59 PM EST
Final take-home exam	40%	Individual	2017-Nov-30 11:59 PM EST
	<b>100%</b>		

For details, see “Written Assignments and Exams: Description and Evaluation” (p. 3).

## Course Material

All class readings are *optional*. They are used to complement the material presented and discussed in class. The readings can be thought of as reference material to clarify and add contextual depth to the concepts covered during the classroom sessions. Cases, on the other hand, are *mandatory reading*. All cases should be read and examined carefully prior to class.

The course will use the following book which will be distributed at the beginning of the live-in:

*Digital Vortex: How Today's Market Leaders Can Beat Disruptive Competitors at Their Own Game*, Loucks, Macaulay, Noronha, and Wade, June 15, 2016

## Class Preparation and Participation (20%)

Individual participation grades will be awarded based on meaningful contribution to in-class discussions, new perspective, and full engagement with the material. Note that attendance does not equal participation. In-class discussions represent a major pedagogical dimension of this course; therefore quality class participation is expected from each student. Comments and questions that demonstrate knowledge of the topic and intellectual curiosity will enhance the participation grade. Good participation is defined and measured as, "the consistent demonstration of good preparation and presentation of relevant thought about the readings, cases, and exercises". Creative approaches are welcome.

Points	Contribution
0	Does not show up for class
1	Attends class but says nothing or very little
2	Contributes to the discussion - most of the contributions are not highly original but demonstrate basic understanding of the case or material - i.e. summarizes case facts or asks questions for clarification and is usually prepared, having read the cases before the class
3-5	Makes a <b>significant</b> contribution to the class by making important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed all cases prior to class, shares in class presentations, contributes to in-class group work

## Written Assignments and Exams: Description and Evaluation

### Group Presentation and Assignment 40%

The group presentation and assignment will be conducted jointly with the **Discovering Mergers and Acquisitions** course. Each group will hand in one assignment and make one presentation to both Professors Wade and Peridis, i.e. *the same assignment and presentation will be submitted to each course*. Each professor will provide different but complementary criteria for grading, and assign a separate grade for both the presentation and the assignment. This grade will form the relevant component of each professor's course. The presentation will be made on **Friday, October 27<sup>th</sup>**. This day will be a 'joint day' in which both professors will come together for combined sessions and activities. The assignment is due 10 days after the final class day, **Tuesday, November 7<sup>th</sup> at 11:59 pm**. Please email your assignment to [embaassignments@schulich.yorku.ca](mailto:embaassignments@schulich.yorku.ca). No late assignments will be accepted.

Details of the assignment and presentation will be provided during the first class session.

### Final Take-home Exam 40%

A final take-home exam will make up 40% of the final grade. The exam is designed to test your mastery of the material and your ability to apply that material in real contexts. It will be distributed in the first class, and will be due on **Thursday November 30<sup>th</sup> 2017 at 11:59 pm EST**. Please email your assignment to [embaassignments@schulich.yorku.ca](mailto:embaassignments@schulich.yorku.ca). No late assignments will be accepted.

Note: Plagiarism, copying others' work or simply re-wording and making editorial changes to distinguish among submissions is not acceptable and violates York University and Kellogg policies.

## Assignments and Exams: General Rules

### Late Submissions

- Please contact the instructor a reasonable time before the submission deadline if, for any reason, you require an extension for any assignment. Please note that a few hours prior to the deadline is not considered reasonable.
- Assignments received late without an approved extension will receive the standard EMBA penalty – i.e. one letter grade applied each week (or fraction thereof) that the assignment is late.

**Academic Honesty** is fundamental to the integrity of university education and any degree program, and applies in every course offered at Schulich and within the Kellogg EMBA Global Network. This particular course is subject to the rules mandated by York University and the Kellogg Honor Code, which you signed at the outset of the program. For details please refer to your Student Guide and the following website:

[http://www.schulich.yorku.ca/client/schulich/schulich\\_lp4w\\_Ind\\_webstation.nsf/page/Academic+Honesty!OpenDocument](http://www.schulich.yorku.ca/client/schulich/schulich_lp4w_Ind_webstation.nsf/page/Academic+Honesty!OpenDocument)

**Accommodations** might be sought due to religious reasons, unavoidable absences or disabilities. In these cases, please contact the EMBA office (with copies to the instructor and the academic director).

## Class-by-Class Syllabus

### **Session 1** October 24<sup>th</sup> 2017

#### **The Dynamics of Digital Disruption**

There is no preparation required for this session.

#### **Case:**

Case will be distributed in class

#### **Optional Reading (after the session):**

Digital Vortex book, Introduction and Chapter 1-4

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### **Session 2** October 25<sup>th</sup> 2017

#### **Leading Cultural and Organizational Transformation**

#### **Case:**

Axel Springer in 2014: Strategic Leadership of the Digital Media Transformation. Stanford Case (E-522).

### **Case Questions:**

1. How would you evaluate Mathias Döpfner's strategic leadership in the face of the digital revolution? What key strategic actions did he take and how were they different from how most other publishers approached the situation? How successful is the company's digital transformation as it stands in 2014?
  2. What did Kai Diekmann, Peter Würtenberger, and Martin Sinner learn from their 10 months in Silicon Valley and how did they incorporate these lessons into Axel Springer's transformation? Moreover, what signals did their trip send to the organization?
  3. What are the strategic challenges that Axel Springer faces in the next three to five years and how should they be addressed? In Particular, what should be Alex Springer's global strategy? How should Döpfner navigate the dynamics between his firm's local (e.g., classifieds) and international (e.g., advertising) interests?
  4. Beyond 2014, who is best positioned to take advantage of the evolving digital landscape: the old media content experts or the new media technology experts? Why? How can Axel Springer effectively fight against Google, Amazon and other firms that may negatively impact the "Fair Search and Fair Share" environment referenced in the case?
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### **Session 3    October 26<sup>th</sup> 2017**

#### **Building a Foundation of Digital Business Agility**

#### **Case:**

McLaren Applied Technologies: Building a Disruptive Business

#### **Case Question:**

Propose two industry sectors outside of Formula 1 that McLaren Applied Technologies could compete in.

#### **Optional Reading:**

Digital Vortex book, Chapters 5-8

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### **Session 4    October 27<sup>th</sup> 2017**

Joint session with **Discovering Mergers and Acquisitions**

#### **Case:**

Case will be handed out in class.

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### **Session 5 (October 28<sup>th</sup> 2017)**

#### **Digital Leadership**

There is no preparation required for this session.

#### **Optional Reading (after the session):**

Redefining Leadership for a Digital Age, Global Center for Digital Business Transformation, 2017

**Final take-home exam: Due Thursday, November 30<sup>th</sup>, 2017 at 11:59 pm EST**

**Assignment submission : [embaassignments@schulich.yorku.ca](mailto:embaassignments@schulich.yorku.ca)**

## New Course Proposal: EMBA 6035: Mergers, Acquisitions, and Other Reorganization Methods

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1. **Program:** Kellogg-Schulich Executive MBA
2. **Course Number:** EMBA 6035
3. **Credit Value:** 2.0
4. **Long Course Title:** Mergers, Acquisitions, and Other Reorganization Methods
5. **Short Course Title:** Mergers and Acquisitions
6. **Effective Session:** Winter 2018
7. **Calendar (Short) Course Description:**

The course involves the analysis of corporate restructuring strategies including mergers, acquisitions, and takeovers focusing on fundamental concepts of valuation and analytical tools of corporate finance related to restructuring. The course integrates the corporate governance and agency dimensions, financial and strategic management aspects, and legal and accounting considerations into a unified framework, applying theoretical approaches with the case study method.
8. **Expanded Course Description:**

The course involves analysis of corporate restructuring strategies including mergers, acquisitions, and takeovers. The course integrates the corporate governance and agency dimensions, financial and strategic management aspects, and legal and accounting considerations into a unified framework for investigating issues such as, pre-merger planning, fact-finding, accounting and tax implications, anti-trust problems, post-merger integration, and short-term and long-term shareholder wealth consequences of financial and organizational restructuring transactions. The course combines applied theoretical approach with the case study method through detailed analysis of domestic and global restructuring cases. The focus will be on fundamental concepts of valuation and analytical tools of corporate finance related to restructuring. The aim of the course is for the students to understand the motivations, decision processes, transaction execution, and valuation consequences of financial, business, and organizational restructuring by corporate units. The course facilitates developing ability among students to plan, evaluate, and execute corporate restructuring strategies using financial modelling and quantitative techniques. In addition, objective of this course is to enable students to appreciate the fundamental issues involved in the structure and functioning of market for corporate control within the framework of finance theory. The course is designed so as to create an interface or link between the academic and the practitioner perspectives of various dimensions of corporate restructuring process.
9. **Rationale:**

A number of our Executive MBA students planning to work for investment banks and corporate advisory firms involved in business restructuring and turnarounds, mergers and acquisitions, and financial reorganization transactions. The subject is complex, competition in M&A and Private Equity is intense, and the consequences of error are large. The course offers a comprehensive strategic perspective, a framework of conceptual and theoretical paradigms, and applied tools for deal design and corporate valuations that may facilitate students establishing their own consulting and advisory services.

## 10. Evaluation:

Assessment for this course is on individual as well as team-based components, namely:

**Class Participation** (25%): This is an indispensable part of the learning experience for this course and performance will be judged based both on the quality and the number of comments.

**Group Case Write-Ups** (55%): These consist of a 3-page memorandum of analysis and recommendation and must be submitted before the corresponding class. Doing these in teams is intended to benefit from the diversity of background and facilitate additional intra-group learning.

**Peer Review Evaluation** (20%): This is to assess the individual contribution of each team member based on the feedback from all other team members with detailed instructions provided in class.

## 11. Integrated Courses:

This course is not integrated.

## 12. Crosslisted Courses:

This course is not crosslisted.

## 13. Faculty Resources:

This course will be taught by José Maria Liberti, who is a Clinical Professor of Finance at Kellogg School of Management, Northwestern University and William M. Scholl Professor of Finance at Kellogg Graduate School of Business, DePaul University. He is also a research fellow of the European Banking Center. He also holds an affiliation with both the Heizer Center for Private Equity and Venture Capital, and the Center for Family Enterprises at Kellogg School of Management. Professor Liberti received a bachelor's and master's degree in economics from the Universidad de San Andrés (UdeSA), in Buenos Aires and then earned both a Masters and a PhD in Economics from The University of Chicago. He held previous appointments at the London Business School and Tilburg University in the Netherlands. Professor Liberti's research lies in the boundaries of corporate finance, financial intermediation and organizational economics. His work has been published in top finance journals, including *Journal of Finance*, *Review of Financial Studies*, *Journal of Financial Economics*, as well as *Management Science*. His research has been widely recognized, among others by the American Finance Association with the annual Brattle Award (First Prize) for the best paper in corporate finance. He teaches graduate elective courses in Mergers & Acquisitions, Global Entrepreneurial Finance and Corporate Restructuring both at the MBA and Executive MBA levels and received multiple teaching awards at Kellogg School of Management and DePaul University.

## 14. Physical Resources:

This course will be offered annually over two weekends by our partner, the Kellogg School of Management at Northwestern University, at their Evanston campus. Kellogg will provide all the necessary physical resources during the course. These resources can be supplemented with the resources of York University Library, should this prove necessary (see below).

## 15. Bibliography and Library Statement:

All required readings as well as slides, lecture notes etc. will be made available to all participants, including our students, by the Kellogg School of Management on their Canvas learning management system before, during and after the course, if necessary. Further readings can be accessed remotely via the York University library, which also allows electronic access to relevant readings and toolkits.

# Kellogg School of Management Northwestern University

FINC 448: M&As, LBOs and Corporate Restructuring  
Section 81  
Winter 2017

José María Liberti

## COURSE SYLLABUS

[Updated 20161218]

### A. Aims and Objectives

The course involves analysis of corporate restructuring strategies including mergers, acquisitions, and takeovers, financial re-capitalization, leveraged buyouts, management buyouts, going private, and reorganization under bankruptcy. The course integrates the corporate governance and agency dimensions, financial and strategic management aspects, and legal and accounting considerations into a unified framework for investigating issues such as, pre-merger planning, fact-finding, accounting and tax implications, anti-trust problems, post-merger integration, and short-term and long-term shareholder wealth consequences of financial and organizational restructuring transactions. The course combines applied theoretical approach with the case study method through detailed analysis of domestic and global restructuring cases. The focus will be on fundamental concepts of valuation and analytical tools of corporate finance related to restructuring.

The aim of the course is for the students to understand the motivations, decision processes, transaction execution, and valuation consequences of financial, business, and organizational restructuring by corporate units. The course facilitates developing ability among students to plan, evaluate, and execute corporate restructuring strategies using financial modeling and quantitative techniques. In addition, objective of this course is to enable students to appreciate the fundamental issues involved in the structure and functioning of market for corporate control within the framework of finance theory. The course is designed so as to create an interface or link between the academic and the practitioner perspectives of various dimensions of corporate restructuring process.

**Who Should Take This Course?** The course is aimed at students planning to work for investment banks and corporate advisory firms involved in business restructuring and turnarounds, mergers and acquisitions, and financial reorganization transactions. The course offers a comprehensive strategic perspective, a framework of conceptual and theoretical paradigms, and applied tools for deal design and corporate valuations that may facilitate students establishing their own consulting and advisory services.

At the completion of the course the students will have developed a capability to accomplish the following:

- *Master the language and processes of M&A.* Basic knowledge about the field of M&A is the

foundation for effective work in a wide range of fields including corporate development, investment banking, consulting, and advising senior management. Class case discussions, the books and articles, the lecture slides and the practical experience of the instructor will help you master the basics.

- *Identify M&A issues worth of attention.* For example, in today's environment Corporate Restructuring, Corporate Reorganization, Private Equity and Leveraged Buyouts seem to be the most relevant. The next stage of professional competency is to develop an instinct for the problems and opportunities in an M&A situation. This course highlights elements in the structure and process of every M&A transaction that deserve professional scrutiny.
- *Analyze both M&As and LBOs transactions rigorously.* Valuation analysis is the core skill in M&A and is supplemented by analyses of strategy, dilution, financing, and risk management. The course will exercise analytics in these areas.
- *Develop a concept and design deals.* All transactions begin with the spark of an idea. Translating that idea into a concrete proposal takes hard work. Doing so teaches a lot about the drivers of M&A success, where value will be coming from (the asset side or liability side of the balance sheet) and the elements of deal design. Designing a transaction requires skills of analysis and negotiation. We will survey a number of analytic tools, and then exercise them. Solving and modeling each case will teach you a great deal about the design process. We will survey some strategic frameworks useful in M&A, and the steps necessary to translate a concept into a solid proposal.
- *Form an opinion about a proposed deal.* The key aim of the course is to create an ability to think *critically*, rather than becoming specialists of one particular area of M&A and Private Equity. Training in M&A should settle for nothing less. We will review a framework about deal design, and apply it to several cases.

The subject is complex, competition in M&A and Private Equity is intense, and the consequences of error are large. If you tackle this course earnestly, you will learn a great deal. At the same time, your learning will be deeper and more effective if you engage the course in the spirit of invention and curiosity rather than for the sake of a "grade." The course will argue that deal design is fundamentally a *creative* effort. The best creativity happens in an environment that is both demanding and fun. I will intend and do my best to promote this; you should too.

## **B. Learning Outcomes**

The learning goals of the course are given by the following:

- Develop an all-inclusive analytical framework for planning corporate restructuring transactions:
  - Explain the structure and functioning of market for corporate control.
  - Identify major market forces generated and corporate specific opportunities for creating value through corporate restructuring transactions.
  - Evaluate the objectives and motivations of various stakeholders: shareholders, managers, bondholders and employees among others behind restructuring activities.
  - To be able to utilize forecasting tools to quantify future cash flows and capital needs.

- To be able to identify and estimate value of operational, financial, and managerial synergies and incorporate those into the deal value calculations.
- Demonstrate knowledge of deal negotiation process and deal documentation.
- From an investor perspective, be able to negotiate with other players pre- and post-deal structuring.
- Identify and resolve conflicting issues in the target/acquirer relationship.
- Understand how corporate restructuring creates value; when it makes sense for a company to restructure; and what kind of most restructuring is most appropriate for dealing with a given problem.
- To be able to identify what issues and challenges managers have to deal with when implementing a restructuring and to ensure the goals of the restructuring strategies are achieved.
- Explain various legal and regulatory provisions as they impact the choice and performance implication of various restructuring transactions.
  - Evaluate available alternatives- deal structures and terms- for various corporate combinations to achieve positive value consequences given the US and global regulatory parameters.
  - Analyze implications of tax, fair trade practices, and securities laws for deal design and implementation.
  - Be able to design a “Win-Win” deal for both the parties involved in a corporate combination transaction.
- Be able to conduct valuation of the mergers, acquisitions, and corporate divestitures.
  - Use due diligence process to identify and strategically evaluate a target or an acquisition offer.
  - Apply various valuation methodologies to quantify the financial impact of restructuring transactions.
  - As an acquirer, conduct comparative valuation of various targets to arrive at different offer price scenarios.
  - From a target perspective, apply well accepted finance concepts like risk-return trade-off, cost of capital, capital structure, equity risk premium, and CAPM framework to evaluate acquisition proposals.
  - Quantify value implications of various financing alternatives and payment methods.
- Analyze various corporate governance structures and agency conflicts and their implications for corporate investors and hence market value of the firm in question.
  - Identify variety of exit modes for incumbent managements and boards of target firms.
  - As an acquirer, design various takeover tactics in a manner so as to minimize value loss to either the target, or the acquirer or the combined post-merger entity. Be able to minimize adverse impact of takeover defense provision in the target firm.
  - As a target, evaluate and redesign existing takeover defense mechanisms to maximize positive value consequences of a particular deal.
- Design and implement going private/ leveraged buyout transactions including being able to identify alternative sources of capital and planning post LBO reorganization plan.
  - Learn how to calculate IRR to sponsors.

- Using the LBO model as a backward induction tool, determine the maximum amount of equity that a Private Equity firm may be willing to offer in an LBO transaction.
- Explain various factors leading to financial distress and be able to evaluate alternatives available to restore to financial health.
  - Evaluate *pros* and *cons* of Chapter 11 (Reorganization) and Chapter 7 (Liquidation) restructuring options and their wealth consequences for various stakeholders in the firm.
  - Analyze the advantages and disadvantages of “363 sales” in fraud-driven bankruptcies.
  - Explore the role of controlling and minority shareholders in closely-held firms and the extraction of private benefits of control.
- Be able to analyze financial and legal aspects unique to cross-border restructuring transactions and incorporate those aspects into deal design and implementation.

### **C. Focus of Study: Scope of Ideas and Topics**

M&A will draw on cases and examples with the following leanings:

- The large publicly held corporation headquartered in the U.S. and abroad.
- Mainly oriented to finance, though the course will draw in contributions from accounting, law, business strategy, organizational behavior, and the role of incentives of each of the players involved in the transaction.
- Primary attention will be given to U.S. laws and regulations.
- Mainly oriented to transaction design, rather than the development of long-term policies.

Success in M&A is defined first and foremost in the creation of economic value or *unlocking* value. This value may come from different sources, such as, enhanced financial stability, improved competitive position, strengthened organization, enhanced reputation, and observance of the letter and spirit of laws and ethics, among many others.

These kinds of outcomes are the fruits of *two* important influences:

- Structure of the Environment in Which the Deal Takes Shape. This includes the nature of the economic opportunity, the strategic setting of the buyer and target, the nature of the organizations of the buyer and target, the reputation and incentive of the players, and the matrix of laws and ethical norms surrounding the firms.
- Conduct of the Players. Given the constraints and opportunities in the environment, how you play the M&A game significantly shapes outcomes. We will explore the influence of conduct in areas such as acquisition search, due diligence, negotiation and bidding, dealing with laws, regulations, and the judicial system, deal design, post-merger integration, communication, and management of the deal development process.

In short, the course presents a considerably richer view of M&A than you will have seen in previous courses and newspaper or magazine articles.

We will use the case method to motivate our discussion to close the gap between rigorous finance theory and its application to practical problems in corporate finance, and the thought-process required when faced with this gap. The course is roughly divided into 5 core topics.

**Part A: Valuation Methods Review. Where Is Enterprise Value Coming From?**

Valuation Methods and Techniques

- Weighted Average Cost of Capital (WACC)
- Unlevering and Relevering Betas
- Discounted Cash Flows Modelling
  - Free Cash Flows *or* Unlevered Cash Flows
  - Capital Cash Flows *or* Levered Cash Flows
  - Equity Cash Flows *or* Residual Cash Flows
- Adjusted Present Value (APV)
  - The Relation Between APV and CCF
- Relative Valuation Analysis: Transaction and Trading Multiples
- Developing Break-Up Analysis
- Sensitivity Tables

**Part B: Traditional M&A Topics and Transactions**

**Hostile Takeovers and Friendly Acquisitions. Strategic and Financial Aspects**

- Tender Offers: Hostile *vs.* Friendly Takeovers
- Defense Tactics: Pre-Emptive Defenses *vs.* Post-Offer Defenses
  - Deal Agreements and Deal Protections
  - Structural Defenses *vs.* Non-Structural Defenses
  - “The White Knight”
  - Poison Pills: Flip-In *vs.* Flip-Over
  - “Vote” *vs.* “Value” *vs.* “Board” Related Defenses
- Why Perform Accretion/Dilution Analysis?
- Why Perform Contribution Analysis?
- Acquisition Currency: Cash *vs.* Stock
- One *vs.* Two-Tier Offers
- Merger of Equals: How to Split the Firm?
- The Diversification Discount. Is it a Myth?
- The Market for Corporate Control
  - Delaware *vs.* Pennsylvania Courts
  - Fiduciary Duties of Board of Directors

**Part C: The Role of Corporate Raiders and Activists in Disciplinary Takeovers**

- Shareholders activism as a corporate governance mechanism.
  - Are Corporate Raiders “good” or “bad”? For whom?
  - Are Corporate Raiders or Activist Shareholders necessary?
- Corporate Raiders as a disciplinary takeover mechanism.
  - Why are disciplinary takeover the most successful?
- The Role of Proxy fights
- Staggered boards as defense mechanism to hostile takeovers.

**Part D: Creating Value through Corporate Restructuring**

- Corporate Reorganization Strategies
  - Spin-Offs, Carve-Outs, Target Stock and Divestures
- Financial Distress & Bankruptcy
  - Chapter 11 (Reorganization)
  - Chapter 7 (Liquidation)
  - Out-of-Court Restructuring vs. On-Going Concern
- Net Operating Losses (NOLs and Capital Losses)
- The Role of Private Equities in Value Creation

**Part E: Private Equity and Leveraged Buyouts (LBOs)**

- The Role of Private Equity Firms: Screening for Candidates
  - Strategic and Financial Sponsors
  - *Pros* and *Cons* of Different Sponsors
- Financial Modeling of LBOs
  - The Problem of Changing Capital Structure
  - Capital Cash Flows vs. Equity Cash Flows
  - The Method of Backward Induction
  - The Role of a Target IRR
  - Maximum Equity vs. Debt Capacity

**Part F: The Role of Risk “Arbs”**

**Managing M&A Risk: Collars, Earn-Outs and Contingent Value Rights**

- The Role of *Arbitrageurs* in the M&A scenario.
  - Interpreting *arbitrage spreads*.
  - Calculating the probability of success of a transaction from the *arbitrage spread*.
- Managing M&A Risk with Collars, Earn-Outs and CVRs
- Two classes of M&A risk:
  - Pre-Closing: Fluctuations in bidder’s and target’s stock prices.
  - Post-Closing: Failure of target to perform to expectations.
- *Pros* and *Cons* for bidder and target shareholders of using Fixed Collar Offers vs. Floating Collar Offers.

Part A acts as reference material. We will go back and forth to the material in Part A throughout the course. In addition to analyzing the specific financing problems or issues, we will consider how those issues relate to the *strategic* and *business* objectives of the firm. It will be important to examine the “big picture” assumptions that are used in the numerical calculations. This course also places emphasis on presentation and discussion skills. It will be important to explain your positions to each other and to argue convincingly for your recommendations.

Part D, E and F are very important in today’s economic environment. I teach the course from the perspective that corporate restructurings —far from being a rare or episodic event that happens to

“someone else”— is a common and important event in the professional lives of many managers. The reach of Corporate Restructuring, Private Equity and LBOs is far greater than *any* statistic may show. The course also emphasizes that the scope of corporate restructuring has become increasingly global, as heightened competition in international product, capital and labor markets puts tremendous pressure on companies worldwide to increase, their competitiveness and maximize their market value.

#### **D. Course Material**

The reading material for the course is contained in:

- A digital case and article packet which is available at Study.Net (www.Study.Net). The digital package contains all the cases and copyrighted material you will need to purchase for the class during the quarter. All the other necessary material including slides, lecture notes and articles will be uploaded in Dropbox. I will not distribute this material in class, so you should therefore print this material or just read the material on-line before class and for each assignment. I will only distribute in class the case solution(s) for the case(s) we are discussing and solving in that specific session.
- Bruner, R.F. (Bruner), “Applied Mergers & Acquisitions,” First Edition, John Wiley & Sons, Inc., 2004. You may want to by the edition *without* the CD-ROM.
- Castillo, J.J. and Peter J. McAniff (CA), “The Practitioner’s Guide to Investment Banking, Mergers & Acquisitions, Corporate Finance,” First Edition, Circinus Business Press, 2007.
- Kim, K.A. and John R. Nofsinger and Derek J. Mohr, (KNM) “Corporate Governance,” Third Edition, Prentice Hall, 2010.

I highly recommend a small, practical and inexpensive but surprisingly comprehensive dictionary defining over 5,000 terms:

- Downes, J. and Jordan Elliott Goodman, “Dictionary of Finance and Investment Terms,” Ninth Edition, Prentice Hall, 2014.

As reference material for basic corporate finance topics you may want to use any of the usual graduate textbooks:

- Berk, J. and Peter DeMarzo (BDeM), “Corporate Finance,” Second Edition, Pearson Addison Wesley, 2010. You can also use any other textbook you used in your *core* corporate finance classes.
- Brealey, R., Stewart Myers and Franklin Allen (BMA), “Principles of Corporate Finance,” 9<sup>th</sup> Edition, McGraw-Hill/Irwin, 2007. This is another textbook you may find useful in case you want to review core topics that were taught in your corporate finance classes.

- Grinblatt, M and Sheridan Titman, “Financial Markets and Corporate Strategy”, 2<sup>nd</sup> Edition, Irwin/McGraw Hill, 2001. Use this textbook as a more *advanced* reference book.

In addition (most of) the material will also be uploaded in Dropbox during the term (subject to copyright regulations). I will also hand out during the course teaching slides and additional reading material as well as case solutions. In some cases I will e-mail my valuation model, so you can follow in class how my solution looks like relative to the one your group produced. All material I distribute in class will also be uploaded in Dropbox, except for the solutions of the cases. If you are missing any material, you should contact me via e-mail. I will be happy to provide it.

There are several other books on the market covering *Mergers & Acquisitions*, *The Market for Corporate Control* and the *Role of Private Equity* to various degrees of depth. We will not use these books in this course, but if you nevertheless wish to consult other books occasionally, here are some good useful books. In some cases I will upload in Dropbox some of the chapters of these books according to the topics we cover each week. You should also feel free to ask me for book recommendations in other topics if you are interested.

- Adolph, G., Justin Pettit and Michael Sisk, “Merge Ahead: Mastering the Five Enduring Trends of Artful M&A,” First Edition, McGraw-Hill, 2009. The book contains the most up-to-date information available on recent mergers and trends in the world of M&A. It conveys critical information in concise and fast-paced language, providing a hands-on resource that won’t bog you down.
- Arzac, E.R., “Valuation for Mergers, Buyouts and Restructuring,” Second Edition, John Wiley and Sons, Inc., 2008.
- DePamphilis, D.M., “Mergers, Acquisitions, and Other Restructuring Activities,” Fourth Edition, Academic Press, Elsevier Inc., 2008.
- Gaughan, P.A., “Mergers, Acquisitions and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007.
- Gaughan, P.A., “Mergers: What Can Go Wrong and How to Prevent It,” John Wiley and Sons, Inc., 2005.
- Gilson, S.C., “Creating Value Through Corporate Restructuring: Case Studies in Bankruptcies, Buyouts and Breakups,” John Wiley and Sons, Inc., 2001.
- Hunt, P.A., “Structuring Mergers & Acquisitions: A Guide To Creating Shareholder Value,” Third Edition, Wolters Kluwer, Law & Business, Aspen Publishers, 2007.
- Lajoux, A.R. and Charles M. Elson, “The Art of Due Diligence,” McGraw-Hill, First Edition, 2000. Drawing on the experience of 100 experts, the book shows non-lawyers how to navigate due diligence and how to uncover data that can break a deal. Featuring global

perspectives and special insights for small businesses, manufacturers, and service companies, this primer is essential for everyone involved in M&As.

- Lajoux, A.R. and H. Peter Nesvold, “The Art of M&A Structuring: Techniques for Mitigating Financial, Tax, and Legal Risk,” McGraw-Hill, 2003.
- Reed, S.F., Alexandra Lajoux, and H.Peter Nesvold, “The Art of M&A: A Merger Acquisition Buyout,” Fourth Edition, McGraw-Hill 2007. This is a *classic* book with vital information on the process of M&As: Getting Started; Planning and Finding; Valuation and Pricing; Financing and Refinancing; Structuring Deals; Due Diligence Practices; Negotiation, Agreements and Letter of Intent; Post-Merger Integration Issues, Workout, Bankruptcies and Liquidations and Structuring Transactions with International Aspects.
- Schweiger, D., “M&A Integration: A Framework for Executives and Managers,” First Edition, McGraw-Hill, 2002. Studies of Fortune 500 executives found that post-merger integration issues such as culture clashes, style, ego, and management changes are the most common pitfalls that can derail otherwise successful mergers or acquisitions. The book provides a practical framework for integrating acquisitions while helping managers direct each step in the volatile and uncertain post-merger integration process.

For valuation purposes *four* good references are:

- Castillo, J.J and Peter J. McAniff, “The Practitioner’s Guide to Investment Banking, Mergers & Acquisitions, Corporate Finance,” First Edition, Circinus Business Press, 2007.
- Damodaran, A., “Damodaran on Valuation: Security Analysis for Investment and Corporate Finance,” Second Edition, John Wiley and Sons, Inc., 2006.
- Damodaran, A., “Investment Valuation: Tools and Techniques for Determining the Value of *Any* Asset,” Second Edition, John Wiley and Sons, Inc., 2002.
- Koller, T., M. Goedhart and D. Wessels “Valuation: Measuring and Managing the Value of Companies”, Fourth Edition, McKinsey & Company Inc., John Wiley and Sons, Inc., 2005.
- Rosenbaum, J. and Joshua Pearl, “Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions,” John Wiley and Sons, Inc., 2009.

They are generally pretty expensive books, so feel free to consult me before buying any of them. I can lend them to you so you can browse through them and check whether you feel they may be useful for your future careers or current jobs. I highly recommend the two valuation books since they are unique source of reference when dealing with particular topics in valuation.

The following list of books is those which I have found interesting as well as informative. They are more like bed-time reading. If after my class you are interested in additional reading, please,

let me know. This list is meant to be my suggestions of where you can start looking.

- Anders, G., Merchants of Debt: KKR and the Mortgaging of American Business, Beard Books, 2002. An insider Wall Street Journal reporter explores the leveraged-buyout operations of Kohlberg Kravis Roberts. The LBOs of Safeway, Beatrice, Duracell and RJR Nabisco are explained in an easy way.
- Bernstein, P., Capital Ideas: The Improbable Origins of Modern Wall Street, Wiley, 2005. This book is a history of modern finance. If you read this book you will notice how closely academic and practical finance are intertwined.
- Chew Jr., D.H., The New Corporate Finance. Where Theory Meets Practice, McGraw-Hill Irwin, 3<sup>rd</sup> Edition, 2001. This is a good source of readings on applied corporate finance classic papers.
- Koller, T. Marc Goedhart, and David Wessels, Valuation: Measuring and Managing the Value of Companies, McKinsey & Company, 4<sup>th</sup> Edition, 2005. A reasonable reference on valuation, more practical and less analytical than BMA and GT. This is a practitioner guide to valuation, and is on the whole correct.
- Milgrom, P. and John Roberts, Economics, Organization & Management, Prentice Hall, 1992.
- Schwager, J.D., The New Market Wizards: Conversations with America's Top Traders, Harper, 1994. This book is a series of interviews with very successful traders. These are people who have beaten their respective markets.

### **E. Course Procedures: Group Case Write-Ups**

Deadlines for the class are non-negotiable. If you have a question about a deadline, you should resolve it prior to the deadline. Under special circumstances, you may arrange to turn in your work *early*. Submissions will not be accepted after the due date and exams may not be taken late. Late submissions or taking an exam later than your scheduled time may provide a student with unfair advantage over other students. In the interest of fairness, all students must face the same set of deadlines.

There will be **11/12** group case write-ups/assignments depending on the availability and feasibility of time as the course progresses. Case write-ups must be submitted on time before the beginning of each lecture. No credit will be given for late cases. I will grade the cases on a scale of 0 to 5 (including decimal places) and give you as much feedback as possible in the corrections. I have a very particular way of grading, it is tough but it is very detailed and, most important, you will learn from the mistakes. The Case-Study Questions for each of the 13 cases will be available on Dropbox a week in advance. Note that the Mini-Cases in the Course Outline are not graded. These cases and material will be covered in class.

You are allowed and encouraged to meet in groups outside of class to discuss and analyze the

cases. In the past, students have found that these groups complement the class discussion well. I encourage you to collaborate on cases. Groups should be composed by exactly **5** students. If you have any problems in finding someone to work with, please e-mail me and let me know. I will be happy to assist you in finding a group.

Diversity in group composition will be rewarded (strong and weak finance students, men and women, single and married...) and you can describe on the cover page along which dimension your group is diverse. You are allowed to change groups during the term (although I do not prefer this situation). Also, bear in mind that it may be helpful to choose groups according to the specific home addresses of the group members since most likely you will be meeting during the week-ends to solve and discuss the cases.

Regarding the cases, each group will submit a **three-page** (and **NOT** a single page more) memorandum of analysis and recommendations covering the case study questions plus any accompanying tables, models, graphs and exhibits you wish to include as appendices. Tables should be well organized and labeled. Include whatever exhibits you deem necessary, but I suggest not to waste the reader's time with exhibits that do not add significant value to the analysis. For example, do not use two similar exhibits that do not add much to the analysis and understanding of the case, or do not repeat what is written on the case. Be sure to indicate how you arrived at your conclusions. I care about the thinking process and the logic behind the cases rather than the correct or incorrect answer. I will accept one memorandum from the group and count it for all students in the group. Write these as if you were writing a recommendation for the CEO or major decision maker in the case. Be sure to address in each paragraph of the memorandum the questions you are being asked in the case-study questions. I urge you to start each paragraph with a number referring to the question you are answering. For your convenience, I will also post some of the relevant data for each case in a worksheet on Dropbox

Each group should also submit (via e-mail) the excel file that contains the (professional, neat, complete, and clear) analysis. This way is easier for me to grade your quantitative analysis. The excel file should be named **FirstName\_LastName\_CASENAME.xls**. The first and last name can correspond to any member of the group.

For your convenience, I will also post some of the relevant data from each case in an Excel worksheet on the corresponding week in Dropbox.

The main point of the cases is to help you learn by ensuring that you prepare for class and think about the material to cover each week. Reading the material assigned for each week is crucial and preparing for the cases is the best way to enjoy and learn from this course. My advice about the cases is: do your best in working through them, but recognize that they are hard and you will not always get it right. They will get harder and harder as the course progresses.

Brevity is a virtue for case write-ups. Do not repeat the facts of the case. You should turn in your memo at the beginning of the class on the due date. You are expected to have read the case and prepared your answers. Keep a copy of your answers as you will be expected to contribute to the class discussion based on your written answers. I expect the answers to be well-reasoned. The cases are your opportunity to apply the concepts you have learned thus far to messy, not-so-clear,

and complex real-world problems. Understanding the ideas is important and being able to explain them to your boss and co-workers is equally important. Thus, your case write-ups will be graded both on your answers as well as how well you defend your proposed solution.

The readings and articles, which I have assigned and will hand out as the course progresses or post in Dropbox, are largely non-technical in nature and summarize the findings of academic and business research in corporate finance in the recent past. These articles are meant to be background material, which will help you to analyze the cases. The readings should not necessarily be cited in the case discussion; I do not want a summary of my reference material! You should try to argue as if you were in a corporate boardroom rather than in a doctoral seminar. The goal is to have an open and interactive class-case discussion, where the process of arriving at the answer is as important as getting the answer.

Because of the nature of this course (and its grading criteria), it is extremely important that you attend every class, arrive on time, and are prepared to participate. To help me remember who said what, it is important that you **always sit** in the same places. Also, if your picture is not in the Kellogg directory/roaster face book, I recommend that you come and introduce yourself to me on the first day of class.

## F. Grading

The weighting for the final grade is given by:

Class Participation	25%
Group Case Write-Ups	55%
Peer Review Evaluation	20%

As a strict rule, there is **no** make-up days for material due. It is your responsibility to schedule the rest of your activities such that you are able to attend comply with the rules of the class.

**Class Participation:** By design, this is a case-based course. Given the format, class participation is an *indispensable* part of the learning experience. I will judge your performance based both on the quality and the number of your comments. Because so much of the learning in this course occurs in the classroom, it is very important that you attend every class. Low class participation combined with several absences can lead to a lower grade. If you are uncomfortable with such a heavy weight on class participation, this class may not be for you. I will grade for each case your class participation using a discrete scale of 1, 2 and 3. For the best (or bests) student(s) in terms of class participation for each session, I will assign only one numerical value of 5 per class. I will post in Dropbox each night (after class) the class participation grades for that day so you can check the performance for that particular session.

**Group Case Write-Ups:** As mentioned in Section E, this grade will be based on the 11/12 group case write-ups. Grading is very seriously done and I expect from all the groups high-quality write-ups.

**Peer-Review Evaluation:** During Week X, I will distribute and post a peer-review evaluation which you will have to complete individually evaluating each member of the group. In addition you may submit an attached hard-copy letter to the peer-review evaluation describing each team members' performance and contribution to the group, and an assessment of "how the process went." Please, remember to put your name on the letter. I recommend you hand me in the peer-review evaluation and your letter in a sealed signed envelop in class on the last class of the quarter.

### **G. Access to Dropbox**

The class webpage on Dropbox is intended as the main information dissemination mechanism. When you have a question, you should consult Dropbox first, as in most cases; you will find the answer there. If it is not the case, then contact me. In particular: lecture notes, teaching slides, handouts, announcements, frequently asked questions (and their answers) and supporting material will all be posted on Dropbox.

From Dropbox you will be able to download excel spreadsheets and case questions for the 12/13 graded cases. Each workspace, in turn, contains one or more of the exhibits in the case. This will make it easier for you to spend time on the analysis, rather than punching in numbers. From the portal you will also be able to download most of the handouts I supply throughout the course as well as teaching material and slides. Anything I hand out in class will also be put on the home page (unless it is copyright material).

### **H. Office Hours and Contact Information**

The best way to get in touch with me is via email: [j-liberti@kellogg.northwestern.edu](mailto:j-liberti@kellogg.northwestern.edu). I follow an open door policy. You can also call, come to my office, or put a note in my mailbox. You can call at my office number. My office is located at the Finance Department, Jacobs 4203. I will also be available for individual meetings by appointment at times that are mutually convenient. Please e-mail me to make appointments. If you come, I will stay until student exhaustion or midnight whichever comes first.

As a rule to follow, I will **NOT** discuss any question related to the cases before they are solved in class. After they are solved I will be more than happy to discuss them with you. I am happy to discuss anything you want regarding the course material, job offers, projects, careers, etc.

### **I. Finance Review and Reference Material**

One of the challenges of Corporate Restructuring, LBOs and Private Equity is that students' background is generally very different, specifically coming from different programs and careers and having taken different courses at different times in their MBAs careers. For some of you some of the finance material will be fresh, but for some others it will be rusty (or eve very rusty since the last time you took a finance course was at College). For those of you who feel you need to review some of the "old" material I am providing you with some of material from core corporate finance courses (FINC 430/440/441). I have been writing these notes during the last 5 years now. I am still updating them. Feel free to let me know about typos or things that are

unclear. I will be more than happy to correct them. You will **NOT** need the 15 chapters for this class. I will let you know which the relevant chapters are for each session. You should check the Reading Material for that particular week.

Feel free to browse the specific issues and chapters for each of the relevant cases as indicated in the assigned Weekly Readings. I will assume that you are acquainted with this material; I will **NOT** lecture this material during the course. Use these slides as a reference material in case you need so, and obviously feel free to download them as reference material for upcoming courses.

#### **J. First Week Class Assignment**

In Week I, Wednesday, January 4 we will go over some basic valuation review concepts including different types of cash flows (Free Cash Flow, Capital Cash Flow, and Equity Cash Flows), WACC, Adjusted Present Value (APV), the concept of the optionality of equity and understanding *Where is Enterprise Value Coming From?* Show up in class, happy, rested and ready to work! You may want to read/skim the material under **Week 0: Introduction: Does M&A Pay?** and *Why Do We Follow M&A Transactions?* This is mostly “chit-chat” material.

#### **K. Workshops**

There will be two Workshops according to the Course Outline. Workshop A will take place on Saturday, January 7 in Jacobs G40 and will cover Valuation Techniques (mid-morning) and Affordability Analysis (afternoon). Workshop B will take place on Friday, February 24 in Jacobs G44 and will cover Valuation of Leveraged Buyouts and Financial Modelling of LBOs.

#### **L. Review Sessions/Tutorials/Workshops**

I will conduct an open class Q&A Session every Wednesday or Friday between 2PM and 5PM or 1:30PM and 4:30PM, respectively. The classroom assigned for the review sessions throughout the quarter is either G42 (Wednesday) or G44 (Friday). Please check the course outline for the topics of each Q&A Session.

#### **M. Tips On How To Engage The Course**

*Diversify.* The course offers a number of learning modes. **Engage them all!** The plan for the course shows that regular case studies will be the focus of 11 of the class meetings.

*Follow Your Interest.* This is a “self-tailoring” course in that it leaves much of the technical reading to the discretion of the student. The two books, articles and slides will give you the framework of terminology and tools in M&A. Consider reading carefully where you find interesting topics.

*Join a Learning Team to Prepare For Class.* The ideas in the cases and readings for class are deep; the analysis can get complex. You will learn more from the course, and perform better in class participation by discussing these cases together in a learning team. I will serve as a clearinghouse for those students who have been unable to join a learning team.

*Commit to Your Write-Ups and Learning Teams.* Team-based work makes a large contribution to the course. The Group work accounts for 40% of the final grade. High performance teams show a number of common attributes:

- Members commit to the success of the team.
- The team plans ahead, leaving time for contingencies.
- The team meets regularly.
- Team members show up for meetings and are *prepared* to contribute.
- There may or may not be a formal

#### **N. Academic Integrity Policy**

As a condition of their enrollment in this course, *all* students enrolled in a course offered by the Kellogg School of Management agree to abide by the Kellogg Honor Code as outlined in [http://www.kellogg.northwestern.edu/stu\\_aff/policies/honorcode.htm](http://www.kellogg.northwestern.edu/stu_aff/policies/honorcode.htm). A violation of the Honor Code will result in sanctions, including a failing grade for the course.

#### **O. Course Reading List and Course Outline**

The course reading list is divided by Weeks and classified in *Required Readings*, *Business Readings* and *Supplementary Readings*. You do not need to read the *Supplementary Readings*. This supplementary material is provided to expand your knowledge in the particular topic we are covering. It is more to suffice your curiosity in the specific topic we are covering that day. If you want any additional information please do not doubt to let me know. I will be happy to provide you with any additional material or readings.

## **Week 0**

**[Before First Meeting]**

### **Introduction: Does M&A Pay?**

#### **The M&A Environment: 1990-2016**

##### Recommended Readings

- Annema, A., Roerich Bansal and Andy West, “M&A 2014: Return of the Big Deal,” *McKinsey on Finance*, Number 53, Winter 2015.
- Bruner, R., “Applied Mergers & Acquisitions,” Chapter 3: Does M&A Pay?
- Bruner, R., “Where M&A Pays and Where It Strays: A Survey of Research,” *Journal of Applied Corporate Finance*, Volume 16, Number 4, Fall 2004.
- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part I: The Basics, Chapters 4 (Strategic Transactions), 5 (Introduction to M&A), 6 (Analyzing Strategic Acquisitions) and 7 (Screening for M&A Transactions).
- Jain, R., Bin Jian and Tim Koller, “What’s Behind This Year’s Buoyant Market,” *McKinsey on Finance*, October 2014.
- Liberti, J., “Why Follow M&A Transactions?” Note, Kellogg School of Management, 2016.
- Liberti, J., “The M&A Environment: 1990-2015,” Lecture Slides, Kellogg School of Management, 2016.
- Rhem, W. and Andy West, “M&A 2015: New Highs, and a New Tone,” *McKinsey on Finance*, December 2015.
- University of Rochester Roundtable on Corporate M&A and Shareholder Value, *Journal of Applied Corporate Finance*, Volume 17, Number 4, Fall 2005

##### *Supplementary Readings on the Current Status of the M&A Market*

Given the chaos in the financial economy, it should come as no surprise that M&A activity fell sharply in the fourth quarter of 2008. Since 1980, US recessions have led to steep declines in the value of global M&A activity—typically, of around 50% during the first year. That fall-off results from factors we see in the current downturn as well, including lower deal values in sinking equity markets; difficulties with financing, particularly for very large transactions; and a general fear about the economic outlook, which forces acquirers to put plans on hold. Moreover, in December 2008 stock markets were down 40 to 50 percent from their January levels.

- Baghai, M., Sven Smit and S. Patrick Viguerie, “M&A Strategies in a Down Market,” *The McKinsey Quarterly*, Corporate Finance, September 2008.
- Capaldo, A., David Cogman, and Hannu Suonio, “What’s Different About M&A in this Downturn,” *McKinsey on Finance*, Number 30, Winter 2009.
- Capaldo, A., Richard Dobbs, and Hannu Suonio, “Deal Making in 2007: Is the M&A Boom Over?,” *McKinsey on Finance*, Number 26, Winter 2008.
- Cogman, D. and Carsten Buch Sivertsen, “A Return to Deal Making in 2010,” *The McKinsey Quarterly*, January 2011.
- Dobbs, R. and Timothy M. Koller, “The Crisis: Timing Strategic Moves,” *McKinsey on Finance*, Spring 2009.
- Jiang, B. Timothy M. Koller and Zane D. Williams, “Mapping Decline and Recovery Across Sectors,” *McKinsey on Finance*, Winter 2009.
- Melwani, A. and Werner Rehm, “A Singular Moment for Merger Value,” *McKinsey on Finance*, Summer 2000.
- Rehm, W., Robert Uhlener and Any West, “Taking a Long-Term Look at M&A Value Creation,” *McKinsey Quarterly*, January 2012.
- Rehm, W., Carsten Buch Sivertsen, “A Strong Foundation for M&A in 2010,” *McKinsey on Finance*, Number 34, January 2010.
- Sivertsen, C. B., “A Mixed Year for M&A,” *McKinsey Quarterly*, January 2012.

#### *Business Reading*

- “In a Record Year for Deals, Success and a Few Missteps,” *Dealbook New York Times*, December 22, 2015.
- “What Drives Mergers, Really?,” *Financial Times*, October 10, 2014.
- “M&A Deals Lift Wall Street Shares Nearer a Record High,” *Reuters*, February 19, 2013.
- “Shopping Spree for Wall Street,” *The Wall Street Journal*, February 14, 2013.
- “Faceless Shareholders to Drive M&A Action,” *Financial Times*, January 10, 2010.
- “Deals Return in Q3, But Outlook Still Cautious,” *Reuters*, September 24, 2010.
- “M&A Cycle Turns,” *Financial Times*, December 20, 2009.

- “M&A Springs Back To Life,” *Financial Times*, April 20, 2009.

# Week I/Workshop A

[January 4/January 7]

## Valuation Methods Review Where Is Enterprise Value Coming From?

### Reconciliation of Valuation Methods

#### Recommended Readings

##### *Required Readings on Valuation*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapters 8 (The Role of Valuation) and 11 (Discounted Cash Flow Analysis).
- Kaplan, S., “A Note on Discounted Cash Flow Valuation Methods,” University of Chicago, Booth School of Business, 2004.
- Liberti, J., “Valuation Methods: Discounted Cash Flow Analysis. Risk of Tax Shields: WACC vs. APV,” Lecture Slides, Kellogg School of Management, 2016.
- Liberti, J., “Capital Budgeting: Types of Cash Flows. Free Cash Flows, Capital Cash Flows and Equity Cash Flows,” Reference Material: Chapter I, Kellogg School of Management, 2016.  
[Concentrate on the 2 basic Cash Flows: FCF and CCF. This chapter is already in the set of slides I distributed in class!]
- Liberti, J., “Capital Structure I: Modigliani Miller Irrelevance Theorem. Estimating Cost of Capital,” Reference Material: Chapter IV, Kellogg School of Management, 2016.
- Liberti, J., “Capital Structure II: Corporate Taxes. Estimating Cost of Capital. Valuation Techniques,” Reference Material: Chapter V, Kellogg School of Management, 2016.
- Liberti, J., “Summary Tables: Constructing Cash Flows EBIT and Net Income Version,” Kellogg School of Management, 2016.
- Liberti, J., “Valuation Techniques: Summary of Formulae and Concepts,” Note, Kellogg School of Management, 2016.
- Luehrman, T., 1997, “Using APV: A Better Tool For Valuing Operations”, *Harvard Business Review*, Volume 73, Number 3, 1997.

### *Required Readings on Reconciliation Methods*

- Liberti, J., “Mini-Case: Valuation Using WACC and APV – GM’s Bid For Hughes Aircraft Corporation”, Lecture Slides, Kellogg School of Management, 2016.

### *Required Readings on Capital Structure*

- Heine, R., and Fredric Harbus, “Toward a More Complete Model of Optimal Capital Structure,” *Journal of Applied Corporate Finance*, Volume 15, Number 1, 2003.
- Liberti, J., “How To Come Up With a Capital Structure Policy? Overview/Summary,” Note, Kellogg School of Management, 2016.

### *Required Readings on Transaction and Trading Multiples*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapters 9 (Comparable Company Analysis) and 10 (Comparable Transaction Analysis).
- Chadda, N., Robert S. Mc Nish and Werner Rehm, “All P/Es Are Not Created Equal,” *McKinsey on Finance*, Spring 2004.
- Goedhart, M., Timothy Koller and David Wessels, “The Right Role for Multiples In Valuation,” *McKinsey On Finance*, Spring 2005.
- Liberti, J., “The Market Approach to Value: Relative Valuation Techniques,” Lecture Slides, Kellogg School of Management, 2016.

### *Supplementary Readings on Valuation*

- BdeM, “Corporate Finance,” Chapter 18 and 19 (Part VI: Valuation).
- BMA, “Principles of Corporate Finance,” Chapter 17, 18 and 19 (Financing and Valuation).
- Kaplan, S. and Richard S. Ruback, “The Market Pricing of Cash Flow Forecasts: Discounted Cash Flow vs. The Method of Comparables”, *Journal of Applied Corporate Finance*, Volume 8, Number 4, Winter 1996.
- Schroeder Salomon Smith Barney, European Credit Research, “Bond and Credit Valuation Criteria”, November 2002.

[Concentrate on Pages 11-28: Measuring Cash Flows and Free Cash Flow: A Better Measure.]

- Sloan, R.G., “Using Earnings and Free Cash Flow To Evaluate Corporate Performance”, *Journal of Applied Corporate Finance*, Volume 9, Number 1, Spring 1996.

*Supplementary Readings on Transaction and Trading Multiples*

- Esty, B., “What Determines Comparability When Valuing Firms With Multiples?,” *Journal of Financial Education*, Fall 2000.

*Supplementary Readings on Capital Structure*

- Myers, S.C., “Still Searching for Optimal Capital Structure,” *Journal of Applied Corporate Finance*, Volume 6, Number 1, 1993.
- Opler, T., Michael Saron, and Sheridan Titman, “Designing Capital Structure to Create Shareholder Value,” *Journal of Applied Corporate Finance*, Volume 10, Number 1, 1997.

*Supplementary Readings on Sensitivity Tables*

- Ecklund, P., “Introduction to Data Tables and Data Table Exercises,” Tools for Excel Modeling, Duke, The Fuqua School of Business, Excel Review 2001-2002.

# Workshop A

[January 7]

## Merger Consequences Analysis: Affordability Analysis M&A Analysis

In the first lecture and workshop you will learn how to perform the mechanics of merger consequences analysis, which are often called *affordability analysis*. This includes using accretion/dilution analysis to determine how the proposed transaction will affect the acquirer's earnings per share (or EPS), and using credit analysis to determine how the proposed transaction will affect the acquirer's credit rating. We will also discuss the fundamentals of purchase accounting, the concept and creation of goodwill and asset-write ups and how to determine fixed exchange ratios using relative contribution analysis.

Using Hershey Foods Corporation's (HFC) 10-Q financial reports from March 31 2002, we value HFC as a **potential target** for an acquirer. Why is it a potential target? Using *financial* and *qualitative* information available in the 10Qs we compute the *Intrinsic* Enterprise and Equity Value and comparing them to the market sock price. Is HFC undervalued? Overvalued? Does it have a fair price? In doing so we use WACC, Transaction & Trading multiples. We will finally go over the merger consequences analysis for Wrigley's acquisition of Hershey.

### Recommended Readings

- CA, "The Practitioner's Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance," Part I: The Basics, Chapter 4 (Strategic Transactions) and Chapter 5 (Introduction to M&A), Chapter 6 (Analyzing Strategic Transactions) and Chapter 7 (Screening for M&A Transactions).
- Hershey Foods Corporation, Form 10-Q, March 31, 2002.
- Hershey Foods Corporation, Management's Discussion and Analysis.
- Liberti, J., "Merger Consequences Analysis – Affordability Analysis," Lecture Slides, Kellogg School of Management, 2016.

## **Week II**

[January 11]

### **Mergers and Acquisitions: Valuation of Hard and Soft Synergies Multiples in Practice**

### **Break-Up Analysis: The Diversification Discount: Is It a Myth?**

### **Take-Over Defenses and Bidding Strategies Implementing Structural Defenses Structuring Acquisition Offers**

#### Recommended Readings

##### *Required Readings on M&As, Takeover Attempts, Tactics and Battles*

- BdeM, “Corporate Finance,” Chapter 28.
- BMA, “Principles of Corporate Finance,” Chapters 32 and 34.  
[Concentrate especially on Section 32.5: Takeover Battles and Tactics]
- Liberti, J., “Mergers and Acquisitions: The Market for Corporate Control,” Reference Material: Chapter XII, Kellogg School of Management, 2016.
- Liberti, J., “Special Cases in Valuation: Mergers and Acquisitions,” Note, Kellogg School of Management, 2016.
- Liberti, J. “Stock or Cash? The Trade-offs for Buyers & Sellers in Mergers and Acquisitions,” Lecture Slides, Kellogg School of Management, 2016.

##### *Required Readings on Synergies*

- Bekier, M.M, Anna J. Bogardus and Tim Oldham, “Why Mergers Fail?” *The McKinsey Quarterly*, Number 4, 2001.
- Christofferson, S.A., Robert S. McNish and Diane L. Sias, “Where Mergers Go Wrong?” *The McKinsey Quarterly*, 2004, Number 2.
- Dobbs, R., Mare Goedhart and Hannu Suonio, “Are Companies Getting Better at M&A,” *McKinsey on Finance*, Winter 2007.

- Dobbs, R., Hannu Suonio and Vincenzo Tortorici, “Maintaining Discipline In M&A,” *The McKinsey Quarterly*, Number 2, Commentary, May 2007.
- Goedhard, M., Tim Koller, David Wessels, “The Five Types of Successful Acquisitions,” *McKinsey on Finance*, Number 36, Summer 2010.
- Sirower, M.L. and Sumit Sahni, “Avoiding the ‘Synergy Trap’: Practical Guidance on M&A Decisions for CEOs and Boards,” *Journal of Applied Corporate Finance*, Volume 18, Number 3, Summer 2006.

*Required Readings on the Diversification-Conglomerate Discount*

- Caudillo, F., S. Houben and JehanZeb Noor, “Mapping the Value of Diversification,” *McKinsey on Finance*, Number 55, Summer 2015.
- Cyriac, J., T. Koller and Jannick Thomsen, “Testing the Limits of Diversifications,” *McKinsey Quarterly*, February 2012
- Liberti, J., “M&A Activity. Valuing Conglomerates: The Diversification or Conglomerate Discount,” Lecture Slides, Kellogg School of Management, 2016.

*Supplementary Readings on M&As, Structuring Acquisition Offers and Synergies*

- Agrawal, A., Cristina Ferrer and Andy West, “When Big Acquisitions Pay Off,” *McKinsey on Finance*, Number 39, Spring 2011.
- Andrade, G., Mark Mitchell and Erik Stafford, “New Evidence and Perspectives on Mergers,” *The Journal of Economic Perspectives*, Volume 15, Number 2, Spring 2001.
- Holmstrom, B. and Steven N. Kaplan, “Corporate Governance and Merger Activity in the United States: Making Sense of the 1980s and 1990s,” *Journal of Economic Perspectives*, Volume 15, Number 2, Spring 2001.

*Supplementary Readings the Diversification-Conglomerate Discount*

- Lins, K. and Henri Servaes, “International Evidence on the Value of Corporate Diversification,” *Journal of Finance*, Volume 54, Number 6, December 1999.
- Villalonga, B., “Research Roundtable Discussion: The Diversification Discount,” April 24, 2003.

[Available for download at SSRN: <http://ssrn.com/abstract=402220>]

## **Week III**

[January 18]

### **The Market for Corporate Control: Delaware vs. Pennsylvania**

### **Structuring Offers: Two-Tier Offers Avoiding the Free-Rider Problem in M&A Contexts**

### **Takeover Battles and Corporate Defense Tactics**

### **Merger of Equals (MEO)**

#### Recommended Readings

#### *Required Readings on Takeover Defenses, Battles, Tactics and Merger of Equals*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part III: M&A Analysis, Chapter 15 (Acquisition Currency), Chapter 18 (Merger of Equals) and Part IV: Transaction Structuring, Chapter 23 (Corporate Defense).
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 5 (Antitakeover Measures) and Chapter 6 (Takeover Tactics).  
[Read all Chapter 5. For Chapter 6 only read pages 247-249 devoted to Two-Tier Offers.]
- Hunt, P.A., “Structuring Mergers & Acquisitions: A Guide To Creating Shareholder Value,” Third Edition, Wolters Kluwer, Law & Business, Aspen Publishers, 2007. Chapter 24 (Hostile Acquisitions).
- Liberti, J., “The Market for Corporate Control – M&A Motives, Tactics and Takeover Defenses,” Class Lecture Slides, Kellogg School of Management, 2016.

#### *Supplementary Readings on Strategic Acquisitions and Takeover Defenses*

- Bruner, R., “Applied Mergers & Acquisitions,” Chapter 33 (Takeover Attack and Defense).
- Hunt, P.A., “Structuring Mergers & Acquisitions: A Guide To Creating Shareholder Value,” Third Edition, Wolters Kluwer, Law & Business, Aspen Publishers, 2007. Chapter 23 (Anti-Takeover Measures).
- Jarrell, G.A., James A. Brickley and Jeffrey M. Netter, “The Market for Corporate Control: The Empirical Evidence Since 1980,” *The Journal of Economic Perspectives*, Volume 2, Number 1, Winter 1988.

- Ragozzino, R. and Jeffrey J. Reuer, “Mind the Information Gap: Putting New Selection Criteria and Deal Structures to Work in M&A,” *Journal of Applied Corporate Finance*, Volume 19, Number 3, Summer 2007.
- Subramanian, G., “Takeover Defenses and Bargaining Power,” *Journal of Applied Corporate Finance*, Volume 17, Number 4, Fall 2005.

*Business Readings*

- “North American Railways: Stop Me Before I Merge Again,” *The Economist*, July 20, 2000.
- “Mergers & Acquisitions. Hostile Bids are Back,” *Financial Times*, February 18, 2004.
- Free-Rider Problem Takes Toll on Restructurings, *Financial Times*.
- M&A Losers in \$10 Trillion Deal Binge Led by McClatchy, Sprint (*Bloomberg*; August 19, 2011)
- Live-Nation Ticketmaster in \$2.5B Merger Deal (*MarketWatch*; February 10, 2009)

## **Week IV-A**

[January 25]

### **Hostile Takeovers: Agency Issues The Use of EVA™**

#### **The Role of Corporate Raiders: Hostile Takeovers How Effective is Corporate Governance?**

##### Recommended Readings

###### *Required Readings on Agency Costs and Benefits of Debt*

- Jensen, M., “The Agency Costs of Free Cash Flow: Corporate Finance and Takeovers,” *American Economic Review*, Volume 76, Number 4, 1986.

###### *Required Readings on EVA™ and the Role of Governance*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part IV: Transaction Structuring, Chapter 20 (Deal Mechanics).
- Kim, K.A. and John R. Nofsinger and Derek J. Mohr, “Corporate Governance,” Chapter 7 (Shareholders and Shareholder Activism), and Chapter 8 (Corporate Takeovers: A Governance Mechanism?), Third Edition, Prentice Hall, 2010.
- Liberti, J., “Economic Value Added (EVA™) - Executive Compensation,” Class Lecture Slides, Kellogg School of Management, 2016.
- O’Connell, S., Michael Park and Jannick Thomsen, “Divestitures: How to Invest for Success,” *McKinsey on Finance*, Number 55, Summer 2015.

###### *Required Readings on Corporate Raiders and Hostile Takeovers*

- Davidoff, Steven M., “Gods at War: Shotgun Takeovers, Government By Deal, and The Private Equity Implosion,” Chapter 8 (Microsoft, InBev, and the Return of the Hostile Takeover), John Wiley & Sons Inc., 2010.

###### *Supplementary Readings on Corporate Governance*

- Jarrell, G.A., James A. Brickley and Jeffrey M. Netter, “The Market for Corporate Control: The Empirical Evidence since 1980,” *The Journal of Economic Perspectives*, Volume 2, Number 1, Winter 1988.
- Shivdasani, A. and Marc Zenner, “Best Practices in Corporate Governance: What Two

Decades of Research Reveals,” *Journal of Applied Corporate Finance*, Volume 16, Numbers 2-3, Spring/Summer 2004.

- Shleifer A. and Robert W. Vishny, “A Survey of Corporate Governance,” *The Journal of Finance*, Volume 52, Number 2, June 1997.

#### *Supplementary Readings on EVA™*

- Gandhok, T., A. Dwivedi and Jatin Lal, “EVALuating Mergers and Acquisitions – How to Avoid Overpaying,” *Stern Stewart Research India*, Volume 3, Issue 8, November 2001.
- O'Byrne, S.F., “EVA™ and Its Critics,” *Journal of Applied Corporate Finance*, Volume 12, Number 2, Summer 1999.
- Stewart III, G.B., “EVA™: Facts and Fantasy,” *Journal of Applied Corporate Finance*, Volume 7, Number 2, 71-84, Summer 1994.

#### *Business Readings*

- Cyriac, J., Ruth De Backer and Justin Sanders, “Preparing for Bigger, Bolder Shareholder Activists,” *McKinsey*, March 2014.
- J.P. Morgan, *Eye on the Market*, “Guess Who’s Coming to Dinner: Shareholder Activism and Implications for Investors,” February 18, 2014.
- *The Economist*, “How Activist Shareholders Turned from Villains to Heroes,” February 17, 2014.
- *The Economist*, “Corporate Upgraders,” February 15, 2014.
- *New York Times*, “Poison Pill’s Relevance in the Age of Shareholder Activism,” *Dealbook*, April 18, 2014.

## **Week IV-B**

[January 25]

### **Dynamics of Takeover Attempts: Tactics Strategic vs. Financial Buyers The Role of Hedge Funds as Activist Shareholders The Role of Excess Cash in Valuation**

#### Recommended Readings

##### *Required Readings on Takeover Attempts and Defenses*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Chapter 23.

##### *Required Readings on Excess Cash and Valuing Control Premium*

- Liberti, J., “A Note on Excess Cash: Implications for Valuation,” Note, Kellogg School of Management, 2016.
- Passov, R., “How Much Cash Does Your Company Need?,” *Harvard Business Review*, November 2003.

##### *Business Readings*

- De Heer, M. and Timothy M. Koller, “Valuing Cyclical Companies,” *McKinsey Quarterly*, Number 2, 2000.

# Week V-A

[February 1]

## Hostile Takeovers: Dynamics Defense Strategies

### The Logic of Investors and *Risk Arbitrageurs*

#### Recommended Readings

##### *Required Readings on Hostile Takeover and the Role of Arbitrageurs*

- Bruner, R., “Applied Mergers & Acquisitions,” Chapter 32 (Hostile Takeovers: Preparing a Bid in Light of Competition and Arbitrage).  
[Concentrate on the concept of takeovers as games and EVNT analysis. The Chapter is intended to support this case and others in the area of takeovers.]
- CA, “The Practitioner’s Guide to Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part III: M&A Analysis, Chapter 16 (Stock Deals).  
[Concentrate on Sub-Section: Risk Arbitrage [Pages 347-354].
- Eccles, R.G., Kersten L. Lanes and Thomas C. Wilson, “Are You Paying Too Much for That Acquisition?,” *Harvard Business Review*, July-August 1999.
- Hunt, P.A., “Structuring Mergers & Acquisitions: A Guide To Creating Shareholder Value,” Third Edition, Wolters Kluwer, Law & Business, Aspen Publishers, 2007. Chapter 24 (Hostile Acquisitions)
- Ruback, R. “The Conoco Takeover and Stockholder Returns,” *Sloan Management Review*, 23, 1982.

##### *Supplementary Readings on Hostile Takeover and the Role of Arbitrageurs*

- Burrough, B. and John Helyar, “Barbarians at the Gate: The Fall of RJR Nabisco,” New York, Harper Collins, 1990.
- Jensen, M. and Richard S. Ruback, “The Market for Corporate Control: The Scientific Evidence,” *Journal of Financial Economics*, 11, April 1983.
- Ruback, R., “The Cities Service Takeover: A Case Study,” *Journal of Finance*, May 1983.
- Ricardo-Campbell, R., “Resisting Hostile Takeovers: The Case of Gillette,” Westport, Connecticut, Praeger Publishers, 1997.

- Wasserstein, B., “Big Deal 2000: The Battle for Control of America’s Leading Corporations,” New York, Warner Books, 2000.
- Wyser-Pratte, G.P., “Risk Arbitrage II,” New York: Salomon Brothers Center for the Study of Financial Institutions, Graduate School of Business Administration, New York University, Monograph, 1982.

## **Week V-B**

[February 1]

### **Agency Issues: Conflict of Interests between Stake-Holders**

### **Fiduciary Duties of Board of Directors**

### **Event Studies**

### **Corporate Restructuring Strategies: Spin-Offs, Split-Ups, Carve-Outs, Tracking Stock and Divestitures**

#### Recommended Readings

##### *Required Readings on Fiduciary Duties and the Role of Board of Directors*

- Liberti, J., “Factors Impacting Deals. Fiduciary Duties” Lecture Slides, Kellogg School of Management, 2016.
- Liberti, J., “Survey of Key Court Cases,” Note, Kellogg School of Management, 2016.

##### *Required Readings on Corporate Restructuring*

- Annema, A., William C. Fallon, and Marc H. Goedhart, “When Carve-Outs Make Sense,” *The McKinsey Quarterly*, 2002, Number 2.
- Anslinger, P.L., Steven J. Klepper and Somu Subramanian, “Breaking Up Is Good To Do,” *The McKinsey Quarterly*, 1999, Number 1.  
[Very nice article on how restructuring through spin-offs, equity carve-outs, and tracking stocks can create shareholder value.]
- Fubini, D., Michael Park and Kim Thomas, “Profitably Parting Ways: Getting More Value from Divestitures,” *McKinsey on Finance*, February 2013.
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 10 (Corporate Restructuring).
- Liberti, J., “Corporate Restructuring: Spin-Offs, Split-Ups, Carve-Outs, Tracking Stock and Divestitures,” Lecture Slides, Kellogg School of Management, 2016.

##### *Supplementary Readings on Corporate Restructuring and Corporate Control*

- Anslinger, P.L., Sheila Bonini and Michael Patsalos-Fox, “Doing The Spin-Out,” *The*

*McKinsey Quarterly*, 2000, Number 1.

- Anslinger, P.L., Dennis Carey, Kristin Fink, and Chris Gagnon, “Equity Carve-Outs: A New Spin on the Corporate Structure,” *The McKinsey Quarterly*, 1997, Number 1.
- Anslinger, P.L., Justin Jenk, and Ravi Chanmugan, “The Art of Strategic Divestment,” *Journal of Applied Corporate Finance*, Volume 15, Number 3, Spring 2003.
- Finegan, P.T., “A Closer Look at the Value of Split-Ups,” *Corporate Finance Review*, March-April 1998.
- Mankis, M.C., David Harding and Rolf-Magnus Weddigen, “How the Best Divest,” *Harvard Business Review*, October 2008.
- McKenna, M.R., “Divestitures: Breaking Up Is Hard To Do,” *The Stern Journal*, Leonard N. Stern School of Business, Spring 2000.

## Week VI

[February 8]

### Bankruptcy, Corporate Restructuring and Financial Distress Chapter 11, Chapter 7, On-Going Concern vs. Private Workouts

#### Incentives Issues in Corporate Bankruptcy

##### Recommended Readings

Please refer to the Reference Material on Week I in case you are having doubts on the Capital Cash Flow Method in order to value Marvel Entertainment Group. In case you are having doubts you can review (again!):

- Liberti, J., “Summary Tables: Constructing Cash Flows EBIT and Net Income Version,” Kellogg School of Management, 2016.
- Liberti, J., “Valuation Techniques: Summary of Formulae and Concepts,” Note, Kellogg School of Management, 2016.

##### *Required Readings on Bankruptcy and Financial Distress*

- Ayer, J.D., Michael Bernstein and Jonathan Friedland, *American Bankruptcy Institute Journal*, “What Every Unsecured Creditor Should Know About Chapter 11.”
- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part IV: Transaction Structuring, Chapter 22 (Corporate Restructurings).  
[Concentrate on Financial Restructuring [Pages 530-535]].
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 11 (Restructuring in Bankruptcy).
- Gilson, S., “Managing Default: Some Evidence On How Firms Choose Between Workouts and Chapter 11,” *Journal of Applied Corporate Finance*, Volume 4, Issue 2, Summer 1991.  
[This is a must read article!].
- Gilson, S., “Investing in Distressed Situations: A Market Survey,” *Financial Analysts Journal*, Volume 51, No. 6, November-December, 1995.
- Liberti, J., “Special Cases In Valuation: Mergers & Acquisitions and Corporate Restructuring,” Note, Kellogg School of Management, 2016.

[Concentrate on Section II: Corporate Restructuring. Section I was covered during Week III (Paramount)].

- Liberti, J., “Summary of the Chapter 11 Process – Glossary of Terms,” Note, Kellogg School of Management, 2016.  
[Concentrate on Summary of the Chapter 11 Process [Pages1-7]].
- Liberti, J., “Tax Loss Carry Backs and Tax Loss Carry Forwards. Section 382 and Bankruptcy Laws,” Note, Kellogg School of Management, 2016.
- Liberti, J., “Bankruptcy – Codes and Practices,” Lecture Slides, Kellogg School of Management, 2016.
- Liberti, J., “Corporate Restructuring in Financial Distress: Private Workouts and Bankruptcy,” Lecture Slides, Kellogg School of Management, 2016.
- Liberti, J., “Corporate Reorganization Primer,” Lecture Slides, Kellogg School of Management, 2016.

#### *Supplementary Readings on Capital Cash Flow*

- Ruback, R., “Capital Cash Flows: A Simple Approach to valuing Risky Cash Flows,” Working Paper, May 2000.

#### *Supplementary Readings on Bankruptcy and Financial Distress*

- Baker, G.P., “Beatrice: A Study in the Creation and Destruction of Value,” *The Journal of Finance*, Vol. XLVII, Number 3, July 1992.
- Bris, A., Ivo Welch and Ning Zhu, “The Costs of Bankruptcy: Chapter 7 Liquidation versus Chapter 11 Reorganization,” *The Journal of Finance*, Vol. LXI, Number 3, June 2006.
- Franks, J., Kjell G. Nyborg and Walter N. Torous, “A Comparison of US, UK, and German Insolvency Codes,” *Financial Management*, Volume 25, Number 3, Autumn 1996.
- Senbet, L.W. and James K. Seward, “Financial Distress, Bankruptcy and Reorganization,” Chapter 28, R. Jarrow et al., Eds., *Handbooks in OR & MS*, Volume 9, 1995, Elsevier Science B.V.
- Sprayregen, J.H.M. and Jonathan P. Friedland, “The Legal Considerations of Acquiring Distressed Business: A Primer,” *Journal of Bankruptcy Law and Practice*, Volume 11, 3-26, November 2002.
- Sprayregen, J.H.M., Jonathan P. Friedland, Shirley S.Cho, “The Zone of Insolvency: What a Company Entered Into It, And Once There, What Are The Boards’ Duties?,” Kirkland & Ellis, May 22, 2002.
- Sprayregen, J.H.M., Jonathan P. Friedland and Evan Gartenlaub, “First Things First – A

Primer On How To Obtain Appropriate “First Day” Relief In Chapter 11 Cases,” *Journal of Bankruptcy Law and Practice*, Volume 11, 275-312, November 2002.

- Teitelbaum, J., Richard S. Toder and Wendy S. Walker, “A Overview of the 2005 Bankruptcy Act,” *Morgan Lewis Counselors at Law*, April 2005.

#### *Business Readings*

- “A Guide to Bankruptcy, Insolvency Practices in the U.S. and Europe”, *Turnaround Management Association*, International News, 18-26, April 2006.
- “Attorneys General Seek “Cram Downs”?”, *Fierce Finance*, October 31, 2010.
- “The Do’s and Do Nots of Navigating Chapter 11 Rough Waters,” Business Presentation Cooley LLP, 2010.

#### *Supplementary Readings on Corporate Governance*

- Jarrell, G.A., James A. Brickley and Jeffrey M. Netter, “The Market for Corporate Control: The Empirical Evidence Since 1980,” *The Journal of Economic Perspectives*, Volume 2, Number 1, Winter 1988.
- Shleifer A. and Robert W. Vishny, “A Survey of Corporate Governance,” *The Journal of Finance*, Volume LII, Number 2, June 1997.

## Week VII

[February 15]

### Bankruptcy, Corporate Restructuring and Financial Distress Chapter 11, Chapter 7, On-Going Concern vs. Private Workouts

#### Founding Families and Public Shareholders Exit Modes: “363 Sale”

##### Recommended Readings

###### *Required Readings on Distressed Investment*

- Liberti. J., “Distressed Debt Investment,” Lecture Slides, Kellogg School of Management, 2016.  
[Concentrate on the Corporate Restructuring Section and the Prisoner’s Dilemma problem [Slides 16-26]].
- Moyer, G.S., David Martin and John Martin, “A Primer on Distressed Investing: Buying Companies by Acquiring Their Debt,” *Journal of Applied Corporate Finance*, Volume 24, Number 4, Fall 2012.
- Stern Stewart, “Roundtable on Preserving Value in Chapter 11,” *Journal of Applied Corporate Finance*, Volume 16, Numbers 2-3, Spring/Summer 2004.
- Sprayregen, J.H.M. and Jonathan P. Friedland, “The Legal Considerations of Acquiring Distressed Business: A Primer,” *Journal of Bankruptcy Law and Practice*, Volume 11, 3-26, November 2002.

###### *Required Readings on “363 Sale”*

- Brubaker, R. and Charles J. Tabb, “Tabb-Bankruptcy Reorganizations and the Troubling Legacy of Chrysler,” Presentation.
- Deutsch, D. and Michael G. Distefano, “The Mechanics of a §363 Sale,” *American Bankruptcy Institute Journal*, 2011.
- Sable, R.G., Michael J. Roeschenthaler and Daniel F. Blanks, “When the 363 Sale Is the Best Route,” *Journal of Bankruptcy Law and Practice*, Volume 15, 2006.
- Walsh, T.W., “Section 363: A Useful Tool for Asset Sales in Bankruptcy,” DLA Piper, 2009.

# Week VIII

[February 22]

## Valuation of Leverage Buyouts (LBOs)

### Private Equity Strategic vs. Financial

### Dealing With Time-Varying Capital Structure Using Cash Flow Available for Debt Service (CADS)

#### Recommended Readings

##### *Required Readings on Private Equity & LBOs*

- Allen, J.R., “LBOs – The Evolution of Financial Structures and Strategies,” *Journal of Applied Corporate Finance*, Volume 8, Number 4, Winter 1996.
- BMA, “Principles of Corporate Finance”, Chapters 33.  
[Concentrate on Section 33.1: Leveraged Buyouts and Section 33.2: Fusion and Fission In Corporate Finance]
- Jensen, M., “Eclipse of the Public Corporation,” *Harvard Business Review*, 1997.  
[This is a fantastic article to understand the role of Leveraged Buyouts and other transactions such as takeovers, corporate break-ups and spin-offs in shaping a new organization during the late 1980s.]
- Kaplan, S. N. and Jeremy C. Stein, “The Evolution of Buyout Pricing and Financial Structure (Or, What Went Wrong) In The 1980s,” *Journal of Applied Corporate Finance*, Volume 6, Number 1, Spring 1993.
- Liberti, J., “An Example of a LBO Transaction: Is Debenhams a Potential LBO Candidate?,” Presentation, Kellogg School of Management, 2016.
- Liberti, J., “Leveraged Buyouts (LBOs),” Lecture Slides, Kellogg School of Management, 2016.

##### *Supplementary Readings on LBOs and the Market for Corporate Control*

- Acharya, V., Julian Franks and Henri Servaes, “Private Equity: Boom or Bust?,” *Journal of Applied Corporate Finance*, Volume 19, Number 4, Fall 2007.
- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Chapter 12.
- Cornell, B. and Kevin Green, “The Investment Performance of Low-grade Bond Funds,” *The*

*Journal of Finance*, Volume 46, Number 1, March 1991.

- Denis, D.J., “The Benefits of High Leverage: Lessons From Kroger’s Leveraged Recap and Safeway’s LBO,” *Journal of Applied Corporate Finance*, Volume 7, Number 4, Winter 1995.
- Harper, N.W.C. and Antoon Schneider, “Private Equity’s New Challenge,” *McKinsey on Finance*, Summer 2004.
- Jarrell, G.A., James A. Brickley and Jeffrey M. Netter, “The Market for Corporate Control: The Empirical Evidence Since 1980,” *The Journal of Economic Perspectives*, Volume 2, No.1, Winter 1988.

*Supplementary Readings on Limited Arbitrage*

- Mitchell, M., Todd Pulvino and Erik Stafford, “Limited Arbitrage in Equity Markets,” *The Journal of Finance*, Volume 57, Number 2, April 2002.

*Business Readings*

- “Forget Formulae and trust gut instinct, advises Buffett,” *Financial Times*, May, 2003.
- “The Next Warrant Buffett?,” *Business Week*, November 2004.

[Recommended Pages: Definitely read this article. Fantastic!]

# **Workshop B**

[February 24]

## **LBO Modeling CCF and Cash Flow Available to Service Debt (CADS)**

### **Equity Cash Flows and IRRs to Sponsors**

### **The LBO Valuation Model Target IRR Model**

#### Recommended Readings

##### *Required Readings on Private Equity and LBOs*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapter 12 (Leverage Buyouts).
- Liberti, J., “Private Equity and LBOs: Equity Cash, IRR and the LBO Valuation Model,” Lecture Slides, Kellogg School of Management, 2016.
- Liberti, J., “Note on Equity Cash Flows,” Note, Kellogg School of Management, 2016.

# Week IX-A/IX-B

[March 1]

## Strategic vs. Financial Sponsors

### Sources of Value in LBOs

### Value Creation in Private Equity

### The LBO Valuation Model

### CCF, CADS, ECF and IRRs to Sponsors

#### *Required Readings on Private Equity and LBOs*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part II: Valuation, Chapter 12 (Leverage Buyouts).
- Davidoff, S.M., “Gods at War: Shotgun Takeovers, Government by Deal, and the Private Equity Implosion,” Wiley, 2010. Chapter 7 (Jana Partners, Children’s Investment Fund, and the Hedge Fund Activist Investing) and Chapter 9 (Mars, Pfizer and the Changing Face of Strategic Deals).
- Gaughan, P.A., “Mergers, Acquisitions, and Corporate Restructurings,” Fourth Edition, John Wiley and Sons, Inc., 2007. Chapter 7 (Leveraged Buyouts).
- Gompers, P., Steven N. Kaplan and Vladimir Mukharlyamov, “What Do Private Equity Firms (Say They) Do?,” Working Paper, February 2014.
- Hall, R., “Stapled Finance Packages Under Scrutiny,” Cravath Swaine & Moore, IFLR 1000.
- Heel, J. and Conor Kehoe, “Why Some Private Equity Firms Do Better Than Others,” *The McKinsey Quarterly*, Number 1, 2005.
- Kaplan, S. and Per Strömberg, “Leveraged Buyouts and Private Equity,” *Journal of Economic Perspectives*, Volume 23, Number 1, Spring 2009.  
[This is a must read article! The Section: Is Private Equity a Superior Organizational Form? [Pages 130-136] describes in detail the changes private equity firms apply to the firms in which they are investing in.]
- Kehoe, C. and Robert N. Palter, “The Future of Private Equity,” *McKinsey on Finance*, Spring 2009.
- Liberti, J., “Private Equity and LBOs: Equity Cash, IRR and the LBO Valuation Model,” Lecture Slides, Kellogg School of Management, 2016.

- Liberti, J., “Note on Equity Cash Flows,” Note, Kellogg School of Management, 2016.
- Liberti, J., “Leveraged Buyout Case Studies: Transaction Overview,” Lecture Slides, Kellogg School of Management, 2016.
- Wruck, K.H., “Private Equity, Corporate Governance, and the Reinvention of the Market for Corporate Control,” *Journal of Applied Corporate Finance*, Volume 20, Number 3, Summer 2008.

### *Business Readings*

- “Dearborn Partners In Transition,” *Crain's Chicago Business*; February 9, 2009.
- “Lacking Leverage, Firms Embrace EBOs,” *The Wall Street Journal*; March 12, 2009.
- “Leveraged Loan Financing Comes Out of Deep Freeze,” *Financial Times*; February, 2010.
- Schneider, K., “How Do You Solve a Problem Like Sharia?” *Real Deals*, November 27, 2008.

[As Islamic financial products become increasingly popular, Kai Schneider of Latham & Watkins explains how to make a fund Sharia-compliant.]

- Tinlin, A., Markus Rimner and Rajesh Sennik, “Dealing with the Downturn Private Equity: Private Practices,” *Accenture Outlook*, 2009.

### *Supplementary Readings on Private Equity and LBOs*

- Acharya, V., Julian Franks and Henri Servaes, “Private Equity: Boom or Bust?,” *Journal of Applied Corporate Finance*, Volume 19, Number 4, Fall 2007.
- Allen, J.R., “LBOs – The Evolution of Financial Structures and Strategies,” *Journal of Applied Corporate Finance*, Volume 8, Number 4, Winter 1996.
- Butler, P., “The Alchemy of LBOs,” *The McKinsey Quarterly*, 2001, Number 2
- Denis, D.J., “The Benefits of High Leverage: Lessons From Kroger’s Leveraged Recap and Safeway’s LBO,” *Journal of Applied Corporate Finance*, Volume 7, Number 4, Winter 1995.
- Gompers, P. and Josh Lerner, “Money Chasing Deals?: The Impact of Fund Inflows on the Valuation of Private Equity Investments,” *Journal of Financial Economics*, 55, 281-325, February 2000.
- Kaplan, S. N. and Jeremy C. Stein, “The Evolution of Buyout Pricing and Financial Structure (Or, What Went Wrong) In The 1980s,” *Journal of Applied Corporate Finance*, Volume 6, Number 1, Spring 1993.

- Kay, I.T and Mike Shelton, “The People Problem In Mergers,” *The McKinsey Quarterly*, 2000, Number 4.
- Uhlaner, R.T. and Andrew S. West, “Running a Winning M&A Shop,” *The McKinsey Quarterly*, March 2008.

## **Week X**

[March 8]

### **Sources of Value in LBOs Value Creation in Private Equity**

### **Corporate Restructuring and Asset Backed Securities Securitization**

#### Recommended Readings

##### *Required Readings on the Financial Crisis and LBO Market*

- Liberti, J., “The Impact of the Financial Crisis on LBOs and Private Equity Activity,” Kellogg School of Management, 2016.

##### *Required Readings on Asset Backed Securities*

- Financial Security Assurance, Inc. (FSA), “A Guide to Insured Backed Securities,” FSA, 2000.
- Gangwani, S., “Speaking of Securitization: Securitization 101,” Deloitte & Touche, Volume 3, Issue 4-1, Special Edition, July 20, 1998.
- Liberti, J., “The Securitization Process: Asset Backed Securities and Mortgage Backed Securities,” Kellogg School of Management, 2016.
- Standard & Poor’s Ratings Services, “Special-Purpose Bankruptcy-Remote Entities,” U.S. CMBS Legal and Structured Finance Criteria, Chapter 4, The McGraw-Hill Companies, 2003.

##### *Supplementary Readings on Asset Backed Securities*

- Kotecha, M.K., “The Role of Insurance In Asset-Backed Securities,” International Securitization (Chapter 9), 193-207
- Leixner, T.C., “Securitization of Financial Assets,” Holland & Knight LLP, September 1999
- Standard & Poor's Structured Finance, "Global Collateralized Bond and Loan Obligation (CBO/CLO) Criteria," McGraw-Hill Companies, 1999

## **Week XI**

[March 15]

### **The Role and Economic Logic of Risk *Arbitrageurs* (“*Arbs*”) Key Value Drivers for *Arbs* Sensitivity of *Arbs* to Returns, Time and Outcomes Calculating the Value of Offers and Probabilities of Events**

#### Recommended Readings

##### *Required Readings on the Role of Arbs*

- CA, “The Practitioner’s Guide To Investment Banking, Mergers & Acquisitions, Corporate Finance,” Part III: M&A Analysis, Chapter 16 (Stock Deals).  
[Concentrate on Sub-Section: *Risk Arbitrage* [Pages 347-354].]
- Bruner, R., “Applied Mergers & Acquisitions,” Chapter 32 (Hostile Takeovers: Preparing a Bid in Light of Competition and Arbitrage).
- Liberti, J., “Note on Excess Cash & Marketable Securities: Implications for Valuation. The Cost of Excess Cash,” Note, Kellogg School of Management, 2016.

##### *Required Readings on Fashion and Handbags*

- Morris, J.E., “The Handbag Wars,” *American Lawyer*, May 1999.

##### *Supplementary Readings on Understanding and Pricing Options*

- BdeM, “Corporate Finance,” Part VII: Options, Chapter 20 (Financial Options) and Chapter 21 (Option Valuation).
- BMA, “Principles of Corporate Finance,” Part Six, Chapter 21 (Understanding Options) and Chapter 22 (Valuing Options).
- Liberti, J., “Understanding Options. Valuing Options,” Reference Material: Chapter X, Kellogg School of Management, 2016.

**MEMORANDUM**  
***Peter F. Bronfman Business Library***

**SUBJECT:** Library Statement for EMBA 6035  
Mergers, Acquisitions and Other Reorganization Methods

**FROM:** Xuemei Li, Business Librarian, Peter F. Bronfman Business Library.

**DATE:** Nov 27<sup>th</sup>, 2017

This course will be offered annually over two weekends in the Kellogg School of Management at Northwestern University on Evanston campus. The course involves the analysis of corporate restructuring strategies including mergers, acquisitions, and takeovers focusing on fundamental concepts of valuation and analytical tools of corporate finance related to restructuring. The course integrates the corporate governance and agency dimensions, financial and strategic management aspects, and legal and accounting considerations into a unified framework, applying theoretical approaches with the case study method.

The library offers additional relevant resources on topics explored in this course. A wide range of books are available with relevant Library of Congress subject headings including but not limited to: “consolidation and merger of corporations,” “corporate reorganization,” and “mergers and acquisitions”. A key e-book platform of relevance is *Books 24x7*. Streaming videos are also available on the topic of mergers and acquisitions especially through the *Films on Demand*, and *Kanopy Streaming* platforms.

In addition, York University Libraries provide KSEMBA students with access to a range of databases, containing media and journal articles. Relevant databases include *Factiva*, *Proquest Business*, *Business Source Complete* and *Lexis Nexis Academic*. Students can use these databases to identify articles on themes taught in this course to supplement assigned course materials. In particular, *Factiva* and *Lexis Nexis Academic* are relevant to this course for identifying individual Mergers and Acquisitions cases.

Students can also consult the library’s research guides: [www.library.yorku.ca/web/bbl/guides](http://www.library.yorku.ca/web/bbl/guides) for resources of relevance to this course. The guides to “Finding Business Articles” and “Finance” (containing a section on corporate change and ownership) are especially recommended. In addition, BRYT (Business Research at York Toolkit) – [bryt.library.yorku.ca/](http://bryt.library.yorku.ca/) - is recommended as it offers short videos and real-time database walkthroughs which guide students through conducting both company and articles research.

Assistance with information resources is available by email, by telephone, and by chat reference via an IM service.

## New Course Proposal: EMBA 6045: Business-to-Business Marketing

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1. **Program:** Kellogg-Schulich Executive MBA
2. **Course Number:** EMBA 6045
3. **Credit Value:** 2.0
4. **Long Course Title:** Business-to-Business Marketing
5. **Short Course Title:** Business-to-Business Marketing
6. **Effective Session:** Winter 2018

**7. Calendar (Short) Course Description:**

This course explores the four primary Business-to-Business (B2B) marketing processes (choosing, creating, communicating and converting customer value into profit), showing how to identify new sources of customer value, quantify that value, segment and target the most attractive customers, price based on value, craft winning value propositions, create new business models, manage value delivery networks, and integrate marketing communication across channels.

**8. Expanded Course Description:**

Business-to-Business (B2B) marketing is undergoing a revolution due to the challenges resulting from complex, high-price/high-risk, multi-stakeholder negotiated purchase decisions and rapid technology advances. This course provides a practical understanding of four primary B2B marketing processes: choosing, creating, communicating and converting customer value into profit. Within these processes, we will explore and practice using frameworks and tools to identify new sources of customer value, quantify that value, segment and target the most attractive customers, price based on value, craft winning value propositions, create new business models, manage value delivery networks, and integrate marketing communication across channels. Its main objectives are for participants to: (i) understand the complexity and unique challenges in B2B markets and the resulting changes in B2B marketing; (ii) learn B2B marketing methods and tools to address these challenges; (iii) practice effectively choosing, creating and communicating customer value in business markets and converting that value into revenue growth and profitability; and (iv) identify the implications for successful B2B Chief Marketing Officers.

**9. Rationale:**

Business-to-Business (B2B) marketing is undergoing a revolution. The complex, high-price/high-risk, multi-stakeholder negotiated purchase decisions present business markets with unique challenges. Rapid technology advances are transforming customer value requirements and the business models needed to deliver them. This course helps participants understand the complexity and unique challenges in B2B markets and how B2B marketing is changing.

**10. Evaluation:**

Assessment for this course is on individual as well as team-based components, namely:

**Class Commitment** (30%): This includes class participation based on preparedness and quality of the contribution as well as small individual assignments and also takes into account peer evaluation.

**Individual Exam** (30%): This consists of an open-book analysis of a case.

Group Research Project (40%): This asks teams of students to apply the concepts and tools from the course to real world situations. More detailed requirements will be handed out during class.

**11. Integrated Courses:**

This course is not integrated.

**12. Crosslisted Courses:**

This course is not crosslisted.

**13. Faculty Resources:**

This course will be taught by Eric Berggren, who is an Adjunct Lecturer of Marketing at Northwestern University's Kellogg School of Management teaching strategy and customer value management in the MBA and Executive Education programs since 2006. Eric holds a B.A. in economics from Kenyon College and an M.B.A. with distinction from the Kellogg School of Management. Eric honed his management skills at Gemini Consulting by leading the Building Market-Focused Organizations center of excellence and serving as chief-of-staff for the 150-person strategy practice. He is currently Managing Director of Axios Partners, Inc. where he leads client teams across six continents to innovate and manage their customer value for revenue and profit growth. His work spans diverse industries including professional & financial services, high-tech, energy, health care, telecommunications and industrial products. The client results from his creative, yet pragmatic approach have been highlighted in *Harvard Business Review*, *Fortune* and several popular business books. To help organizations achieve best practice in customer value management, Eric and Kellogg Professor James C. Anderson created the "Customer Value Expert Toolset", a proprietary web-based application to quantify and prove the value delivered to target customers. Eric has also co-authored a chapter in *Kellogg on Integrated Marketing*, in addition to several other publications.

**14. Physical Resources:**

This course will be offered annually over two weekends by our partner, the Kellogg School of Management at Northwestern University, at their Evanston campus. Kellogg will provide all the necessary physical resources during the course. These resources can be supplemented with the resources of York University Library, should this prove necessary (see below).

**15. Bibliography and Library Statement:**

All required readings will be made available to participants by the Kellogg School of Management before, during and after the course, if necessary. Further readings can be accessed remotely via the York University library, which also allows electronic access to relevant readings and toolkits.

**KELLOGG SCHOOL OF MANAGEMENT  
NORTHWESTERN UNIVERSITY**

**MKTG \_\_\_\_\_ Business (B2B) Marketing  
Winter 2017**

**Professor Eric Berggren  
Virtual Office Hours: Monday's 8-9 am  
(<https://www.joinme.com/ericberggren>)  
and by appointment (312.787.8835)  
[eric.berggren@kellogg.northwestern.edu](mailto:eric.berggren@kellogg.northwestern.edu)**

**Course Description**

Business-to-Business (B2B) marketing is undergoing a revolution. The complex, high-price/high-risk, multi-stakeholder negotiated purchase decisions present business markets with unique challenges. Rapid technology advances are transforming customer value requirements and the business models needed to deliver them. This course provides a practical understanding of four primary B2B marketing processes: choosing, creating, communicating and converting customer value into profit. Within these processes, we will explore and practice using frameworks and tools to identify new sources of customer value, quantify that value, segment and target the most attractive customers, price based on value, craft winning value propositions, create new business models, manage value delivery networks, and integrate marketing communication across channels.

**Course Objectives**

1. Understand the complexity and unique challenges in B2B markets and how B2B marketing is changing.
2. Learn B2B marketing methods and tools to address these challenges.
3. Practice effectively choosing, creating and communicating customer value in business markets and converting that value into revenue growth and profitability.
4. Identify the implications for successful B2B Chief Marketing Officers

**Basic Ground Rules**

1. The honor code will be followed at all times.
2. No phones.
3. Computer and/or tablet use cannot distract you or your classmates from the class.
4. No leaving while class is in session, unless there is some health emergency.
5. Food and beverages are okay if they are a not distraction for the rest of us (noise & smell).

**Evaluation**

There will be three components to the evaluation.

1. **Class Commitment (30%):** Use of the term “commitment” instead of “participation” is not by accident. Time spent in lecture is being minimized so the class can learn more effectively through application and group discussion. Students who are unprepared and/or unwilling to share their insights lower the learning potential for everyone. Each student must be prepared to thoroughly discuss the readings and each case, and I feel comfortable calling on anyone in discussion. Thus, if you have not been able to prepare, please let me know at the beginning of class. The quality of the comments is more important than the sheer quantity. Monopolizing the conversation or disrespectful comments will negatively affect your class commitment. To help me make sure that you get appropriate credit for your in-class contributions, please sit in your assigned seat.

In addition, all group members will rate one another’s contribution to the group’s research projects. Your team members assessing your contribution as significantly below average also demonstrates a lack of commitment to the class.

Lastly, small individual assignments will be the final component of class commitment.

2. **Individual Midterm Exam (30%):** A small individually written case assignment will be administered in-class to ensure that you have understood customer value management at a level where you can effectively contribute to your group research project. You will be able to use your readings and notes from the class to help solve the case. Reading the case and preparing your analysis typically takes no longer than 1 ½ hours to complete, but you may take the entire class period if you need it.
3. **Group Research Project (40%):** To practice applying the concepts and tools of customer value management to a real world situation, you will form a team and complete a group research project. The findings from this group research will be the basis for active participation in class discussion on the final day of class, and a paper (further details of this project will be provided in a hand-out).

***To be fair to all students, any assignment submitted past the due date will have its grade reduced.***

## BUSINESS (B2B) MARKETING, MKTG \_\_\_\_

Professor Eric Berggren  
Winter Quarter 2017

### Contents

1. What Sales People Need to Know about the New B2B Landscape (HBR)
2. Marketing Reading: Business-to-Business Marketing (HBS)
3. What You Can Learn from Your Customer's Customer (MIT)
4. Case: Kunst 1600
5. Why the Highest Price Isn't the Best Price (MIT)
6. Case: Interscience B.V.: Seeking a New Market for Gas Chromatographs
7. Crafting Persuasive Customer Value Propositions in Business Markets (HBR)
8. Customer Value Proposition Exercise
9. How to Identify New Business Models (MIT)
10. *Innovation to the Core* - Chapter 3: "Building a Foundation of Novel Strategic Insights" (HBP)
11. Case: Salesforce.com (INSEAD)
12. Ending the War between Sales and Marketing (HBR)
13. Case: Scot Forge
14. Case: Hubspot
15. Tiebreaker Selling (HBR)
16. Why B-To-B Branding Matters More Than You Think (Forbes)
17. Social Media Works for B2B Sales, Too (HBR)
18. The Rebirth of the CMO (HBR)

## Tentative Schedule

Date	Session	Reading (before class)	Assignment
2/3	<p><b>Introduction:</b> B2B Customer Value Innovation and Management</p> <p><b>Choosing Value:</b> Assessing Customer Value for Organizations and their Decision-makers</p>	<ul style="list-style-type: none"> <li>• “What Sales People Need to Know about the New B2B Landscape”</li> <li>• “Marketing Reading: Business-to-Business Marketing” (<b>ONLY Sections 1, 2.1, 2.2 and 2.3</b>)</li> <li>• “What You Can Learn from Your Customer’s Customer”</li> <li>• Case: Kunst</li> </ul>	<ul style="list-style-type: none"> <li>• Answer background questions on ForClass</li> <li>• Identify a topic(s) in B2B marketing that you want to know more about</li> <li>• Answer Kunst case questions on ForClass</li> <li>• Be prepared to share your Kunst case solution</li> </ul>
2/4	<p><b>Choosing Value:</b> Pricing Strategies and Tactics</p> <p>Crafting and Using Customer Value Propositions; Segmentation, Position &amp; Targeting</p>	<ul style="list-style-type: none"> <li>• “Crafting Persuasive Customer Value Propositions in Business Markets”</li> <li>• “Why the Highest Price Isn’t Always the Best”</li> <li>• Case: Interscience B.V.</li> </ul>	<ul style="list-style-type: none"> <li>• Answer case questions on ForClass</li> <li>• Be prepared to share your Interscience case solution</li> <li>• Group research project proposal due</li> <li>• Bring an example of a good B2B value proposition</li> </ul>
3/2	<p><b>Creating Value:</b> Business Model Innovation</p>	<ul style="list-style-type: none"> <li>• “How to Identify New Business Models</li> <li>• Innovation to the core (Chapter 3)</li> <li>• Case: Salesforce.com (<b>ignore the case questions at the end</b>)</li> </ul>	<ul style="list-style-type: none"> <li>• Bring an example of an innovative B2B business model</li> <li>• Answer case questions on ForClass</li> <li>• Be prepared to share your solution to the Salesforce case</li> <li>• Submit 2-3 questions for the other team(s) you were assigned to review</li> </ul>
3/3	<p><b>Creating Value:</b> Value Delivery Management</p> <p><b>Communicating Value:</b> Building Brands in Business Markets; Integrated Marketing Communication</p>	<ul style="list-style-type: none"> <li>• HBR: “Tie-breaker selling”</li> <li>• Forbes: “Why B2B Branding Matters More Than You Think”</li> <li>• HBR: “Social Media Works for B2B Sales, Too”</li> <li>• Case: Scot Forge</li> <li>• Case: Hubspot</li> </ul>	<ul style="list-style-type: none"> <li>• Answer discussion questions on ForClass</li> <li>• Bring an innovative B2B digital marketing example</li> <li>• Answer case questions on ForClass</li> <li>• Be prepared to share your solution to the Hubspot and Scot Forge case</li> </ul>
3/4	<p><b>Final:</b> Group Research Projects Presentations</p> <p><b>Discussion:</b> Implications for the B2B CMO</p>	<ul style="list-style-type: none"> <li>• The Rebirth of the CMO (HBR)</li> <li>• Other teams’ group research projects</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare your team presentation</li> </ul>

**MEMORANDUM**  
***Peter F. Bronfman Business Library***

**SUBJECT:** Library Statement  
EMBA 6045: Business-to-Business Marketing  
Kellogg-Schulich EMBA Program

**FROM:** Sophie Bury  
Head, Peter F. Bronfman Business Library

**DATE:** November 27, 2017

**EMBA 6045 - Business-to-Business Marketing**

This course, to be offered at the Kellogg School of Management at Northwestern University, focuses on B2B marketing processes including choosing, creating, communicating and converting consumer value into profit. It explores how rapid technological advances are impacting customer value requirements and the business models needed to deliver them.

As this course is offered at the Kellogg campus, York University Libraries will not be required to provide resources directly.

The tentative course schedule includes references to articles and case studies which students will receive directly. Course requirements include a midterm exam and a group research project designed for participants to apply concepts and tools of customer value management to real world situations.

Students in this course can consult the York University Libraries' research guides to identify article databases and other subscription e-resources to assist in researching themes of relevance to this course at [researchguides.library.yorku.ca](http://researchguides.library.yorku.ca). This includes a Marketing Research Guide featuring article databases, such as *Business Source Complete*, *Proquest Business*, and *Factiva*, as well as other specialized resources of relevance covering B2B marketing themes, e.g. *WARC*. In addition, e-book packages can be used to research B2B marketing topics, e.g. *Books 24x7*, *Ebook Central*, and *Ebooks at Scholars Portal*.

Finally, *BRYT (Business Research at York Toolkit)* – [bryt.library.yorku.ca/](http://bryt.library.yorku.ca/) - is recommended as it offers short videos and real-time database walkthroughs which guide students through conducting various types of business research, including a section on markets featuring popular tools for sourcing market data and consumer trends analysis.

# New Course Proposal: EMBA 6600: Human and Machine Intelligence

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1. **Program:** Kellogg-Schulich Executive MBA
2. **Course Number:** EMBA 6600
3. **Credit Value:** 2.0
4. **Long Course Title:** Human and Machine Intelligence
5. **Short Course Title:** Human and Machine Intelligence
6. **Effective Session:** Winter 2018

7. **Calendar (Short) Course Description:**

This course covers cutting edge research on machine-learning and artificial intelligence and its applications for business leaders. Using hands-on cases and applications it shows how to use a critical set of machine learning decision tools, including natural language processing, sentiment analysis, and pattern recognition, to discover new competitive strategies, turn raw numbers into convincing stories, and make less biased judgments.

8. **Expanded Course Description:**

Human and Machine Intelligence covers cutting edge research on machine-learning and artificial intelligence and its applications for business leaders. Machines help solve complex problems, lessen decision bias, scale human effort, and spot hidden patterns in big data. However, they lack the creativity and insight that top executives possess. Together, executives and machines have the potential to make powerful “thought partnerships.” Using hands-on cases and applications – including IBM’s Deep Blue and Google’s AlphaGo that beat Chess and Go Grand Masters – this course shows how to use a critical set of machine learning decision tools, such as natural language processing, sentiment analysis, and pattern recognition to discover new competitive strategies, turn raw numbers into convincing stories, and make less biased judgments. The overarching goal is to enable you to confidently lead data science and design teams, know the expansiveness and limits of machine-learning complex decision support tools, and be capable of applying human+machine thought partnerships to grow businesses or disrupt Grand Masters in any field.

9. **Rationale:**

Machines are becoming increasingly important to help solve complex problems, lessen decision bias, scale human effort, and spot hidden patterns in big data. However, their full potential can only be used for business purposes when combined with the creativity and insight that top executives possess. Together, executives and machines have the potential to make powerful “thought partnerships.” This course aims to help participants understand the expansiveness and limits of machine-learning and enable them to confidently lead data science and design teams.

10. **Evaluation:**

Assessment for this course is on individual as well as team-based components, namely:

**Assignments (70%):** A series of individual and group assignments (in a ratio of two to one thirds) will give students first-hand experience in understanding how machine-learning is used to make business decisions.

**Attendance and Participation** (10%): Sharing insights and participating in class discussions is integral to success in the course. Participation will be recorded every class.

**Final exam** (20%): A final exam will test your cumulative understanding of the course material. The exam is a take-home exam and will be turned in through Canvas on the date provided. Final exams will not be accepted late!

**11. Integrated Courses:**

This course is not integrated.

**12. Crosslisted Courses:**

This course is not crosslisted.

**13. Faculty Resources:**

This course will be taught by Adam Pah, who is a Clinical Assistant Professor at the Kellogg School of Management and Organizations at Northwestern University. He also serves as the Associate Director of and an Assistant Research Professor at NICO, the Northwestern Institute on Complex Systems. He received his BS from Arizona State University, PhD from Northwestern University, and has worked industrially as a Data Scientist. His research is interdisciplinary and covers a range of topics; however, his work is mainly concerned with healthcare, networks, and social phenomena. Specific projects that he is currently involved with are innovation adoption in physician networks, improving healthcare quality and cost through data-driven analysis, assessing the effects of missing information on social dynamics, and social contagion.

**14. Physical Resources:**

This course will be offered annually over two weekends by our partner, the Kellogg School of Management at Northwestern University, at their Evanston campus. Kellogg will provide all the necessary physical resources during the course. These resources can be supplemented with the resources of York University Library, should this prove necessary (see below).

**15. Bibliography and Library Statement:**

All required readings will be made available to participants by the Kellogg School of Management before, during and after the course, if necessary. Further readings can be accessed remotely via the York University library, which also allows electronic access to relevant readings and toolkits.

Adam Pah [a-pah@kellogg.northwestern.edu](mailto:a-pah@kellogg.northwestern.edu)

Office hours: TBD

Chambers Hall, Room 110B

### **Description**

*Human and Machine Intelligence* covers cutting edge research on machine-learning and artificial intelligence and its applications for business leaders. Machines help solve complex problems, lessen decision bias, scale human effort, and spot hidden patterns in big data. However, they lack the creativity and insight that top executives possess. Together, executives and machines have the potential to make powerful “thought partnerships.” Using hands-on cases and applications --- including IBM’s Deep Blue and Google’s AlphaGo that beat Chess and Go Grand Masters --- this course shows how to use a critical set of machine learning decision tools, such as natural language processing, sentiment analysis, and pattern recognition to discover new competitive strategies, turn raw numbers into convincing stories, and make less biased judgments. The overarching goal is to enable you to confidently lead data science and design teams, know the expansiveness and limits of machine-learning complex decision support tools, and be capable of applying human+machine thought partnerships to grow businesses or disrupt Grand Masters in any field.

### **Grading**

*Assignments* (70%) A series of individual and group assignments will give you first-hand experience in understanding how machine-learning is used to make business decisions.

*Attendance and Participation* (10%) Sharing insights and participating in class discussions is integral to success in the course. Attendance will be randomly taken, while participation will be recorded every class.

*Final exam* (20%) A final exam will test your cumulative understanding of the course material. The exam is a take-home exam and will be turned in through Canvas on the date provided.

**FINAL EXAMS WILL NOT BE ACCEPTED LATE**

### **Honor Code**

As with all Kellogg courses, by enrolling in this course you agree to abide by the Kellogg Honor Code ([http://www.kellogg.northwestern.edu/stu\\_aff/policies/honorcode.htm](http://www.kellogg.northwestern.edu/stu_aff/policies/honorcode.htm)). In this course you may (and are encouraged to) discuss both the individual assignments and group assignment with your fellow students; however, the finished product that you submit should be entirely your own work. If you have any questions regarding how the honor code applies to this course, please ask.

## Summary of Assignments

*All assignments are due by 11:59pm on the day indicated.*

		Title	Distributed	Due	Percentage
1	<i>Group</i>	<i>Personality Prediction</i>	May 1 (Monday)	May 7 (Sunday)	10%
2	<i>Group</i>	<i>Who are you hiring?</i>	May 4 (Thursday)	May 7 (Sunday)	10%
3a	<i>Individual</i>	<i>Hiring your replacement</i>	May 8 (Monday)	May 10 (Wednesday)	5%
3b	<i>Individual</i>	<i>Hiring your replacement</i>	May 11 (Thursday)	May 14 (Sunday)	5%
4	<i>Individual</i>	<i>National Park Service</i>	May 11 (Thursday)	May 14 (Sunday)	10%
5	<i>Group</i>	<i>Narrative Science case</i>	May 18 (Thursday)	May 27 (Saturday)	20%
6	<i>Individual</i>	<i>Automated Futures</i>	June 1 (Thursday)	June 6 (Tuesday)	10%
7	<i>Individual</i>	<i>Final Exam</i>	June 1 (Thursday)	June 6 (Tuesday)	20%

Warning: This schedule is subject to change

## Week 1 — Knowledge

### ***Session 1. What is machine-learning?***

What is machine-learning? Where can you use it? Why should we use it? What benefits does it have over other traditional methods of analysis, prediction, and decision-making?

Video: From hacking the iPhone to self-driving – Comma.ai’s maiden voyage

*Homework 1.* You are who you are, but who am I? Machine-learning and inference of personality characteristics.

### ***Session 2. What is knowing? How does knowledge affect decisions?***

How do the limitations of machine-learning compare to traditional knowledge building. Are these limitations different, or a new version of an old problem? What does ‘knowing’ mean in the context of machine-learning? The differences between correlation and causation.

*Guest Speaker.* Youyou Wu, *Northwestern Institute on Complex Systems (NICO)*

*Homework 2.* Top performers: who are you hiring?

## Week 2 — The Fault in Our Stars

### ***Session 1. Be a better decision-maker – when genius doesn’t fail***

Using machine-learning to augment decision-making and understanding problems. Overcoming biases that make geniuses fail.

*Homework 3a.* Hiring your replacement

### ***Session 2. bias – who are we serving?***

Mating behavior on-line and the gaps. Predicting beauty from the web. Machines as a reflection of humans. Training data creation and usage. Predicting recidivism. Tay’s filthy mouth.

*Guest Speaker.* Jackie Milhans, *Northwestern Research Computing Services*

*Homework 3b.* Hiring your replacement

*Homework 4.* Improving the National Park Service’s Reach

## Week 3 — Automated Knowledge Building

### ***Session 1. Deep Blue, Watson, and AlphaGo: Machine Intelligence***

The development of artificial intelligence and its limits. Where are the current boundaries. What is the difference between algorithmic game intelligence and algorithmic intelligence? What can Watson do for us now?

*Video. Jeopardy*

*Video. AlphaGo*

### ***Session 2. Text as data – transforming an unstructured world into a data-driven one***

How do you quantify text? What does quantified text mean? How can it be used? When should it be a part of data-driven decision-making? When is there too little information to know what it means?

*Guest Speaker. Jason Childers, MarketLogic*

*Homework 5. Narrative Science Funnel Case*

## Week 4 — Text as Data

### ***Session 1. Data as text – Narrative science***

Why numbers lie. Automating consistent stories. How to transform data to text. When are words more reachable than numbers. Growth opportunities.

***IMPORTANT!!!! Class will be on Wednesday, May 24!!!***

### ***Session 2. Field Trip to Narrative Science HQ***

Narrative Science HQ – How do we implement machine-learning? What does delivery on-demand look like?

## Week 5 — Disrupting Frontiers

### ***Session 1. The soul of machines***

How can machines augment human creativity? How can machines be used in creative processes today? Does optimization approximate coaching?

*Video. Watson's Morgan Trailer*

*Video. Sunspring*

*(Optional additional watch) Black Mirror – S02E01*

### ***Session 2. An automated future***

How do we cope in a world of streaming information? How do we use it to deliver services on-demand? Predictive maintenance on wind farms. Boeing and the difficulty in streaming data.

*Guest Speaker. Mike Stringer, Datascope Analytics*

*Final Project.* Define a business opportunity that you could execute with the appropriate team to deliver sustainable value (i.e. deliver services at a profit) in one of the following areas:

- Deploying in an automated future – define a business area that already has or could be monitored continuously with sensors.
- Automating art – what creative processes could be disrupted and improved in a sustainable manner with machine-learning.

**MEMORANDUM**  
***Peter F. Bronfman Business Library***

**SUBJECT:** Library Statement  
EMBA 6600: Human and Machine Intelligence  
Kellogg-Schulich EMBA Program

**FROM:** Sophie Bury  
Head, Peter F. Bronfman Business Library

**DATE:** November 27, 2017

**EMBA 6600 - Human and Machine Intelligence**

This course, to be offered at the Kellogg School of Management at Northwestern University, focuses on machine learning and artificial intelligence and explores applications for business leaders. Participants will learn about machine learning decision tools including natural language processing, sentiment analysis, and pattern recognition and how these can be used to solve complex problems, lessen decision bias, scale human effort, and spot hidden patterns in big data.

As this course is offered at the Kellogg campus, York University Libraries will not be required to provide resources directly. It is noted that students will be supplied with hands-on cases and applications, including machine learning decision tools, to complete coursework.

Students can avail of e-resources available through the Libraries at the Schulich School of Business to research themes related to human and machine intelligence. Of relevance are interdisciplinary e-book packages including those related to business, computer science, science and engineering, e.g. *Books 24x7*, *Ebooks at Scholars Portal*, *Ebook Central* and *Safari Books Online*.

Students can also consult the library's research guides to identify article databases and other subscription e-resources to assist in researching themes of relevance at [researchguides.library.yorku.ca](http://researchguides.library.yorku.ca). This includes guides for business, information technology, and science among other topics. In addition, *BRYT (Business Research at York Toolkit)* – [bryt.library.yorku.ca/](http://bryt.library.yorku.ca/) - is recommended as it offers short videos and real-time database walkthroughs which guide students through conducting various types of business research.

To: **Faculty Council**, Schulich School of Business  
From: Moshe Milevsky, Area Coordinator, Finance Area  
Date: May 11, 2017  
Re: SB/FINE 6860 3.00 Retirement Income Planning Models Course Retirement

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**MOTION:**

That the Faculty Council approve the retirement of SB/FINE 6860 3.00 Retirement Income Planning Models.

**RATIONALE:**

SB/FINE 6860 3.00 has not been offered for several years. It was recently revised and shifted to a BBA level course to address a need in the Finance BBA offerings (FINE 4060 3.00 Advanced Personal Finance: Retirement Income Models)

## Course Change Proposal Template

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**1. Program**

Schulich MBA Program

**2. Course Number and Credit Value**

FINE 6860 3.00

**3. Course Title**

**a) Long Course Title**

Retirement Income Planning Models

**b) Short Course Title**

Retirement Income Planning Models

**4. Existing Pre-requisites/Co- Requisites**

Co- Req: FINE 6200 3.00

FINE 6050 3.00

**5. Type of Course Change (indicate all that apply)**

	<b>in course number</b>
	<b>in credit value</b> (provide course outline)
	<b>in course title</b> (provide course outline; short course titles may be a maximum of 40 characters, including <b>in course description</b> (provide course outline; short course descriptions may be a maximum of 60 words, written in present tense) <b>in learning objectives/outcomes</b> (please append the program's existing learning outcomes as a separate document) <b>in integration</b> (provide statement of approval from other program)
	<b>in cross-listing</b> (provide statement of approval from other program)
	<b>in pre/co-requisite</b>
X	<b>expire course</b> retire course FINE 6860 3.00 Retirement Income Planning Models
	<b>Other –</b>

**6. Effective Session of Proposed Change(s)**

Winter 2018

**7. Academic Rationale**

FINE 6860 3.00 has not been offered for several years. It was recently revised and shifted to a BBA level course to address a need in the Finance BBA offerings. (FINE 4060 3.00 Advanced Personal Finance: Retirement Income Models)

**8. Proposed Course Information**

Existing Course Information (Change from)	Proposed Course Information (Change to)

**9. Consultation**

For changes in integrations and cross-listings, as well as changes to courses that are integrated and/or cross-listed, please provide evidence that appropriate consultation has taken place.

**Originator**

<u>Moshe Milevsky</u> Signature	<u>May 11, 2017</u> Date
<u>Moshe Milevsky</u> Name	<u>Finance Area</u> Area or Specialization

**Approvals:**

**Area or Specialization**

I have reviewed this change form and I support the proposed changes to the course.

<u>Moshe Milevsky</u> Signature	<u>May 11, 2017</u> Date
<u>M. Milevsky</u> Name	<u>Finance</u> Area or Specialization

**Degree Program**

I have reviewed this change form and I support the proposed changes to the course.

<u>Ashwin Joshi</u>	<u>May 9, 2017</u>
Signature	Date

<u>Ashwin Joshi</u>	<u>Masters Business Administration</u>
Name of Program Director	Program

**Program Committee**

This course change has received the approval of the relevant Program Committee.

<u>Markus Biehl</u>	<u>November 16, 2017</u>
Signature	Date
<u>Markus Biehl</u>	<u>MPC-PCC</u>
Name of Committee Chair	Committee

**SCHULICH SCHOOL OF BUSINESS  
NOMINATING COMMITTEE SLATE FOR 2017-2018**

**Chair of Council:** James McKellar  
**Vice Chair:** David Johnston

**Ph.D. Program**

<b>Chair:</b> Program Director	Eileen Fisher
Secretary:	Stephanie Allen
ACTG	Dean Neu
FINE	Ambrus Kecskes
MKTG	Theo Noseworthy
OMIS	Murat Kristal
ORGS	Christine Oliver
PLCY	Stan Li
Elected Student Members:	
Ph.D. Rep.	Claire Deng
Ex Officio Voting Members:	
Associate Dean, Academic	Markus Biehl
Associate Dean, Students	Marcia Annisette
Non-Voting Members:	
Assistant Dean, Students	Melissa Judd

**Master Programs/Programs Coordinating Committee**

<b>Chair:</b> Associate Dean Academic	Markus Biehl
Secretary:	Vasanthi Nallathamby (interim)
ACTG	Shanker Trivedi
ECON	Irene Henriques
FINE	Yelena Larkin
MKTG	Marshall Rice
OMIS	David Johnston
ORGS	Hazel Rosin
PLCY	Anoop Madhok
BBA/iBBA	Farrokh Zandi
Elected Student Members:	
1 <sup>st</sup> yr MBA rep.	Kevin Chen or Umair Haidere
2 <sup>nd</sup> yr MBA rep.	Levin Maaskant
1st yr IMBA rep.	Tejashree Panth
2nd yr IMBA	Grishma Saheba
Student Rep BBA/iBBA	<b>Pearson Li or Atul Gautam</b>
Student Rep MACC	Fareeha Baig
Student Rep MBAN	Nahal Kazemian
Student Rep MFIN	William Wu
Student Rep FNEN	Yogi Kalavalapalli
Student Rep MMGT	Armita Jalooli
Student Rep MREI	Ahmed Zayed
Ex Officio Voting Members:	
AD Academic	Markus Biehl
AD Students	Marcia Annisette
Director BBA/iBBA	Detlev Zwick
Director IMBA	Alexandra Campbell
Director MAcc	Marcia Annisette
Director MBA	Ashwin Joshi
Director MBAN	Murat Kristal
Director MFIN	<b>George Klar</b>

Director MGMT	Kevin Tasa
Director MREI	James McKellar
Director SCTE / EE Lead	Peter MacDonald
eLearning Lead	Ingo Holzinger
Ex Officio Non-Voting Members:	
Rep. Student Services	Melissa Judd
Rep IST	Mark Orlan
Rep CDC	Rob Hines
Rep Alumni	David Bell

### Master's Admissions:

<b>Chair:</b>	Marcia Annisette
Secretary:	TBD
ACTG	Charles Cho
MKTG	Markus Geisler
ACTG	Sylvia Hsu
REAL	Sherena Hussain
OMIS	Zhepeng Li
ECON	Perry Sadorsky
ACTG	Gregory Saxton
ACTG	Albert Tsang

Student Member:	
MBA rep.	Alexandra Simpson
Ex Officio Voting Members:	
AD Students	Marcia Annisette
Non-Voting Members:	
Assistant Director of Recruitment and Admissions	Hollis Sinker, Boris Remes or Imran Kanga

### BBA/iBBA Programs:

<b>Chair:</b> Program Director	Detlev Zwick
Secretary:	Nikki Jagdeosingh
ACTG	Linda Thorne
OMIS	Adam Diamant
FINE	Moshe Milevsky
ORGS	Brent Lyons
Elected Student Members:	
1st yr BBA rep.	<b>Atul Gautam</b>
2nd yr BBA rep.	Marco Perri
3rd yr BBA rep.	Daniel Park
4th yr BBA rep.	Antoinette Muraca
iBBA rep.	Thiviya Varathswaran
Ex Officio Voting Members:	
AD Academic	Markus Biehl
AD Students	Marcia Annisette
Assoc. Director, BBA/iBBA	Farrokh Zandi
Non-Voting Members:	
Director SCTE	Peter MacDonald
Student Services Rep.	Hollis Sinker
Career Centre Rep.	Lyla Korhani

### Management:

<b>Chair:</b>	Dean Dezsö J. Horvath
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Secretary	Bela Husain
Ex Officio Members:	
Associate Dean, Academic	Markus Biehl
Associate Dean Research	Dirk Matten
Exec. Director External Relations	James McKellar
AD Students	Marcia Annisette
Executive Officer	Magda Szaki
Voting Members:	
Faculty Rep. – Chair of FC	James McKellar

**Nominating:**

<b>Chair:</b>	James Darroch
Secretary:	Nikki Jagdeosingh
OMIS	Moren Levesque
PLCY	Justin Tan

Elected Student Members:	
GBC President	Alexandra Simpson
UBS President	Carolina Pimentel Lucas
Ex Officio Members:	
AD Academic	Markus Biehl

**Research & Library:**

<b>Chair:</b>	Assoc. Dean, Research	Dirk Matten
Secretary:		Joanne Pereira
FINE		Douglas Cumming
MKTG		Theo Noseworthy

Elected Student Members:	
MBA rep.	Levin Maaskant
BBA/iBBA rep.	Veno Suthesan
Ex Officio Voting Members:	
Bronfman Business Librarian	Sophie Bury
Ex Officio Non-Voting Members:	
Research Officer	Joanne Pereira
Exec. Director IST	Mark Orlan

## Student Affairs:

### Chair:

Henry Kim

### Vice Chair:

Ella Veresiu (to Dec. 31, 2018)

Moshe Farjoun (Jan 1, 2018)

### Secretary:

Rachel Ricer

ACTG

Janne Chung

PLCY

Yuval Deutsch

ECON

Fred Lazar

ACTG

Sandy Qu

MKTG

Ajay Sirsi

PLCY

Justin Tan

MKTG

### Elected Student Members:

Grad Rep.

Levin Maaskant

Grad Rep.

Alexandra Simpson

Undergrad Rep.

Lusine Khach

Undergrad Rep.

Jaskaran Gill

### Ex Officio Voting Members:

AD Academic

Markus Biehl

### Ex Officio Non-Voting Members:

AD Students

Marcia Annisette

## Tenure & Promotions

### Chair:

**Preet Aulakh**

Secretary

Sabine Friedrich

### Core Members Continuing

MKTG

Peter Darke

ENTR

Moren Levesque

### Elected

PLCY

Preet Aulakh

ACTG

Jeff Everett

Ph.D. Rep

Tatiana Astray

### Noncore Members:

FINE

Kee-Hong Bae

Ming Dong

MKTG

Eileen Fischer

Detlev Zwick

OMIS

Ric Irving

Henry Kim

SGMT

**Moshe Farjoun**

**Stan Li**

## Tenure & Promotions Appeals

ECON

Fred Lazar

FINE

Mark Kamstra

ACTG

Dean Neu

### Kellogg-Schulich Executive MBA Program Committee:

<b>Chair:</b>	Markus Biehl
Secretary:	Ardene Harris
Academic Program Director	Matthias Kipping
<b>OMIS</b>	<b>Moren Levesque</b>
PLCY	Theodore Peridis
Associate Dean, Global Programs	Greg Heniffee
Assistant Dean, Exec MBA Programs	Su-Lan Tenn

Ex Officio Member:	
AD Academic	Markus Biehl
Student Members:	
1 <sup>st</sup> year EMBA rep.	
2 <sup>nd</sup> year EMBA rep.	Biju Mishra

### Senators:

<b>6 Faculty plus the Dean</b>	Marcia Anisette (July 1, 2020)
	Markus Biehl (July 1, 2020)
	Richard Irving (July 1, 2019)
	Brenda Gainer (July 1, 2019)
	Atipol Supapol (July 1, 2018)
	Scott Yeomans (July 1, 2019)
Ex Officio	Dean Dezsö J. Horváth

Student Senators:	
Graduate Student rep.	Azhar Meghani
Undergraduate Student rep.	Luigi Giuliano

### Senate Committees:

(\* = designated Schulich slots)

Academic Policy, Planning & Research (APPRC)*	Ric Irving
Tenure & Promotions Executive*	Anoop Madhok
Sub-Committee on Honorary Degrees*	Brenda Gainer
Academic Standards, Curriculum and Pedagogy (ASCP)	Tom Wesson
HPRC - Sub Committee of APPRC	

## FOR INFORMATION

### Faculty of Grad Studies:

Ex Officio	Dean Dezső J. Horváth
<b>Program Directors &amp; Representatives:</b>	
Associate Dean Academic	Markus Biehl
Ph.D.	Eileen Fischer
EMBA	Matthias Kipping
IMBA	Alexandra Campbell
MBA	Ashwin Joshi
MBAN	Murat Kristal
MAcc	Marcia Annisette
MFIN	George Klar
MMGT	Kevin Tasa
MREI	James McKellar
<b>Diploma Coordinators:</b>	
Business Sustainability	Dirk Matten
Financial Engineering	Ming Dong
<b>Student Representatives:</b>	
Ph.D.	Tony Choi
EMBA	TBD
IMBA	Tejashree Panth
MBA	Alexandra Simpson
MBAN	Nahal Kazemian
MAcc	Fareeha Baig
MFIN	William Wu
MMGT	Armita Jalooli
MREI	Ahmed Zayed

### Area Coordinators / Specialization Directors

ACTG	Cameron Graham
ARTM	Joyce Zemans
BSUS	Dirk Matten
ECON	Irene Henriques
ENTR	Steve Pulver
FINE	Lilian Ng
FNSV	James Darroch
HIMP	Joseph Mapa (Director)
	Amin Mawani (Specialization Director)
IBUS	Farrokh Zandi
MINE	Richard Ross
MKTG	Peter Darke
ORGS	Rekha Karambayya
OMIS	Ric Irving
PLCY	James Darroch
PROP	James McKellar
SOCM	Brenda Gainer

### Other University Roles

York University Pension Plan	Pauline Shum
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### Other Academic Administrators

Associate Dean, Academic	Markus Biehl
Associate Dean, Students	Marcia Annisette
Associate Dean, Research	Dirk Matten
Exec. Director, External Relations	James McKellar
Director, Schulich Centre for Teaching Excellence	Peter MacDonald
Affirmative Action Coordinator	Burkard Eberlein

### Area Affirmative Action Representatives

ACTG	Shanker Trivedi
ECON	
FINE	Melanie Cao
MKTG	Yigang Pan
ORGS	Hazel Rosin
OMIS	Scott Yeomans
PLCY	Justin Tan

### YUFA Stewards

Jeff Everett
TBD

**Schulich School of Business  
Minutes of Faculty Council**

A regular meeting of the Schulich Faculty Council for the 2017-2018 academic year was held on  
Friday October 13<sup>th</sup> 2017 at 12:00pm in room SSB W132.

**In Attendance:**

**Chair:** J. McKellar  
**Secretary:** E. Rush

**Voting Members of Faculty Council Present:**

Senior Administration	D. Horváth, M. Biehl, M. Szaki, T. Beechy (ret.), M. Annisette, D. Matten, M. Judd		
Student Council Reps	R. Krishna (PhD), A. Simpson (GBC), L. Maaskant (GBC), F. Baig (GBC)		
ACTG	C. Cho, J. Everett, C. Graham, L. Thorne, V. Trivedi,		
ARTM/NMLP			
BSUS			
ECON	I. Henriques,		
FINE	M. Kamstra, Y. Larkin		
MKTG	A. Campbell, A. Joshi, M. Rice, E. Veresiu, D. Zwick		
ORGS	R. Karambayya, B. Lyons		
OMIS	A. Diamant, R. Irving, M. Kristal, M. Levesque		
PLCY	P. Aulakh, J. Darroch, B. Eberlein, T. Peridis, W. Sheremata		
PROP		OTHER:	

**Voting Members of Faculty Council Absent:**

E. Auster	A. Devine	F. Lazar	Y. Pan	A. Tsang
K-H. Bae	D. Dimick (ret)	Z. Li	L. Pimentel (UBS)	M. Valente
R. Belk	M. Dong	I. Macdonald (ret)	E. Prisman	E. Waitzer
C. Bell	E. Fischer	A. Mawani	S. Qu	S. Weiss
A. Bhanich-Supapol	M. Giesler	R. McClean (ret)	H. Rosin	T. Wesson
S. Bury (Library)	B. Graham (Alumni)	J. McKellar	P. Sadorsky	E. Westney (ret)
M. Cao	S. Hsu	C. McMillan	G. Saxton	B. Wolf (ret)
J. Chung	D. Johnston	G. Morgan (ret)	P. Shum	L. Wright
W. Cook (ret)	K. Kanagarethnam	A. Muraca (UBS)	J. Smithin	S. Yeomans
P. Darke	A. Kecskes	D. Neu	J. Tan	J. Zemans (ret)
A. deCarufel	H. Kim	T. Noseworthy	K. Tasa	
Y. Deutsch	G. Kistruck	C. Oliver	Y. Tian	

**Regrets, Leaves, Sabbaticals (\*):**

M. Farjoun*	S. Li	M. Milevsky	D. Thomassin-Sing (LOA)
B. Gainer	A. Madhok	L. Ng	M. Waller*
M. Kipping	E. Maynes (LOA)	A.J. Sirsi	C. Zietsma (LOA)

**Non-Voting Members of Faculty Council Present**

D. Bell	S. Hussain	S. Siddik	L. Wong
M. Bhutani	L. Korhani	S. Tenn	F. Zandi
K. Gray	A. Mustapha	D. Woticky	
R. Hines	B. Remes	K. Welsby	

**Non-Voting Members of Faculty Council Absent:**

T. Anderson	P. Dillon	L. Kharlip	A. Middleton	V. Raghunathan
E. Caprioni	E. Farrell	M. Lefranc	R. Moy	C. Seeley
M. Cernea	A. Gravel	R. Lynn	S. Nahm	H. Sinker
G. Chen	L. Hillcoat	J. MacKay	C. Niederwanger	G. Sue
A. Choi	I. Holzinger	A. Makooie	Y. Oo	N. Sutherland
T. D'Agostino	J. Jeyakumaran	J. Mapa	M. Orlan	E. Wang
P. Deonandan	I. Kanga	R. Mayer	C. Partland	D. Weitzner
		T. Mcqueen	P. Pivato	J. Wu

**1. Welcome & Chair's Remarks**

- a) Welcome & Introductions: The Chair called the meeting to order and welcomed Council members. At the Chair's request, the new student body representatives introduced themselves to the Council.
- b) Motion: Removal of Summer Authority Vested in Executive Committee
- A. Joshi moved for approval of the motion. Seconded by R. Irwin. All in favour. Motion carried. The Chair indicated that the following two items were approved under the summer authority of Executive Committee:
- Curricular Change: IMBA 6200 3.00 – International Field Study (*description*) (*June 2017*)
  - Updates to the 2017-2018 Nominating Slate (*October 2017*)
- c) The Chair drew Council members' attention to the Senate Indigenous Acknowledgement. The statement was recognized by the Council.

**2. Enquiries & Communications**

- a) Consultation: Search for the new Vice-President Academic & Provost

Search committee representatives Dean Paul MacDonald and Professor Ellen Gutterman were in attendance to provide the Council with an overview of the role of the search committee as well as consult with Council members on the job profile. Dean MacDonald asked Council members for their input on the following four questions:

- What are the opportunities and challenges facing York over the next five years?
- What are your aspirations for York University in that timeframe?
- What qualifications should be sought in candidates (in terms of leadership style, academic credentials, background, and experience)?
- Are there individuals you would like to recommend for the position?

Challenges raised included the importance of improving the reputation of the university as well as avoiding disruption from strikes. Characteristics important for the role included an ability to build consensus, be decisive, act as a change agent, understand labour relations, and negotiate well both internally and externally. The Council also expressed a desire for the candidate to have senior leadership experience at a large Canadian university so that, once hired, he or she can hit the ground running.

Council members were encouraged to submit any further feedback to the following address: [yorkuvpap@odgersberndtson.com](mailto:yorkuvpap@odgersberndtson.com). Dean MacDonald indicated that the job profile will be

written up once the consultation process has finished and the aim is to have someone appointed to the role by July 1<sup>st</sup> 2018.

### 3. Dean's Remarks

Dean Horváth updated Council members on the following achievements and initiatives in the Schulich community:

- The construction of the new Rob and Cheryl McEwen Graduate Study & Research Building is progressing well and a move-in date of end of April is anticipated.
- Schulich and Deloitte announced plans last week to jointly establish the new Deloitte Cognitive Analytics and Visualization Lab in the new building.
- *Forbes* magazine has ranked Schulich 1st in Canada and 8th in the world among two-year MBA programs outside the US in the 5-Year MBA Gain category. Schulich was also jointly ranked 4th in the world among all 2-year MBA programs (both US and non-US) in terms of "Years To Payback."
- The Fall term began with more students than ever before. The Dean remarked on the high academic quality of the students in the graduate programs and noted that we currently have more women than men in each program.
- The 25<sup>th</sup> anniversary celebration of the Erivan K. Haub program will take place on October 13<sup>th</sup>.
- A team of four Schulich BBA students competed last month against five other teams for \$1 million in start-up capital at the Hult Prize Global Finals in New York. This marks the second time in the past four years that a Schulich team has made it to the Global Finals.
- Another major panel discussion for the book *Reminaging Capitalism* will take place in Mumbai, India on November 22nd.
- Fall convocation events will take place over the next two weeks. President and CEO of the Ontario Teachers' Pension Plan Ron Mok will receive an honorary degree.

Dean Horváth encouraged Council members to read the recently circulated newsletter 'A Message from the Dean' for further updates and details on the above.

### 4. PhD/GBC/UBS Initiatives:

GBC President Alexandra Simpson and VP Levin Maaskant indicated that they are working on a number of initiatives and have a high level of engagement from students. They are currently revising the strategy and components of their ongoing mental health initiative and asked Council members for support when they reach out over the coming weeks. In particular they highlighted their #goplay frisbee photo campaign that will run throughout week 6 of the program and encouraged faculty members to email them if they were interested in participating. They also indicated that academics are going well and that students are excited about the many developments in the school, including the new building and the upcoming visualization lab.

UBS President Carolina Pimentel Lucas and UBS VP indicated that they are also working on enhancing student wellness. Efforts are being coordinated with the GBC to provide more resources to students.

The Chair acknowledged the valuable work on mental health by both student bodies and thanked them for their initiatives.

The PhD student body representative did not make any remarks.

## 5. Master Programs Committee / Programs Coordinating Committee

### a) Motion: Proposal to Extend International Exchange Option to 1-Year Master Programs

M. Annisette moved for approval of the motion. Seconded by Tom Beechy. M. Annisette indicated that the infrastructure necessary for this change is already in place. Students in the one-year masters programs must complete their program requirements before they are eligible to go on exchange. Those that take this option will delay their graduation by one semester. All in favour. Motion carried.

### b) Motion: Changes to Grading Policies & Guidelines

M. Biehl moved for approval of the changes to the grading policies and guidelines. Seconded by R. Irving. M. Biehl noted that this item was previously brought forward to the Council as a consultation item. Since then the item has been back to the program committee for small changes and it is now before Council for a vote. He highlighted that the changes are intended to increase the transparency for students in our grading practices. He noted that in the current version the bullet point that requires the percentage to letter grade translation scale to be communicated up front has been cut out. All in favour. Motion carried.

### c) Motion: Approval of New Master of Marketing Program (MMKG)

D. Rice moved for approval of the above motion. Seconded by A. Campbell. D. Rice provided an overview of the new program and thanked members of the task force for their hard work in putting it together, noting that it is the first masters program of its kind in Canada. He provided a brief overview of the curricular content as well as the experiential capstone that will span the second two terms of the program. There are a number of new courses in the program, but no changes have been made to existing courses. In response to a question from a council member, he indicated that a sales course has been included in the curriculum. All in favour. Motion carried.

### d) Motion: New Course Proposals for Master of Marketing Program (MMKG)

1. ACTG 5200 3.00 – Financial Decisions for Managers
2. MGMT 5100 3.00 – Business Decision Making
3. MKTG 6000 3.00 – Marketing Field Project 1 - Strategy
4. MKTG 6001 3.00 – Marketing Field Project 2 - Implementation
5. MKTG 6140 3.00 – Consumer Insights
6. MKTG 6230 3.00 – New Topics in Digital Marketing
7. MKTG 6370 3.00 – Marketing Analytics
8. MKTG 6560 3.00 – Digital Marketing Strategy

D. Rice moved for approval of the above courses. Seconded by I. Henriques. All in favour. Motion carried.

### e) Motion: Approval of New Master of Supply Chain Management Program (MSCM)

D. Johnston moved for approval of the motion. Seconded by M. Kristal. D. Johnston thanked the task force for their efforts and provided an overview of the program. He indicated that it is scheduled to start in the Summer 2019 term and noted that it will include a part-time offering. All in favour. Motion carried.

### f) Motion: New Course Proposals for Master of Supply Chain Management Program (MSCM)

D. Johnston moved for approval of the following courses. Seconded by M. Kristal. All in favour. Motion carried.

1. OMIS 6200 3.00 – Strategic Supply Chain Management
2. OMIS 6210 3.00 – Transportation and Logistics Management
3. OMIS 6220 3.00 – Supply Relationship Management
4. OMIS 6230 3.00 – Coordinating Demand and Supply
5. OMIS 6300 3.00 – Managing Change in Supply Chains
6. OMIS 6310 3.00 – Managing International Trade in Supply Chains
7. OMIS 6320 1.50 – Enterprise Information Systems for Supply Chain Management
8. OMIS 6400 4.50 – Supply Chain Consulting Project

g) For Information: Memo re Course Cleanup

M. Biehl drew Council members' attention to this item, explaining that the Registrar's Office has retired courses that haven't been run in seven years. He asked that faculty let him know if they want any of the courses resurrected so that they can be offered again.

**6. Remarks by President & Vice-Chancellor Rhonda Lenton re the Decanal Appointment Process**

President Lenton provided an update on the decanal appointment process. She thanked Council members for their input thus far and outlined next steps.

The Provost will establish and chair a Succession Planning Committee (SPC) whose task will be to carry out the first part of the two-stage process in the search for the new Dean. The committee will consult with members of the Schulich community to understand their perspectives on the strengths, challenges and opportunities for the School as well as the qualities, experiences, and skills that the next Dean should ideally possess. The SPC should include around 5 tenured faculty members and a process will be set up for membership nominations. The proposed slate will be brought back to the Council (though it has yet to be confirmed whether the slate will be voted on by Council or approved by the President and Provost). The committee will aim to prepare a report for the President in the spring of 2018, and the findings will be shared back with the Council.

Council members raised a number of questions with regard to the process and timing. President Lenton highlighted her desire for this process to be Council-driven and explained that she is open to Council's input on how the process should unfold. She also highlighted the importance of having a diverse planning committee. President Lenton indicated that the Provost will follow up shortly with more information.

**7. Adjournment**

The meeting adjourned.

**Consent Agenda**

The following items were approved by consent:

**8. BBA/iBBA Committee**

**a) Curricular Changes:**

1. ACTG 4450 3.00 – Management Accounting & Control Systems (*retirement*)
2. ACTG 4160 3.00 – Advanced Financial Accounting (*retirement*)
3. ACTG 4610 3.00 – Advanced Auditing (*retirement*)
4. ACTG 3700 3.00 – Taxes & Decision Making (*retirement*)

5. MKTG 4560 3.00 – Digital Marketing (*course description*)

**9. Minutes from the Previous Meeting** (2017.05.26)