

MANAGING MERGERS & ACQUISITIONS [MGT516]

HSBC Business School, Peking University, Shenzhen, China
Course Introduction and Syllabus

Module 1, Fall Semester 2013-14

(DRAFT: 19 Aug 2013; see course website for most recent version)

Instructor: Professor Terrill L. Frantz
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Office Hours: By Appointment (send email to arrange)

Class Meetings: Monday & Thursday
Class Time: 1:30pm-3:20pm
Class Room: TBD **Language:** English
Classification(s): 3 Credit Management Elective
Website: <http://mma13.phbs.info>
Website (alt): <http://mma13.terrillfrantz.com>

Goals and Aims

The principal goal of this course is to advance students' understanding of and develop their proficiency for managing an organization. The ultra-challenging time of an organizational M&A (mergers and acquisitions) is used to lever this learning opportunity by embracing the multi-disciplinary aspects of such events: herein, we venture to absorb the management-oriented drivers of M&A success in theory and in practice. This course seeks to prepare students for a career in general business management, consulting, or corporate development. The course material compliments management, finance and economic courses and will require students to utilize what they have already learned in order to appreciate the inherent complexity of management in the ultra-complex circumstance of an M&A event.

This course prepares students for being able to productively apply variety in their organizational life, both as entry-level associates and as future managers and leaders. The aim is that students will understand and ultimately apply these concepts in their workplace.

In the pursuit of the course goals and aims, this course leads the student to:

- 1. Master the language and processes of M&A.** Basic knowledge about M&A is the foundation for effectively operating within the field. *This course will explain practices and use the specialized terminology through all activities.*
- 2. Recognize M&A issues, laws, conflicts and ethics.** Knowledge of the business climate, the legal and social environment, and current events provide insight into issues and conflicts that you will face when managing an M&A strategy. *In this course will review and discuss numerous real-world situations, past and present that impact the success or failure of M&A events.*
- 3. Distinguish M&A as a strategy and as a consequence.** M&A occurs in waves according to business pressures. *In this course, we will look at aggregated M&A activity with respect to the economic environment, business cycles, the markets, and corporate development.*
- 4. Diagnose the multi-faceted intricacies of M&A integration management.** M&A affects all stakeholders and reaches into every facet of an organization—financial, accounting, products, and human, etc.; it is an intricate business stratagem that stresses organizational-strengths and accentuates weaknesses. *In this course you will develop, design and present a comprehensive analysis of a real situation and devise a multi-faceted plan for carrying out the management of the post-merger integration task.*
- 5. Further develop general problem-solving, quantitative and qualitative analysis, and critical thinking skills.** These skills are a cornerstone of any graduate-level business degree and are emphasized in every PHBS graduate program. *This course overtly integrates its topic-specific goals and materials with those overarching goals of PHBS programs and any world-class, graduate-level business degree program.*
- 6. Practice business-oriented English-language communication, group teamwork, leadership, and presentation skills.** Language and the soft-skills are life-long learning undertakings that even the most seasoned business professional must endeavor to continually improve upon. *In this course students will regularly be placed into situations to practice and receive feedback on these critical interpersonal skills.*

M&A is a complex subject: business competition is intense, and the penalty for making mistakes is immense. If you dedicate yourself fully to this course, your knowledge and skills, and thus success, will be greater than that of your rivals. Your confidence and business acumen will be greatly increased and you will be indispensable to your future

employers or clients. Experts agree that successful M&A is a creative endeavor and that creativity arises in a safe environment that is highly demanding yet gratifying. The professor endeavors to provide this hard-but-fun classroom environment to the class, but the ultimate success of the course is grounded primarily in each individual student's effort put forth into the course activities, which will provide a long-lasting outcome ... in short, *discomfort is temporary, accomplishment is forever!*

Focus of general content

This course will draw on the course readings, past cases and current news events. Readings will generally focus on large publically held corporations headquartered in the USA, but the professor will endeavor to include discussion on global-based organizations based on any continent as best possible given the structural language and information-transparency barriers. Laws and regulations discussed will be mostly from the perspective of the USA, but coverage of local China- and Asia-based matters will also be included when possible. The course is presented as management-oriented, but because the management of M&A is inherently multi-faceted, the content will draw on many of the other courses offered in your degree program; the intent herein is to build upon the learning from all business courses that you have taken previously. If this course does delve into subject matter that you have not yet been exposed to, it is your responsibility to independently and acutely explore that subject using your own devices to give meaning to the unfamiliar course material.

Course Topics

- The M&A Context
 - Corporate Restructuring: Takeovers, Mergers and Acquisitions
 - Due Diligence
 - Legal Issues
 - Valuation and Accounting
 - Post-Merger Issues
 - Cross-Border Acquisitions
 - Alternatives to Mergers and Acquisitions
- Managing during the Post-Merger Integration Stage
 - Challenges
 - Real-world Cases: Successes & Failures
 - Organizational Information Flow
 - Best Practices
 - Complexities of Managing Cross-Border Post-Merger Integrations

Teaching Methodology

This course involves regular lectures and is comprehensively activity-based. Students will be introduced to the ideas through lecture, case-study and numerous readings, and will reinforce the material via in-class and outside-of-class activities.

Prerequisites

Non-required prerequisites for this class include university-level courses such as: (a) Financial Accounting, (b) Introduction to Management, (c) Organizational Behavior, and (d) Corporate Finance.

Grading/Evaluation

Grades will be based according to the follow weighting:

Classroom participation (15/18 class meetings):	15%
Quizzes (4 x 5%):	20%
Group Project:	10%
Individual Project (in lieu of a mid-term exam):	25%
Final Project (in lieu of a final exam):	30%

Missed quizzes cannot be made up and must be taken only at the time they are offered. Assignments submitted after the time due are penalized 10% of the base assignment-grade for each 24-hours late.

Course Text

Course readings will be provided by the professor in lieu of a required text book.

Course Website

The course website is the primary communications vehicle for outside-of-class communications and course documentation. The student is expected to routinely check the site for information and class-related announcements—perhaps daily.

About the instructor

Assistant Professor Terrill Frantz is a full-time management faculty member of HSBC Business School at Peking University, Shenzhen, China. He has 20 years of corporate experience, working for global investment banks (Morgan Stanley and JP Morgan) in New York, London, and Hong Kong and consulting at numerous organizations in other industries as well. His academic field is Organization Behavior with a research focus on Post-Merger Integration—he has published numerous academic articles and book chapters on the subject. Dr. Frantz has a life-long orientation in business management and software technology, supported by both work experience (Asia-Pacific Operations Officer for Technology at Morgan Stanley, Assistant to the CIO at Morgan Stanley NY, etc) and advanced degrees (EMBA from Stern, New York University, Computer Science from Carnegie Mellon University, etc).