

Focus Module: Cross-Border Mergers & Acquisitions (M&A)

Virtual Exchange Autumn Semester 2023/24

Online Module in cooperation with Hogeschool Utrecht, The Netherlands

Number of ECTS: 5

Format of the course: mix of synchronous and asynchronous online classes

Total number of students accepted: 30

Responsible lecturer FHNW:

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1. Course content

The focus of this module is to gain international exposure and competence by working in teams on an international project in the field of mergers and acquisitions (M&A).

The project is an interdisciplinary, interactive, cross-cultural course focusing on industry and company consolidation. The aim is to merge a Swiss company with a foreign competitor or to take over one by the other. Students will decide how the merger or acquisition will take place during several rounds of analysing, presenting, and negotiating with each other, thus finding the optimal solution for every party being involved (stakeholders).

Emphasis will be placed on the following subjects:

- Advising on and carrying out industry and comparative (financial) analyses of two international companies
- Valuation of two real companies on the basis of different methods with a particular focus on the assessment and quantification of possible synergies
- Negotiating and communicating an acquisition or merger deal in an international perspective
- Elaborating a reasonable deal structure, considering of different financing options of an M&A deal, and summarizing the key terms and conditions in a letter of content (LOI)
- Running a stakeholder and corporate social responsibility analysis (CSR) and setting up a plan for integration
- Convincing the board of directors of the merits of the planned transaction with written reports, financial analyses, and presentations.

2. Learning objectives

Students should have the following competencies after completing this course:

- Being able to recognise the complexity of strategic financial decisions
- Analysing and presenting complex (financial) information on macroeconomics, industry sectors and companies in an international context, thus showing the ability of abstract thinking and analytical skills
- Being able to compare two companies on the basis of various key figures and to identify the drivers of performance and value
- Advising to different stakeholders and shareholders, based on in-depth analysis
- Reporting of outcomes in various formats (reports, calculations, discussions, presentations)
- Organisation of live online meetings (video conference)
- Negotiating to business clients in an international context
- Cooperating in teams.

3. Place in the curriculum and relationship with other courses

This Focus Module “Cross-Border M&A” relates to the following areas of expertise:

- *Strategic Management* – Having an insight into the developments in the environment and being able to translate them into the company-specific situation is essential in making decisions. Since M&A is the topic, the choice of market growth and entrance strategy has already been made, implying that students must work their way backwards through theories and models in order to find argumentation for this choice.
- *Financial Accounting* – This concerns the accounting technique in which figures are provided for the balance sheet and income statement and for all kinds of other calculations that are necessary.
- *Financial Reporting & Controlling* – Financial statements reflect the financial structure of the company. The annual accounts can also be used to calculate various key figures that give an indication of the profitability, liquidity, and solvency of the company – key concepts in Corporate Finance. By working on an M&A deal, the students acquire knowledge of external accounting and financial issues as well as skills in analysing and comparing annual reports.
- *Corporate Finance* – The valuation of a company on the basis of different methods as a starting point for deal negotiations or the exchange ratio of shares.
- *Intercultural Communication* – Working on a cross-border M&A project will require a deeper understanding of differences of regional and organizational cultures. The students will be given the necessary tools to identify and assess cultural issues in business relations and bilateral communication and learn how to handle cultural challenges.

4. Workload and format

The number of credits to be obtained is 5 ECTS, which equals 150 study hours.

The course takes place in cooperation with another university of applied sciences abroad (Utrecht, Netherlands). In order to gather and exchange information in the best possible way across countries, a wide variety of learning methods are chosen:

- Online lecture and/or virtual discussions on cross-cultural management skills
- Short input sessions on industry analysis, company analysis, valuation etc.
- Feedback to weekly assignments
- Information retrieved online
- Casework and preparations in subgroups
- Chats via internet
- Presentations (live via video conference or recorded)
- Other deliverables: Written reports, Excel worksheets and PowerPoint slides

5. Prior knowledge and entry requirements

There are no formal entry requirements for this course.

The participating student is expected to have successfully completed a “Corporate Finance” module. Completion or enrolment in FHNW’s “Financial Reporting & Controlling” module is recommended.

In order to acquire the relevant knowledge about underlying theories and concepts, the student will be required to show learning independence and proactive behaviour to a large extent. The lecturer acts as a coach.

6. Course structure and dates

This course runs over eight weeks and consists of input sessions, weekly group assignments, consultations, presentations, video conferences etc. Each week, short online introductory lessons are held on individual topics. Most of the course is taken autonomously, i.e., in groups and in exchange with another assigned group of students from a partner university. The task of the lecturer is not primarily to teach theory and concepts, but rather to coach the individual groups and to give assistance and feedback where needed.

Each week, in groups, students have to submit an assignment on one aspect of the M&A process. Starting from industry analysis, company analysis and valuation to negotiations, numerous typical M&A topics are covered in this module. This gives students an in-depth and practice-oriented insight into the M&A world. Attendance is compulsory only at the first and last session. On the remaining five sessions, there will be short inputs (approximately 30-60 minutes) from the lecturer on the various M&A topics. Participation in these input sessions is voluntary. The rest of the afternoons is intended to work on the group assignments.

The course will be held entirely online at the following dates:

Block	1		
Week	38		
Date	Tu, 19 September 23	Time	13.15 – 17.00
Content	Introduction and overview, cross-cultural management, industry analysis		
Form	Online, central (compulsory participation)		

Block	2		
Week	39		
Date	Tu, 26 September 23	Time	13.15 – 17.00
Content	Company and comparative analysis		
Form	Online, decentral (voluntary participation)		

Block	3		
Week	40		
Date	Tu, 3 October 23	Time	13.15 – 17.00
Content	Business valuation		
Form	Online, decentral (voluntary participation)		

Block	4		
Week	41		
Date	Tu, 10 October 23	Time	13.15 – 17.00
Content	Negotiations, deal structuring, financing, letter of intent (LOI)		
Form	Online, decentral (voluntary participation)		

Block	5		
Week	43		
Date	Tu, 24 October 23	Time	13.15 – 17.00
Content	Stakeholder analysis, corporate social responsibility (CSR), integration		
Form	Online, decentral (voluntary participation)		

Block	6		
Week	44		
Date	Tu, 31 October 23	Time	13.15 – 17.00
Content	Preparation of the final presentation		
Form	Online, decentral (voluntary participation)		

Block	7		
Week	45		
Date	Tu, 7 November 23	Time:	13.15 – 17.00
Content	Final presentation to the board		
Form	Online, central (compulsory participation)		

7. Assessment

Throughout the whole course, six group assignments must be submitted on a weekly basis. These consist of PowerPoint slides, calculations and financial analyses, written documents, and presentations. The assessments for each of the assignments are weighted equally, and the criteria of the evaluation include the academic depth according to the learning objectives, the level of participation and the professionalism. Group grades will be awarded. There will be no final examination.

As participation in this project requires a strong sense of commitment and group-loyalty in order to obtain the full benefit, being present (online) and taking an active part in the assignments will contribute to achieving a good grade. Absence and freeriding will lead to an insufficient grade and not passing the course.

The 5 ECTS points for this course are awarded if the final grade is at least 4.0.

8. Literature

Compulsory literature	
Title:	Fundamentals of Corporate Finance
Authors:	Richard A. Brealey, Stewart C. Myers, Alan J. Marcus
ISBN:	978-1265102593
Publisher:	McGraw-Hill