Course Title: An Introduction to Mergers & Acquisitions
Course Code: BUS 128
Instructor: Neil Shroff

Course Summary:
This course teaches the principles of M&A and would be valuable for anyone looking to buy or sell a company for themselves or their employer. Students will learn:

• Financial and strategic reasons a merger or acquisition should be considered,
• Strategies employed by both sides of a middle-market transaction,
• Practical methods for shareholders and acquirers for planning for an acquisition,
• Seller’s and Buyer’s methods for determining the value of a company,
• Tax and legal implications to both sides of a transaction,
• Overcoming pitfalls commonly encountered in the process during the negotiations, due diligence, the drafting of the definitive purchase agreement and closing

*Please see course page for full description and additional details.

Grade Options and Requirements:

• No Grade Requested (NGR)
  o This is the default option. No work will be required; no credit shall be received; no proof of attendance can be provided.

• Credit/No Credit (CR/NC)
  o Students must attend at least 80% of class sessions.

• Letter Grade (A, B, C, D, No Pass)
  o Students must attend at least 80% of class sessions, and complete responses to various practical questions (to be discussed further in class).

*Please Note: If you require proof that you completed a Continuing Studies course for any reason (for example, employer reimbursement), you must choose either the Letter Grade or Credit/No Credit option. Courses taken for NGR will not appear on official transcripts or grade reports.

Tentative Weekly Outline:

Class 1
• Introductions
• Course overview and Syllabus review
• Pros and cons of each type of exit strategy
• Integrating timing into an exit strategy
• Building the value of a company after knowing your exit strategy
• (Optional) Read before Next Class: Chapter 1, 2 & 5

Class 2
• Corporate strategy: buy or build analysis
• How a buyer decides whether or not they are interested in purchasing a company
• Possible Guest Lecturer: Corporate M&A person and/or PEG partner
• (Optional) Read before Next Class: Chapter 3 & 4

Class 3
• Common valuation techniques
• Differences between how a buyer values a company and what they offer
• Optional Class Project: Form groups and identify your deal role
• (Optional) Read before Next Class: Chapter 6 & 7

Class 4
• Deciding to work with a sole buyer or a competitive multiple buyer process
• Typical preparation prior to going to market
• Investment banking sell-side process
• Roles of various advisors and how to choose them
• Identifying likely prospective strategic buyers
• Differences in deals and process between strategic buyers and private equity groups
• Optional Class Project: Determining valuation of target company from given fact set
• (Optional) Read before Next Class: Chapter 8, 9, 10 & 11

Class 5
• What the financial deal terms mean to your take home
• How the deal terms affect your tax bill
• Why middle-market M&A deal terms are not the ones you read in the news
• How technology acquisition deal terms differ from those of other acquisitions
• Optional Class Project: Negotiate a Letter of Intent with Sellers
• Possible Guest Lecturer: Tax Advisor
• (Optional) Read before Next Class: Chapter 12

Class 6
• What really happens during due diligence?
• Preventing due diligence from killing your deal
• Preventing a buyer from using your valuable information against you
• Possible Guest Lecturer: Audit Accountant

Please contact the Stanford Continuing Studies office with any questions
365 Lasuen St., Stanford, CA 94305
continuingstudies@stanford.edu
650-725-2650
• (Optional) Read before Next Class: Chapter 13 & 14

Class 7
• What do lawyers do during due diligence?
• Typical terms in a purchase agreement
• Where are the typical hang-ups in negotiating the purchase agreement
• What happens between signing and closing
• What happens during the closing process
• Optional Class Project: Negotiate a price adjustment based on due diligence findings
• Possible Guest Lecturer: M&A Attorney
• (Optional) Read before Next Class: Chapter 15

Class 8
• Overview of deal milestones
• What happens during integration
• Common reasons that acquisitions fail
• Optional Class Project: Present outcomes in class